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Anritsu Corporation

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<https://www.anritsu.com/en-US/>

The status of the corporate governance of Anritsu Corporation is described below.

## I. Basic Views on Corporate Governance, Capital Structure, and Corporate Profile and Other Basic Information

### 1. Basic Views

Anritsu Corporation (“Anritsu” or “Company”) acknowledges that it is the top management priority for the Company to heighten its corporate value continuously by adapting to changes in the business environment flexibly and promptly and enhancing its competitiveness as a global corporation. To attain that goal, Anritsu has strived to construct an environment and structure where corporate governance effectively functions. As an immediate issue, we are now tackling the strengthening of corporate governance from the following points of view:

- (1) Greater transparency in the management,
- (2) Appropriate and timely disclosure of information
- (3) Stronger supervisory function over the management
- (4) Training up of management personnel

To fulfill our corporate mission with “sincerity, harmony, and enthusiasm” as declared in the Company Philosophy, we will further implement appropriate and necessary measures for cultivating our corporate culture that respects the rights and interests of all the stakeholders, including shareholders, customers, and employees, as well as improving our internal organizational structure.

Following the principles of the “Corporate Governance Code,” the Company sets out the “Anritsu Basic Policy on Corporate Governance,” describing its basic views and the organizational structure and frameworks upholding such beliefs to pursue better corporate governance in Anritsu Group (a corporate group comprising of the Company and its subsidiaries, “Group”). The Basic Policy is disclosed on the Company website.

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

### [Reasons for Non-compliance with the Principles of the Corporate Governance Code] [Updated]

Anritsu has complied with all the principles laid down in the “Corporate Governance Code” after the amendment made in June 2021.

The following descriptions in this Report are based on the Corporate Governance Code after the above change.

## **[Disclosure on the Principles of the Corporate Governance Code] [Updated]**

<Principle 1.4: Policy on cross-shareholdings, results of the assessment on the appropriateness of individual cross-shareholdings, and standards to ensure the appropriateness in the exercise of voting rights to cross-held shares>

### **- Policy on cross-shareholdings-**

To contribute to the increase in mid-to-long-term corporate value, the Company holds the shares of some listed companies, mainly those of its clients or business partners, for cross-shareholding, considering its business strategy and marketing and other policies comprehensively. In those cases, while monitoring the relevant cross-shareholders' business conditions, the Company annually assesses the importance and rationality of continuing to hold their shares. Suppose the necessity to continue having any stock becomes less or otherwise lose its meaning; we will consider the sale or disposal of the stocks as appropriate, based on the share price, market trend, and other factors. The result of the above assessment on the appropriateness of having individual stocks, the details of their sale or disposal, if implemented, and other matters relating to cross-shareholdings will be reported to the Board of Directors annually and when required.

Anritsu is propelling transactions from an ESG perspective and based on economic rationality; therefore, it never demands any client or business partner to hold the Company's shares as a condition for a transaction with the Group. It also never requires the client or business partner that currently has its shares to keep doing as a condition for continuing the transaction.

### **- Results of assessment on the appropriateness of individual cross-shareholdings**

The Company makes it a rule to hold the shares of other listed companies for cross-shareholding only where such shareholding is necessary for implementing its key business strategies, and it is now trying to reduce the cross-shareholdings. Following the rule, we examined the rationality of individual stocks of cross-held shares regarding the importance of keeping them and whether the earnings derived from such holding have covered its targeted capital cost or not. We also considered market value fluctuation and the accumulated amounts of dividends received during a specific period. As a result, the Company confirmed that all the stocks held by it have contributed to maintaining and strengthening the business relationship with the relevant cross-shareholders. At the same time, by the above examination conducted for the period until the end of the latest business year, it was found that there was little need to hold some stocks, which the Company worked to sell. Consequently, the percentage of the book balance of the shares of other listed companies held for cross-shareholding to the total net asset decreased to below around 0.1% at the end of March 2021.

### **-Standards to ensure the appropriateness in the exercise of the voting rights to cross-held shares**

When exercising the voting rights as to its cross-shareholdings, the Company comprehensively determines its stance after examining whether its exercise can contribute to the increase in corporate value from a mid-to-long-term perspective based on TSR (total shareholders return) and other metrics, taking into account the following factors: the purpose of the cross-shareholding; the business performance, management policy, governance, and other elements of the relevant cross-shareholder.

<Principle 1.7: Frameworks of the appropriate process in proportion to the importance and characteristics of related party transactions>

With adherence to the laws or ordinances for operating activities and material procurement, the Company engages in fair transactions in line with sound business practices and social norms. Also, to ensure that any transaction does not harm its interests or the shareholders' common interests, for the transactions below, it is required to submit the proposition to the Board of Directors and obtain approval in advance: (i) a competitive transaction conducted by a Director; (ii) a conflict-of-interest transaction between a Director and the Company; and (iii) an extraordinary transaction with one of the major shareholders who hold more than 10% of voting rights of the Company. Once Directors conducted the above transaction, they will be obliged to report, without delay, the material facts about the transaction to the board. When Directors who are not on the Audit & Supervisory Committee intend to conduct a conflict-of-interest transaction, they are required to obtain the approval of the Audit & Supervisory Committee in addition to the board approval.

<Supplementary Principle 2-4 (1): Ensuring diversity in core human resources, such as the promotion to middle managerial positions>

It is essential for the Company to create an environment where diverse employees can share their values and proactively work for continuing business activities and achieving development on a global basis while enhancing our ability to respond to diversified needs and address business risks; thus, we have been promoting “Diversity Management.” The fundamental basis for the management of the Anritsu Group, whose core competence is technology, is to hire and develop human resources capable of leading technical innovation and constituting the resources of corporate value. With that in mind, the Company hires both new graduates and mid-career, whether technical or administrative staff, regardless of gender, nationality, and other personal factors, in all lines of work. In human resource development, we continuously strive to enhance education and training programs and ensure their fair and transparent operation to support the independent growth of diverse employees.

The Company’s policy on ensuring diversity, our goals and status, the development of human resources, the improvement of our internal environment, and other related matters are disclosed in the Sustainability Report posted on our webpage.

For the promotion of non-Japanese employees to middle managerial positions, we have not set specific numeral targets. The Company pursues global management by which all domestic and overseas Group companies can share information, such as social issues and customers’ needs, obtained through working in cooperation, and make the best use of the information for developing and providing products and services to customers. Among non-Japanese employees who belong to Group companies abroad, some members take middle managerial posts of the Company. Further, non-Japanese members hold about 30 percent of officers’ posts and have proactive roles in managing their respective overseas companies. Given those situations, we deem diversity in middle managerial positions across the Group has been ensured; thus, we will maintain the current status in the immediate future. Since it is necessary to propel diversity further to expand our business fields and explore new businesses by leveraging our global perspectives and local networks, the Group will continue personnel staffing regardless of nationality.

<Principle 2.6: Roles of corporate pension funds as asset owners>

The Company has its corporate pension reserve under management through the Anritsu Corporate Pension Fund, the operation of which is entrusted to a fund management company. In selecting a fund management company, Anritsu periodically exchanges views on stewardship activities and examines the details of reports submitted; and appoints an appropriate management company. Since we recognize that the corporate pension fund has a mission to continue sound fiscal management and adequately assess and select the right management company, the Company, a governing body of the Fund, is working to recruit and assign qualified personnel in a planned manner. Those persons should be experts on the pension system and management and have knowledge about finance, accounting, personnel management, and related affairs. In addition, the Company offers continuing training and education for the assigned personnel to develop their expertise. In this way, we are going ahead with the Corporate Pension Fund’s operation according to its by-laws, including the council's decision-making on the reserve management. The Anritsu Corporate Pension Fund pays special attention to the conflicts of interest, which could arise between the pension fund beneficiaries and the Company. For instance, if the fund management company exercises its voting rights against Anritsu, the Company respects its decision.

<Principle 3.1 (i): Company objectives (e.g., business philosophies), business strategies, and business plans>

The Company acknowledges that information disclosure is of great importance as the basis for communication with the stakeholders. Therefore, under the applicable laws or ordinances, Anritsu discloses timely, appropriately, and proactively the financial standing, operation results, and other financial information, as well as material facts contained in its non-financial information, such as business strategies, business issues, risk management, internal control system, and governance.

To attain the “sustainable growth and increase in corporate value over the mid-to-long term,” the Company accurately figures out its capital cost and develops a mid-to-long-term management plan, which defines targets in terms of its earning capacity, capital efficiency, and utilization of management resources. When disclosing the mid-to-long-term management plan and its progress, we will provide the information to our stakeholders

in an integrated, structured, and understandable way to gain their proper understandings and trust for Anritsu. For that purpose, we focus on our business strategies and initiatives that explain the source and strength of corporate value and sustainability issues for the Company.

With “sincerity, harmony, and enthusiasm,” the Company aims to contribute to developing a safe and secured global society through offering “Original and High-Level” products and services to become a corporation, the growth and advancement of which are sought after in the whole society. Anritsu also will respond in good faith to, respect, and keep harmony with every party concerned, including its shareholders, investors, clients, business partners, employees, and local communities, and proactively take actions to fulfill our responsibility. In addition to the above Company Philosophy, other management principles, including the management strategy and the mid-term business plan, are disclosed on our website, the Integrated Report, and other disclosure materials.

<Principle 3.1 (ii): Basic views and guidelines on corporate governance>

The basic views on corporate governance of the Company are as described in “1. Basic Views” under “I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information” of this Report. In attaining such goals, we assume responsibility for our stakeholders; therefore, Anritsu establishes the structure and frameworks for corporate governance, aiming to make decisions in a transparent, fair, prompt, and decisive manner and disclose information appropriately and timely. Further, in relentless pursuance of its advancement, the Company continuously improves the above structure and frameworks.

<Principle 3.1 (iii): Board policies and procedures in determining the remuneration of the senior management and directors>

For the determination of remuneration or compensation for Directors, Vice Presidents, and Executive Officers (Vice Presidents and Executive Officers are collectively referred to as “Officers”) of the Company, the Compensation Committee, an advisory body to the board, deliberates the compensation scheme, its components, payment level, the balance of allocation, and other details, before submitting a report (*toshin*) to the Board of Directors. As to compensation for Executive Directors, the Company primarily intends to give them motivational effects as an incentive for improving their business performance for each business year and heightening corporate value over the mid-to-long term. Therefore, the board determines their compensation under the basic principles set by the Company, using the survey data on officers’ compensation gathered by outside research firms as a reference in terms of the components and payment level. It also considers a balance between the basic remuneration and the performance-linked one (including bonus as the short-term performance-linked compensation and the stock reward as the mid-to-long-term performance-linked one) depending on their respective responsibilities and duties. Other principles and procedures in determining compensation for Directors are described in the column “Director Compensation” of “1. Organizational Composition and Operation” under “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management” in this Report.

<Principle 3.1 (iv): Board policies and procedures in the appointment/dismissal of the senior management and the nomination of directors (including Audit & Supervisory Committee Members) >

By introducing the “Training Program for Next Generation of Executives,” the Company strives to develop the next executive candidates. In selecting the candidates, we pick up the promising personnel who has advanced expertise, be highly capable of business exercise, and be expected to contribute to improving business performance. The Company comprehensively evaluates the candidates based on the following five key five capabilities representing a desirable member for the Group: “the power of empathy with the Company’s vision and policy,” “high-character,” “strategic and conceptual thinking power,” “initiative, the power of action, and rationale thinking power,” and “high ethical values.” In nominating Directors and appointing key employees such as Officers, to ensure better transparency, objectivity, and impartiality, the Board of Directors makes the decision based on the deliberation of its advisory body, the Nominating Committee. To submit a proposition of the appointment of Directors who will be Audit & Supervisory Committee Members to a general meeting of shareholders, the board makes the decision based on the Audit & Supervisory Committee’s deliberation.

In executing duties by a Director, if there is any misconduct or the material fact that violates laws or ordinances or the Company's Articles of Incorporation and constitutes a due reason, the Company will dismiss the Director from the office. In that case, for removing a Representative Director or submitting a proposition of dismissal of a Director to a general meeting of shareholders, the Board of Directors resolves based on the Nominating Committee's deliberation. A Director with a particular interest in such dismissal or removal may join in neither the Nominating Committee's deliberations nor the board's vote.

To enhance and ensure the effectiveness of the board's decision-making process, the Articles of Incorporation specify the number of Directors (excluding those on the Audit & Supervisory Committee) shall be no more than ten Directors, and the same of Directors on the Audit & Supervisory Committee shall be no more than five Directors. In nominating Directors, the Board of Directors decides, given the balance of their knowledge, experience, and capabilities among Directors, irrespective of gender, nationality, and other private factors, to ensure the board members' diversity.

The Company appoints at least one-third of all the Directors constituting the board as independent Outside Directors; also, it intends to keep the number of Non-executive Directors as many or more than the same of Executive Directors. Further, in appointing candidates for Outside Directors, we pay attention to ensuring their independence and neutrality according to the "Criteria for Judging Independence of Outside Officers" set by the Company. When Directors wish to serve concurrently as an officer for another company outside the Group, they will be allowed to do so only where they are capable of fulfilling duties and responsibilities as the Group's Director. The status of concurrent holding of key positions of other companies is disclosed annually.

\* There is also the description in <Supplementary Principle 4.11 (1) "View on the appropriate balance among knowledge, experience and skills of the Board of Directors as a whole, and on diversity and appropriate board size" below.

<Principle 3.1 (v): Explanations with respect to the individual appointments/dismissals and nominations of directors (including those on the Audit & Supervisory Committee) >

When submitting a proposition of the appointments or dismissals of Directors to a general meeting of shareholders, the Company explains the reasons for appointments for Directors or the dismissal of a specific Director and related information in the meeting's reference materials. In FY 2019 and from April 2020 to the submission date of this Report, no Director has been dismissed. The reasons and other related information for the appointments of Outside Directors (including those on the Audit & Supervisory Committee) are also explained in the column "Directors" of "1. Organizational Composition and Operation" under "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management" of this Report.

For six Directors (excluding those on the Audit & Supervisory Committee) and four Directors on the Audit & Supervisory Committee, those who are in service as of the submission date of this Report, the main reasons for individual appointments as candidates for Directors are as follows:

**\*Hirokazu Hamada**

Mr. Hamada had engaged in product development and domestic and international marketing in the Test and Measurement business department, which is the core business of the Group, thereby having rich knowledge and experience in the business, including trends in industry and technology. He is currently driving Anritsu's global business by exerting leadership as the Company's Representative Director, President, Group CEO. The Company nominated him as a candidate for Director, expecting that he would make full use of his knowledge and experience for its management and the board's decision-making process.

**\*Akifumi Kubota**

Mr. Kubota had handled the accounting and finance of the Company and some overseas subsidiaries. He is currently taking charge of executing finance strategy and business administration for the Group as CFO and Chief Corporate Officer with a vast knowledge of and experience in finance, accounting, and corporate governance. The Company nominated him as a candidate for Director, expecting that he would make full use of his knowledge and experience for its management and the board's decision-making process.

**\*Masumi Niimi**

Mr. Niimi had engaged in production management, corporate planning, and management of overseas subsidiaries of the PQA (Product Quality Assurance) business department, which has grown as one of our pillars. With a broad knowledge and experience in those areas, he is currently exerting his leadership as group executive for the PQA business group and the president of a subsidiary of the PQA business, Anritsu Infvis Co., Ltd. The Company nominated him as a candidate for Director, expecting that he would make full use of his knowledge and experience for its management and the board's decision-making process.

**\*Takeshi Shima**

Having rich knowledge and experience in global business, Mr. Shima is currently exerting leadership in the Test and Measurement business, the Group's core business, as the President of the Test & Measurement Company. The Company nominated him as a candidate for Director, expecting that he would make full use of his knowledge and experience for its management and the board's decision-making process.

**\*Kazuyoshi Aoki**

As Mr. Aoki was responsible for a listed company's finance and accounting division, he possesses excellent expertise and remarkable insight into finance and accounting and rich knowledge in global business. The Company nominated him as a candidate for Outside Director, expecting that he would make full use of his knowledge and experience for its management and the board's decision-making process.

**\*Tatsuro Masamura**

Mr. Masamura has a wide range of specialized knowledge in information and communication technology and outstanding expertise and excellent insight as senior management of several companies. The Company nominated him as a candidate for Outside Director, expecting that he would make full use of his knowledge and experience for the experience for its management and the board's decision-making process.

**\*Norio Igarashi**

Mr. Igarashi has never directly engaged in a company's management; however, he has the expertise and rich experience in finance and accounting as a certified public accountant (CPA) and a university professor. He also possesses a broad insight into corporate management based on experience as an outside auditor or officer for listed companies. The Company nominated him as a candidate for Outside Director on the Audit & Supervisory Committee, expecting that he would make full use of his experience and knowledge in its management, auditing, and other affairs.

**\*Nozomi Ueda**

Ms. Ueda has never directly engaged in a company's management; however, she has the expertise and rich experience as a lawyer. The Company nominated her as a candidate for Outside Director on the Audit & Supervisory Committee, expecting that she would make full use of her experience and knowledge in its management, auditing, and other affairs.

**\*Junichi Aoyagi**

Mr. Aoyagi has never directly engaged in a company's management; however, he has the expertise and rich experience in finance and accounting as a CPA and overseas business. The Company nominated him as a candidate for Outside Director on the Audit & Supervisory Committee, expecting that he would make full use of his experience and knowledge in its management, auditing, and other affairs.

**\*Toru Wakinaga**

Mr. Wakinaga has a wide range of knowledge and rich experience in the Company's global business. He also has abundant experience conducting audit work and supporting the Audit & Supervisory Committee Members as an officer for the Management Audit Department. The Company nominated him as a candidate for Director on the Audit & Supervisory Committee, expecting that he would make full use of his experience and knowledge in its management, auditing, and other affairs.

<Supplementary Principle 3.1 (3): Enhancement of disclosure of information on sustainability>

Along with the mid-to-long term management strategy based on the Group's business characteristics, management environment, and other related factors, the Company has set the sustainability targets, which are

incorporated into the mid-term business plan, and announced the key targets and outline of our initiatives to take.

As the driving force to contribute to resolving social issues, it is indispensable for the Company to ensure the capability for research and development using cutting-edge technologies and adequate staff to implement the development. Intellectual property is one of the vital management resources for our sustainable growth, and it is closely linked with the business strategy. Therefore, to create new lines of business and achieve their success, it is necessary to establish a global collaboration structure and a firm research and development system, where we can collectively leverage the knowledge of individuals gathered through personnel exchanges across borders in line with the intellectual property inseparably related to the business strategy. For that purpose, the Company will make the necessary investment and any other efforts.

The information about the Company's sustainability (such as those related to investments into the human resource development, the enhancing of the workplace environment, intellectual property, and other related areas; environmental management, such as initiatives and measures to address climate change, create a Sound Material-Cycle Society, and prevent environmental pollution) are disclosed in the Sustainability Report posted on our webpage.

<Supplementary Principle 4.1 (1): Scope and content of matters delegated to the management from the Board of Directors>

Anritsu transitioned to a "Company with an Audit & Supervisory Committee," as a corporate structure, also introduced the Corporate Officer (*shikko-yakuin*) System, under which the responsibilities and roles in business execution are allocated among Officers who are under delegation from the Company. Thereby, the Board of Directors' decision-making and supervising function is separated from Officers who execute businesses. The board resolves the matters specified in the Companies Act and the Articles of Incorporation and other significant issues for the Company and the Group companies. Matters for submission to the board are listed in the "Rules of the Board of Directors."

The Management Strategy Conference, chaired by the Group CEO and consists of Executive Directors, Officers, and other executives, deliberates and decides significant matters on business execution. The Conference also formulates a comprehensive strategy for global management and Group management; determines essential business execution issues that do not require submission to the board. Besides, it discusses matters to be submitted to the board to enrich the deliberations in advance, except for cases that exclusively require the board's resolution. For the decision-making on the execution of material business operations, the Articles of Incorporation of the Company specify that "based on Article 399-13.6 of the Companies Act, the Board of Directors may delegate all or part of a decision regarding the execution of significant operations (excluding the matters listed in items of paragraph 5 of Article 399-13) to any Director by its resolution." However, for the time being, significant matters shall be deliberated and decided by the board, as a rule. As a future action, Anritsu will improve the board's deliberations and strengthen its supervisory function by delegating a decision partly to any Director, reconsidering the criteria for submitting matters to the board to narrow down the list.

<Principle 4.9: Independence standards aiming at ensuring the effective independence of independent outside directors>

When the Company invites and appoints candidates for independent Outside Directors, we shall eliminate any chance of using discretion and establish an environment to ensure their independence as Outside Director even after the appointment. Those approaches, we believe, will contribute to the maintenance and enhancement of corporate governance. Thus, the Company separately stipulates the "Criteria for Judging Independence of Outside Officers," as disclosed in the Securities Report. (The outline of the criteria is described in the column "Independent Directors" of "1. Organizational Composition and Operation" under "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management" in this Report. The stipulation, amendment, or abolition of the criteria shall be resolved and approved by the Board of Directors after the deliberations of its advisory body, the Nominating Committee.

<Supplementary Principle 4.10 (1): View on the independence of the composition of the Nominating Committee and the Compensation Committee>

The Company considers it necessary to involve independent Outside Directors in various aspects of the business operation because their neutral perspectives based on each experience, knowledge, and know-how contribute to enhance the transparency, objectivity, and fairness of the decision-making process and facilitate the board to function more effectively. Those aspects are exemplified by an appointment and resignation of Representative Directors; the selection of Directors and Officers; the development plan for their successors and candidates; the establishment of the compensation scheme in conformity with the business plan. Given the above, all independent Outside Directors compose the Nominating Committee and the Compensation Committee (advisory bodies to the Board of Directors) as their respective key members. In addition, both chairpersons of those committees are selected from independent Outside Directors. At present, five out of the total seven members of each committee are independent Outside Directors, who occupy its simple majority. The authorities, roles, and other matters regarding the Nominating Committee and the Compensation Committee are described in column [Voluntary Establishment of Nominating/Compensation Committee] of “1. Organizational Composition and Operation” under “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision of Management” in this Report.

<Supplementary Principle 4.11 (1): View on appropriate balance between knowledge, experience, and skills of the board as a whole and on diversity and appropriate board size>

In order to improve the decision-making process and ensure its effectiveness, it is the basic principle for the board to be composed of an appropriately necessary number of members. Given the Group's business areas, the current number of ten (including four Directors on the Audit & Supervisory Committee) is deemed appropriate and adequate size for the board to have productive discussions and advance the decision-making process speedily.

All the Board of Directors, the Nominating Committee, and the Compensation Committee consist of Directors (including those on the Audit & Supervisory Committee). They have a wealth of experience in company operation, global business, and other fields, along with rich knowledge and expertise in finance and accounting; thereby, engaging in fulfilling deliberations at all meetings. Each member of the Audit & Supervisory Committee has adequate experience and capability to perform duties in close cooperation with the Accounting Auditor, an internal audit department, and other related persons. Therefore, an effective audit system has been established.

For the Board of Directors' composition, Anritsu makes it a fundamental principle to consider balancing their knowledge, experiences, and capabilities, irrespective of gender, nationality, and other personal factors. In this light, we always think of women and non-Japanese appointments in selecting candidates for Directors. Further, given the Group's business areas, we will use a so-called “Skills Matrix” to map i) desired specialized fields for Directors to realize the Company Vision, and ii) the knowledge, experience, expertise, and skills already possessed by each Director. The details about the selection of Directors are described in the referential materials for the general meeting of shareholders, and the same of incumbent Directors are disclosed in the Anritsu Sustainability Report and other materials.

Besides, for the views on the appropriate balance between knowledge, experience, and capabilities of the board as a whole and on diversity and right board size, see <Principle 3.1 (iv): Board policies and procedures in the appointment/dismissal of the senior management and the nomination of Directors> above.

<Supplementary Principle 4.11 (2): Status of concurrent serving as officers of other listed companies by directors (including those on the Audit & Supervisory Committee)>

Where a Director of the Company wishes to serve concurrently as an officer or key employee of another company (a listed company or not) outside the Group, the Director will be allowed to do only to the extent that it is deemed to be capable of fulfilling duties as the Company's Director (or as the Audit & Supervisory Committee Member, if applicable). Thus, Anritsu annually conducts a reasonable survey to figure out the status of such concurrent serving. The status of concurrent serving by Directors (including those on the Audit



& Supervisory Committee) and candidates for Directors are disclosed annually in the reference materials for a general meeting of shareholders, Business Report, Securities Reports, and other disclosure materials.

<Supplementary Principle 4.11 (3): Analysis and evaluation of the effectiveness of the board as a whole>

The “Anritsu Corporation Basic Policy on Corporate Governance” says that to achieve sustainable growth and higher corporate value in the mid-to-long term, the Board of Directors shall assume a leading role in improving its decision-making process continuously and enhancing its supervising function to increase its effectiveness. Those two functions of decision-making and supervising are prerequisites for the Company’s sound risk-taking attitude. The Basic Policy also describes that every Director shall demonstrate their experience, skills, knowledge, and expertise to better balance the two functions. Under the above policies, the board evaluates its effectiveness annually, referring to each item specified in the Basic Policy and related rules as the criteria to seek further improvement. The result of the evaluation conducted for FY2020 is as follows:

#### 1. Evaluation method & process

In advance of conducting the evaluation, the Board of Directors reviewed the measures taken to address specific issues raised in the previous results for FY2019 and deliberated how to proceed with the assessment for FY 2020 (including the appropriateness of such process, questionnaire items, and related matters). Based on the board’s review, the Company conducted a questionnaire survey for nine of all the incumbent Directors at the end of FY2020 (including Directors on the Audit & Supervisory Committee) and received answers. Subsequently, to analyze and verify the questionnaire result, all the Directors exchanged their views, identified problems, and held constructive discussions. Further, at the board meeting, the members shared the assessment review of the present situation and concerns and deliberated future initiatives and measures to take. Essential items of the questionnaire are as follows:

- \*Role and responsibility of the board (such as the appropriateness of matters to be deliberated/resolved)
- \*Attendance and contribution by each Director
- \* Knowledge, experience, capability, balance, and diversity of Directors (and the board as a whole)
- \*Operation of the board meeting (information provision, time allocation, and climate where free and active discussions take place)
- \*Viewpoints of stakeholders
- \*Status of management and operation of the Audit & Supervisory Committee, the Independent Committee, the Nominating Committee, and the Compensation Committee

In this connection, under the METI Group Guidelines, the CGS Guidelines, and other guidelines, the Board of Directors is required to review several points. For instance, “how to involve in business execution and related activities, appropriately, of each group company,” “how to enforce its supervisory function,” and “how to evaluate whether an outside director plays an expected role or not.” Accordingly, the Company added new questions to the above questionnaire survey to ask Directors to write down their views on “as the board, how to work on and contrive ways to perform such roles,” respectively.

#### 2. Summary of evaluation results on the effectiveness of the board and future initiatives to take

We confirmed the following points: (i) the Board of Directors of the Company consists of an appropriate number of right management personnel within and outside the Company for enhancing the global management structure aiming at its business expansion on the source of the Group’s corporate value, (ii) the systems have been built for constructive discussions and decision-making on significant matters regarding the Group’s management and supervising Directors’ business execution, and (iii) every Director composing the board, the Audit and Supervisory Committee, the Independent Committee, the Nominating Committee, and the Compensation Committee understands thoroughly the roles that he/she shall carry out to pursue profitable and sustainable growth and heighten corporate value over the mid-to-long term for the Group; therefore, they have offered valuable insights and advanced expertise based on their diverse experience at each meeting, where all the members, including Outside Directors, have engaged in active discussions.

On the other hand, the evaluation result presented to the board several issues to be addressed for further enhancement of its effectiveness. For instance, it was pointed out there is the need to deepen the discussion by the board on the business portfolio management and determine directions of the respective business areas

through the debate over business strategies for competition, M&A, and the like. Also, the board is encouraged to seek better methods to manage and proceed with its meetings to facilitate essential and effective discussions over a limited time frame. All the Directors shared the understanding of those issues and problems and further steps to improve.

As a future action, the Board of Directors will strive to improve its effectiveness further to address the issues raised through the evaluation conducted for FY2020 by departing from conventional practices.

The Company will also continue to evaluate the board's effectiveness periodically, pursuing how it should be toward better corporate governance.

<Supplementary Principle 4.14 (2): Training policy for directors (including those on the Audit & Supervisory Committee)>

All the Directors and Officers are expected to properly fulfill their roles and responsibilities, respectively, as executives who play a part in a listed company's vital governance body. To encourage them to understand their roles and responsibilities and obtain and renew necessary knowledge, Anritsu provides training for Directors and Officers. For Outside Directors, in particular, we frequently give them briefings, from time to time, to deepen their understanding of the market environment, trends in the industry, and related matters. In concrete terms, we explain the "Company Philosophy," "Company Vision," "Company Policy; a mid-term management plan, organization, business markets, the outline of businesses and products of the Company. We also offer them opportunities quarterly to hear status reports on business execution and related matters from Officers responsible for their respective business areas. Besides, Anritsu takes initiatives to continuously support them to enrich their understanding of the Company by arranging their visits to various workplaces, offering the venue for opinion exchange with management staff, or taking other methods. At the same time, the Company works out the "Training Program for Next Generation of Executives" for fostering management personnel candidates. According to the Program, we are promoting their learning of the wide range of knowledge and information about, for instance, leadership, finance, laws or ordinances, corporate governance, and compliance, as well as the expertise necessary for corporate operation, all of which are requisites for management executives. They are also given opportunities to renew such knowledge and information constantly as needed. The Company bears the costs and expenses for the training, self-development, and other education of such candidates as per internal rules.

<Principle 5-1: Policy for improving structure and measures aiming at promoting a constructive dialogue with shareholders>

We acknowledge that appropriate information disclosure to the shareholders is beneficial to the Company for achieving profitable and sustainable growth and raising corporate value over the mid-to-long term. Such disclosure promotes their deep understanding of Anritsu, and the Company can receive helpful feedback and views from them; thus, the positive dialogue with the shareholders is of critical importance. In this light, our IR (investor relations) department is exclusively assigned to facilitate such dialogue with the shareholders under the supervision of the CFO (Chief Financial Officer), who takes charge of IR. When having a specific dialogue with any shareholder, the IR department and CFO cooperate with Representative Directors, Executive Directors, Vice Presidents in charge, and other relevant executives before adequately responding to the requests for dialogue from the shareholder. The IR department also sets up the "IR Promotion Council," consisting of related departments, including accounting, management planning, public relations, and legal sections. At meetings of the Council held periodically, the members make reports and exchange opinions on IR activities to improve and support dialogue with the shareholders. As specific opportunities of such dialogue, the Company holds individual meetings with the shareholders on a routine basis and quarterly financial results briefings, which are vital IR activities, participates in outside IR-related conferences and seminars, and conducts IR overseas and related activities.

Further, we are working to enhance information for disclosure on the Company website and have briefing sessions for individual (small) shareholders periodically. The feedback and information gathered through dialogue with the shareholders are reported, when necessary, to the Information Disclosure Committee consisting of an Information Handling Officer (who is responsible for handling information) and Information Disclosure Officers (who take charge of information disclosure) and the Management Strategy Conference. The same information is also regularly reported to the Board of Directors and is reflected in the IR activities.

To prevent insider transactions, the Company sets out the “Rules for Prevention of Insider Trading” that prohibits communication about insider information (material facts). We pay careful attention not to divulge any insider information even when engaging in dialogue with the shareholders. Anritsu is also working to prevent any insider transaction in advance by voluntarily refraining from IR activities during a specified period before announcing financial results. If any selective disclosure is made carelessly or similarly, we will take the best and appropriate action as a listed company according to the fair disclosure rules and address the situation.

Besides, other information related to IR is provided in “2. IR Activities” under “III. Implementation of Measures for Shareholders and Other Stakeholders” in this Report.

## 2. Capital Structure

Foreign Shareholding Ratio [Updated]	From 20% to less than 30%
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### [Status of Major Shareholders] [Updated]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	17,698,900	13.04
Custody Bank of Japan, Ltd. (Trust Account)	12,358,000	9.11
BBH FOR MATTHEWS ASIA DIVIDEND FUND	4,887,900	3.60
Custody Bank of Japan, Ltd. (Trust Account 7)	3,028,900	2.23
GOLDMAN SACHS & CO. REG	2,564,053	1.89
Sumitomo Life Insurance Company	2,314,000	1.71
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	2,291,000	1.69
Custody Bank of Japan, Ltd. Sumitomo Mitsui Trust Bank, Limited. Retirement Benefit Trust Account	2,000,000	1.47
JUNIPER	1,397,100	1.03
Mitsui Sumitomo Insurance Co., Ltd.	1,334,000	0.98

Controlling Shareholder (except for Parent Company)	-----
Parent Company	N/A

### Supplementary Explanation [Updated]

\*In the above list of “Status of Major Shareholders,” the names are listed as entered in the Shareholder Register as of September 30, 2021, without going through the name identification process (name-based aggregation or *naiose*) for the trust property or the like. Note that on the Shareholder Register, the number of shares held by the Company under its name (treasury shares) is 2,527,327 shares; however, the Company is excluded from the above major shareholders. The shareholding ratio (%) is calculated after deducting the number of treasury shares from the Company's total number of issued shares.

\*In the “Statement of Large-Volume Holdings” or “Statement of Changes,” which are available for public inspection, the entities listed below are described as having the shares of the Company as a single or joint holder. However, since we cannot confirm the actual number of shares held by them at the end of the second quarter of the current business year, they are not included in the above list of “Status of Major Shareholders.”

Name: Morgan Stanley MUFG Securities Co., Ltd.  
Date when the reporting obligation accrued: May 14, 2021  
Number of share certificates, etc. held (thousand shares): 2,191  
Ratio of holding share certificates, etc.: 1.58%

Name: Sumitomo Mitsui Trust Bank, Limited.  
Date when the reporting obligation accrued: July 6, 2021  
Number of share certificates, etc. held (thousand shares): 16,078  
Ratio of holding share certificates, etc.: 11.63%

Name: Nomura Securities Co., Ltd.  
Date when the reporting obligation accrued: August 31, 2021  
Number of share certificates, etc. held (thousand shares): 7,373  
Ratio of holding share certificates, etc.: 5.33%

Name: Morgan Stanley & Co. International plc  
Date when the reporting obligation accrued: September 30, 2021  
Number of share certificates, etc. held (thousand shares): 8,364  
Ratio of holding share certificates, etc.: 6.05%

### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-End	March
Type of Business	Electric Appliances
Number of Employees (consolidated) as of the End of the Latest Business Year	1000 or more
Sales (consolidated) as of the End of the Latest Business Year	From JY 100 billion to less than JY 1 trillion
Number of Consolidated Subsidiaries as of the End of the Latest Business Year	From 10 to less than 50

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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### 5. Other Special Circumstances Which May Have Material Impact on Corporate Governance

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## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision of Management

### 1. Organizational Composition and Operation

Organization Form	A Company with Audit & Supervisory Committee
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15 persons
Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board of Directors	President
Number of Directors	10 persons
Status of Appointment of Outside Directors	Appointed
Number of Outside Directors	5 persons
Number of Independent Directors specified out of Outside Directors )	5 persons

#### Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Kazuyoshi Aoki	From another company												
Tatsuro Masamura	From another company								△				
Norio Igarashi	CPA												
Nozomi Ueda	Lawyer												
Junichi Aoyagi	CPA												

\* Categories for "Relationship with the Company."

\* "○" when the Director presently falls or has recently fallen under the category

"△" when the Director fell under the category in the past

\* "●" when a close relative of the Director presently falls or has recently fallen under the category

"▲" when a close relative of the Director fell under the category in the past

- Executive of the Company or its subsidiaries
- Executive or non-executive director of a parent company of the Company
- Executive of any fellow subsidiary of the Company
- Party for which the Company is a major client or supplier, or an executive thereof
- Major client or supplier of the Company or an executive thereof
- Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director
- Major shareholder of the Company (if the shareholder is a legal entity, an executive thereof)
- Executive of any client or supplier company of the Company (which does not correspond to any of d, e, or f above) (applicable to Director only)

- i. Executive of a company, between which and the Company outside directors are mutually appointed.  
[Executive of a company in a cross-directorship arrangement for outside directors with the Company/]  
(applicable to Director only)
- j. Executive of a company or organization to which the Company donates (only applicable to Director only)
- k. Other cases

Outside Directors' Relationship with the Company (2)

Name	Membership of Audit & Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Kazuyoshi Aoki		○	N/A	<p>Mr. Aoki had responsibility for the finance and accounting department of a listed company; thereby, he possesses the expertise and abundant experience in the finance and accounting area and rich experience in global business. The Company appointed him, expecting that he would make full use of his expertise and knowledge for its management and the board's decision-making process.</p> <p>We believe that his joining the board as an independent officer will increase the objectivity and impartiality in the board's decision-making process and the deliberations and other procedures at the Nominating Committee and the Compensation Committee, thereby contributing to ensuring more transparency of the management.</p> <p>He is not conflicted with any item in (3) 2 of Section III 5 of "Guidelines concerning Listed Company Compliance, etc." (the provisions of Rule 436-2 of the Securities Listing Regulations). According to the "Criteria Judging Independence of Outside Officers" set by the Company, he also does not fall under any material items that affect the independence required for an independent officer. Consequently, we determined that he would be unlikely to cause a conflict of interest with general shareholders.</p>
Tatsuro Masamura		○	Mr. Masamura had assumed the director	Mr. Masamura has a wide range of specialized knowledge in

			<p>of Japan Radio Co., Ltd., and retired from the company in June 2018.</p> <p>As a corporate group, the Company has a direct or indirect business transaction with Japan Radio Co., Ltd, including the sale and maintenance of products. However, the transaction volume with Japan Radio Co., Ltd in the latest business year was small (less than 0.1% of the consolidated revenue).</p>	<p>information and communication technology and outstanding expertise and excellent insight as senior management of several companies. The Company appointed him, expecting that he would make full use of his knowledge and experience for the experience for its management and the board's decision-making process.</p> <p>We believe that his joining the board as an independent officer will increase the objectivity and impartiality in the board's decision-making process and the deliberations and other procedures at the Nominating Committee and the Compensation Committee, thereby contributing to ensuring more transparency of the management.</p> <p>He is not conflicted with any item in (3) 2 of Section III 5 of "Guidelines concerning Listed Company Compliance, etc." (the provisions of Rule 436-2 of the Securities Listing Regulations). According to the "Criteria Judging Independence of Outside Officers" set by the Company, he also does not fall under any material items that affect the independence required for an independent officer. Consequently, we determined that he would be unlikely to cause a conflict of interest with general shareholders.</p>
Norio Igarashi	○	○	<p>N/A</p> <p>There is no special relationship between the Company and Mitsubishi UFJ Securities Holdings Co., Ltd., where he concurrently holds the position.</p>	<p>Mr. Igarashi has never directly engaged in a company's management; however, he has expertise and rich experience in finance and accounting as a CPA and a university professor, and broad insight into the management principally based on his experience as an outside auditor or officer for listed companies.</p> <p>The Company appointed him, expecting that he would make full use of his experience and knowledge for its management, auditing, and other affairs.</p>

				<p>We believe that his joining the board as an independent officer will increase the objectivity and impartiality in the board's decision-making process and the deliberations and other procedures at the Nominating Committee and the Compensation Committee, thereby contributing to ensuring more transparency of the management.</p> <p>Also, his joining the Audit &amp; Supervisory Committee with such knowledge and insight and his objective and unbiased feedback at meetings will help ensure the effectiveness of audit and other processes.</p> <p>He is not conflicted with any item in (3) 2 of Section III 5 of "Guidelines concerning Listed Company Compliance, etc." (the provisions of Rule 436-2 of the Securities Listing Regulations). According to the "Criteria Judging Independence of Outside Officers" set by the Company, he also does not fall under any material items that affect the independence required for an independent officer. Consequently, we determined that he would be unlikely to cause a conflict of interest with general shareholders.</p>
Nozomi Ueda	○	○	N/A There is no special relationship between the Company and either Kioizaka Themis Law Firm or mixi, Inc., where she concurrently holds the positions.	<p>Ms. Ueda has never directly engaged in a company's management; however, she has the expertise and rich experience as a lawyer. The Company appointed her, expecting that she would make full use of her experience and knowledge for its management, auditing, and other affairs.</p> <p>We believe that her joining the board as an independent officer will increase the objectivity and impartiality in the board's decision-making process and the deliberations and other procedures at the Nominating Committee and the Compensation Committee, thereby contributing to ensuring</p>



				<p>more transparency of the management.</p> <p>Also, her joining the Audit &amp; Supervisory Committee with such knowledge and insight and her objective and unbiased feedback at meetings will help ensure the effectiveness of audit and other processes.</p> <p>She is not conflicted with any item in (3) 2 of Section III 5 of "Guidelines concerning Listed Company Compliance, etc." (the provisions of Rule 436-2 of the Securities Listing Regulations). According to the "Criteria Judging Independence of Outside Officers" set by the Company, she also does not fall under any material items that affect the independence required for an independent officer. Consequently, we determined that she would be unlikely to cause a conflict of interest with general shareholders.</p>
Junichi Aoyagi	○	○	<p>N/A</p> <p>There is no special relationship between the Company and Junichi Aoyagi CPA Office, where he concurrently holds the position.</p>	<p>Mr. Aoyagi has never engaged directly in a company's management; however, he has the expertise and rich experience in finance and accounting as a CPA and overseas business. The Company appointed him, expecting that he would make full use of his experience and knowledge for its management, auditing, and other affairs.</p> <p>We believe that his joining the board as an independent officer will increase the objectivity and impartiality in the board's decision-making process and the deliberations and other procedures at the Nominating Committee and the Compensation Committee, thereby contributing to ensuring more transparency of the management.</p> <p>Also, his joining the Audit &amp; Supervisory Committee with such knowledge and insight and his objective and unbiased feedback at meetings will help ensure the</p>

				<p>effectiveness of audit and other processes.</p> <p>He is not conflicted with any item in (3) 2 of Section III 5 of "Guidelines concerning Listed Company Compliance, etc." (the provisions of Rule 436-2 of the Securities Listing Regulations). According to the "Criteria Judging Independence of Outside Officers" set by the Company, he also does not fall under any material items that affect the independence required for an independent officer. Consequently, we determined that he would be unlikely to cause a conflict of interest with general shareholders.</p>
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**[Audit & Supervisory Committee]**

Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit & Supervisory Committee	4 persons	1 person	1 person	3 persons	Outside Director

Appointment of Directors and/or Staff to Support the Audit & Supervisory Committee	Appointed
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Matters Related to the Independence of Such Directors and/or Staff from Executive Directors

In order to maintain and enhance the audit quality at the Audit & Supervisory Committee, the Company sets up a management audit department (Management Audit Dept.). It assigns to the department dedicated personnel or staff having experience serving as Vice Presidents. The management audit department staff has several tasks, including checking or verifying internal audit procedures, audit results, and corrective measures and reporting to and conveying feedback from the Audit & Supervisory Committee. They also assist the Committee at its directions or orders, and any transfer of the staff requires the Committee's prior consent. By taking those approaches, the Company ensures the staff's independence from Executive Directors and the effectiveness of the Committee's directions given to the staff.

Cooperation among Audit & Supervisory Committee, Accounting Auditor, and Internal Audit Department

The Audit & Supervisory Committee performs its activities in cooperation with the management audit department, the Accounting Auditor, and an internal control department (Global Audit Dept.).

Having many domestic and overseas subsidiaries, the Company focuses on internal control within the global Group, including subsidiaries. In this light, a full-time Director on the Audit & Supervisory Committee and the management audit department staff engage in audit activity globally in a unified way, for example, by sharing duties to assume the office of Corporate Auditor (*kansayaku*) of key domestic or overseas subsidiaries.

(If a subsidiary is a company without *kansayaku*, they take up the position of non-executive director in charge of audit and related activities.).

To conduct effective and efficient audits and related activities, the Audit & Supervisory Committee, the management audit department, and the internal control department exchange opinions on audit policy, audit plan, the progress of conducting audits, and other information periodically and when required. The internal control department submits reports on every audit to the Committee or the management audit department, and they are working in close cooperation. Besides, the Committee, the Accounting Auditor, and the internal control department have meetings for audit activity by three parties periodically toward improving their respective audits' effectiveness.

For the status of audits by the Audit & Supervisory Committee and Directors on the Committee, and the same of internal audits and financial audits, see “2. Matters on Functions of Business Execution, Auditing, Supervision, Nomination and Compensation Decisions (Overview of Current Corporate Governance System)” below.

### [Voluntary Establishment of Nominating/Compensation Committee]

Voluntary Establishment of Committee(s) Corresponding to Nominating Committee or Compensation Committee	Established
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### Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nominating Committee	Committee Corresponding to Compensation Committee
Committee's Name	Nominating Committee	Compensation Committee
All Committee Members	7 persons	7 persons
Full-time Members	None	None
Inside Directors	2 persons	2 persons
Outside Directors	5 persons	5 persons
Outside Experts	None	None
Others	None	None
Chairperson	Outside Director	Outside Director

### Supplementary Explanation

The Company establishes the Nominating Committee, an advisory body to the board, to enhance transparency, objectivity, and impartiality in selecting or dismissing directors and officers and removing the Representative Director. It also receives advice and recommendations on the training of management executives from the Committee. The Nominating Committee deliberates matters, including those listed below, before submitting a report (*toshin*) to the board.

- 1) Proposal for selection of candidates for Directors and the same for dismissal of any Director
- 2) Advice or recommendation on the removal of the Group CEO and Succession Plan
- 3) Proposal for appointments of Officers and advice or recommendation on their Succession Plan
- 4) Proposal for the board's composition (the ratio between inside and outside Directors, the area of expertise and professional careers of the board members, and other elements)
- 5) Examination and determination of the qualification of Director and the selection criteria
- 6) Advice or recommendation about the management and operation or revisions of several systems for Directors and Officers (such as the term of office and age limit)

7) Advice or recommendation on the “Training Program for Next-Generation of Executives” and training for Directors and Officers or their successor candidates

Further, since compensation and other rewards (“compensations) for Directors and Officers are a critical point in corporate governance, the Company establishes the Compensation Committee as an advisory body to the board. The Committee deliberates the amount of performance-linked compensation, including bonus based on the performance review for a previous business year as well as the compensation scheme, its components, payment level, the balance of allocation, and other details for a current business year, before submitting a report (*toshin*) to the board.

Currently, the Nominating Committee and the Compensation Committee have seven members, respectively, consisting of all the Outside Directors (five Directors, including Directors on the Audit & Supervisory Committee), Group CEO, and one Director designated by the Group CEO. The respective chairpersons are selected among Outside Directors. All meetings of both Committees held during the latest business year (four sessions for the Compensation Committee and three sessions for the Nominating Committee) were held with members’ perfect attendance, and they had fruitful deliberations on the subjects listed above.

**[Independent Directors]**

Number of Independent Directors	5 persons
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Other Matters relating to Independent Directors

\*Status of the designation of independent Directors  
 The Company designates all the Outside Directors who satisfy the independent director's requirements as Independent Directors.

\*Overview of insignificance criteria regarding their attributes (business partners or recipients of donation)  
 The Company sets out the insignificance criteria for determining an attribute that is unlikely to influence the shareholders’ decision to exercise voting rights. In terms of “transaction,” whether its transaction value per business year exceeds 1% of the consolidated sales revenue, in principle, and as to “donation,” whether its aggregate value exceeds JY 10 million per business year or 1% of the annual total revenue of the recipient thereof, whichever higher in principle.

\*Other matters to be supplemented  
 When the Company invites and appoints a candidate for independent Outside Director, we shall eliminate any chance of using discretion and establish an environment to ensure independence as Outside Director even after the appointment. The Company considers those approaches will contribute to the maintenance and enhancement of corporate governance. Thus, it separately stipulates the “Criteria for Judging Independence of Outside Officers.” Those Criteria intend to evaluate Outside Directors or candidates and determine whether or not they have a particular background that may hinder the performance of duties as Outside Director in a neutral position independent of the Company. For the determination, we conduct a rational check mainly on their current or past relationship with the Company (including key subsidiaries) based on each judging criterion for materiality in the relationship of investment, transaction, paying or receiving a donation or other money, co-directorship, kinship, and the like. For stipulating, amending, or abolishing the above Criteria, the Board of Directors resolves and approves after the deliberation of its advisory body, the Nominating Committee.

**[Incentives]**

Incentive Policies for Directors Status of Implementation of Measures to Offer Incentives to Directors	Introduction of the Performance-linked Compensation Program and the Stock Options Program
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## Supplementary Explanation on Relative Items

The Company has introduced a scheme for the compensations for Executive Directors. Under the scheme, the amount equivalent to 50% of their basic remuneration shall be the performance-linked compensation to motivate them to share a profit orientation with the shareholders and engage in the management with an awareness of business results and the stock value from the mid-to-long-term perspective. The performance-linked compensation consists of (i) pecuniary salary (annual bonus equivalent to 30% of the basic remuneration) and (ii) non-pecuniary compensation under the incentive plan that employs a trust structure for distributing shares (stock compensation, the value of which is equivalent to 20% of the basic remuneration). Anritsu evaluates Directors based on various factors, such as the degree of achievement of their numerical target related to the Company's performance key indicators and their management objectives, including non-financial aspects, set by themselves in advance.

The Performance-linked Stock Compensation Program was introduced by resolution at the 89th Ordinary General Meeting of Shareholders held on June 25, 2015 (and the continuance of operation of this Program was approved at the 92nd Ordinary General Meeting of Shareholders held on June 26, 2018. For the currently running Program, the Program Period was extended by resolution of the board meeting held on April 27, 2021.) Along with this, the Company decided that the share acquisition rights currently issued under the stock option system should remain until the expiration date or their extinguishment and not to grant any new stock option.

As described above, since the compensations for Executive Directors include the performance-linked compensation, the Company sets out its policy on the proportion of the performance-linked one in the total compensation package containing the basic remuneration. The purpose of operating the compensation programs is to motivate Directors to forge ahead with attaining their performance target toward realizing the Company Vision. In this light, the Company has introduced several goal indicators deemed appropriate, which respond to the short-term incentive compensation (pecuniary compensation or bonus) and the mid-to-long-term incentive one (the stock compensation program that employs a trust structure for distributing shares), respectively. Specifically, 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: i.e., the degree of achievement of projected sales, operating profit, operating CF (cash flow), and capital efficiency and percentage change from the previous year and the like. 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. Under the performance-linked compensation program, payment amount and the number of evaluation points (to be granted to Directors, respectively) fluctuate on the achievement degree of their target level. For the stock compensation program, the Company issues and grant a certain number of shares to Directors, in principle, at their retirement as Director, respectively, through the trust for distributing shares. The number of such shares should be equivalent to the number of points combining the performance points given to a Director on the business result of each business year and the same calculated based on the result of the final year of the mid-term management plan.

Recipients of Stock Options	Inside Directors /Employees /Subsidiaries' directors and employees
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## Supplementary Explanation on Relative Items

Executive Directors, Officers, and other key employees of the Company and directors and executive officers of subsidiaries are management executives whose performance has a significant effect on the Group's operating results. Therefore, the Company had granted them the stock option so far. Recipients and the number of each stock acquisition rights currently issued to them are described below. The numbers indicated are at

the time of issuance before the exercise or cancellation of the rights, and the number of shares corresponding to one stock acquisition right is 100 shares.

- Anritsu Corporation the 12th Stock Acquisition Rights: 420 rights to five full-time Directors of the Company
- Anritsu Corporation the 13th Stock Acquisition Rights: 1,245 rights to 82 employees of the Company, and 655 rights to 48 directors/employees of its domestic subsidiaries (1,900 rights to 130 persons in total)  
\*The exercise period for the 12th and 13th Stock Acquisition Rights is between August 22, 2016, and August 21, 2022.
- Anritsu Corporation the 14th Stock Acquisition Rights: 420 rights to five full-time Directors of the Company
- Anritsu Corporation the 15th Stock Acquisition Rights: 480 rights to 13 employees of the Company, and 375 rights to 15 directors/ employees of its domestic subsidiaries (855 rights to 28 persons in total)  
\*The exercise period for the 14th and 15th Stock Acquisition Rights is between September 1, 2017, and August 31, 2023.

### [Director Compensation]

Disclosure of Individual Directors' Compensation	No Individual Disclosure
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#### Supplementary Explanation on Relative Items

The aggregate amount of the compensation for each category of Directors is disclosed in the Securities Report and the Business Report, and the respective aggregate amounts of the same for FY 2020 were as follows:

- Directors (excluding Audit & Supervisory Committee Members and Outside Directors): JY 247 million for four Directors, including JY 123 million for the performance-linked compensation (composed of JY 83 million as bonuses and JY 40 million as stock compensation)
- Directors on the Audit & Supervisory Committee (excluding Outside Directors): JY 24 million for one Director, composed of basic remuneration (fixed pay) only
- Outside Officers: JY 38 million for four Officers, composed of basic remuneration (fixed pay) only

Policy on Determining Compensation Amounts or Calculation Methods	Established
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#### Disclosure of Policy on Determining Compensation Amounts or Calculation Methods

The Company resolves the policy on determining compensation details for individual directors at the board meeting following the prior deliberation at the Compensation Committee. For individual directors' compensation for the latest business year, the Board of Directors confirmed that the method to determine the compensation details and their contents was consistent with the policy resolved by the board above, and the conclusion of the deliberation at the Compensation Committee was adequately respected. Thereby, we decide the above method and details are in line with the above policy. The policy on determining compensation amounts and calculation methods are as follows:

As to the compensations for Directors (excluding Audit & Supervisory Committee Members, and the same shall apply in paragraph (1) below) and Officers (collectively referred to as "Officers, etc." in this section, including (1) and (2) below), the Compensation Committee, an advisory body to the board, deliberates the compensation scheme, its components, payment level, the balance of allocation, and other details. Receiving a report (*toshin*) on the result of such deliberations from the Compensation Committee, the Board of Directors determines the compensations for Officers, etc., within a range approved by the relevant general meeting of shareholders. Further, after making the payment of compensation to the Officers, etc., the Compensation

Committee shall confirm the process to determine compensations, the result of payment, and other related matters to secure the transparency of those processes before reporting them to the board.

Basic principles:

(1) Compensations for Officers, etc.

The basic principles in the compensation scheme for Officers, etc., are as follows:

- 1) Its scheme and components shall motivate Officers to achieve management objectives and increase corporate value continually.
- 2) Its scheme and components shall attract and retain capable and diverse personnel sought after as officers of a global corporation.
- 3) Its scheme shall ensure the appropriateness and objectivity of the decision-making process and the balanced allocation of compensations.

Through the compensations, the Company primarily intends to give Officers, etc., motivational effects as an incentive to increase their business performance in each business year and to enhance the mid-to-long term corporate value. Therefore, under the principles above, it determines their compensations, using outside research firms' survey data on officers' compensation as a reference in terms of the scheme and payment level and considering a balance between the basic remuneration and the performance-linked one depending on their respective responsibilities and duties. Anritsu has currently introduced a compensation package for Officers, etc. under which the amount equivalent to 50% of their basic remuneration to be the performance-linked compensation, for motivating them in sharing a profit orientation with the shareholders and engaging in management with an awareness of performance and the stock value from the mid-to-long-term perspective. However, for non-executive Officers, etc. (including Outside Directors), the Company provides, in principle, the fixed pay only.

The performance-linked compensation consists of pecuniary one (annual bonus equivalent to 30% of the basic remuneration) and non-pecuniary one under the incentive plan that employs a trust structure for distributing shares (stock compensation is equivalent to 20% of the basic remuneration). The Company evaluates each of Officers, etc., based on several factors, including the degree of achievement of their numerical target related to the Company's performance key indicators and their management objectives, including non-financial ones, set by themselves in advance. In evaluating them, some factors require performance rating from the non-financial aspect. The Board of Directors may give the President and Representative Director by its resolution the discretion to decide the amount of compensation to be allocated to each Director, considering the above performance rating together with other calculation factors.

(2) Compensations for Directors on the Audit & Supervisory Committee

The Company determines the compensations for Directors on the Audit & Supervisory Committee as the fixed pay within a range approved by the relevant general meeting of shareholders, based on the Audit & Supervisory Committee Members' consultation. The primary purpose of providing the compensations is to ensure the effectiveness of audits on the company's business execution and encourage them to fulfill their duties as the Audit & Supervisory Committee Members independent of Executive Directors. We also decide the payment level, using the survey data on officers' compensation gathered by outside research firms, and considering the level for part-time Directors who are neither Executive Directors nor Directors on the Audit & Supervisory Committee.

### **[Supporting System for Outside Directors]**

Before holding a meeting of the Board of Directors, the Company delivers convocation notice from its Legal Department ("Legal Dept.") to each Outside Director. By using a webpage exclusively for the board members as a way for facilitating their efficient discussions, we offer an environment where they can use and access the board-related materials (including those for the past meetings) not only at internal meetings of the board and the Independent Committee but also outside the Company. The board-related materials include those related to the propositions submitted to the board and the Management Strategy Conference, copies of the minutes of the board meetings, and the record of Q&A exchanged at meetings. All the above materials are digitalized to be accessible by Outside Directors. Further, the Corporate Governance Promotion Department

provides Outside Directors with prior explanations on significant matters to be submitted to the board. In this way, we will continually work to assist Outside Directors in the Compensation Committee and the Nominating Committee's operation and proceedings.

After the close of every quarterly meeting of the Board of Directors, we hold a “Free Discussion” where Officers, Department Managers, and other senior staff make presentations to Outside Directors mainly on the theme on management issues in the mid-to-long term, and all the attendees engage in an active argument. Through the presentations, the Officers and senior staff executing businesses can learn diverse views and perspectives by answering questions and responding to Outside Directors' opinions. Therefore, the “Free Discussion” is a valuable practice in training up management executives. We also believe that those approaches will lead to the deep understandings by Outside Directors of the business, management environment, and other situations of the Group, thereby having significant meaning in helping them perform their duties adequately as Outside Directors toward enhancing the corporate value of the Group.

**[Status of Persons who Retired from the Office of President and Representative Director, etc.]**

Name, etc. of Advisors, etc., who are former President and Representative Director, etc.

Name		
Title/Position		
Business content		
Working conditions (Full-time, part-time, with/without compensation, etc.)		
Date of retirement from President, etc.		
Term of office		

Total number of Advisors and Consultants, etc., who are former President and Representative Director, etc.	None
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Other Matters

In the Articles of Incorporation of the Company, there is no provision for the roles or positions of a corporate counselor (*sodanyaku*) and advisor (*komon*). Currently, the Company does not have a structure or practice of a Representative Director serving in such a role or position and playing a leading role continuously in the Group's management after retiring as Director.

**2. Matters on Functions of Business Execution, Auditing, Supervision, Nomination, and Determination of Compensation (Overview of Current Corporate Governance System)**

After the close of the 89th Ordinary General Meeting of Shareholders held on June 25, 2015, the Company transitioned to a “Company with Audit & Supervisory Committee.” The number of the current management team members is described in “1. Organizational Composition and Operation” above. The Articles of Incorporation of the Company stipulate that the number of Directors (excluding those on the Audit & Supervisory Committee) shall be no more than ten persons, and the same of Directors on the Audit & Supervisory Committee be no more than five persons. As of this Report's submission date, the number of Officers is 20 persons (including one non-Japanese and one woman). The overview of the corporate governance structure is as follows:



(1) The Board of Directors and Management Strategy Conference

Anritsu has separated the functions of decision-making and supervision by the Board of Directors, and Officers' business execution.

With the introduction of the Corporate Officer System in 2000, the Company has streamlined its structure to make faster decisions through discussions in smaller groups. The “Rules of the Board of Directors” specifies matters to be submitted to the board, and Outside Directors actively express their honest opinions at the board meeting. Through fruitful deliberations, the board resolves the matters stipulated by the Companies Act and the Articles of Incorporation and other significant issues about the Company and the Group companies; also affirms reported cases, such as the progress or status of business execution. In principle, a regular board meeting is held monthly, and an extraordinary meeting is convened when required. In FY 2020, the board had 13 meetings attended by all the Directors. As to a “Free Discussion,” a quarterly session held after the close of a board meeting, all the Directors (including Outside Directors and Audit & Supervisory Committee Members), Officers, department managers, and senior staff engage in active discussions about managerial issues and challenges as well as other significant matters in the mid-to-long term, according to the themes of the presentations made on the relevant business division of the Group.

The significant business execution matters are deliberated and decided at the Management Strategy Conference chaired by the Group CEO and consists of Executive Directors, Officers, and other executives. A regular meeting of the Management Strategy Conference is held monthly, and an extraordinary meeting is convened when required. The Management Strategy Conference formulates a comprehensive strategy for global management and Group management, makes decisions on material matters on business execution that do not require the board’s deliberation. To deepen consideration on issues submitted to the board, the Conference members discuss them in advance, except for those exclusively resolved by the board.

As to a decision on material business execution, the Articles of Incorporation stipulates “the Board of Directors may, according to the provisions of paragraph 6 under Article 399-13 of the Companies Act, delegate a decision on significant business execution (excluding matters listed in items of paragraph 5 of the said Article) in the whole or part to any Director by its resolution.” However, for the time being, significant matters shall be deliberated and decided by the board, as a rule. From here on, Anritsu will try to improve deliberations and strengthen the supervisory function of the board by delegating a decision partly to any Director and reconsidering the criteria for submitting matters to the board to narrow down their list.

As described in the column “Voluntary Establishment of Nominating/Compensation Committee” of “1. Organizational Composition and Operation” above, the Company has established the Nominating Committee and the Compensation Committee, and the matters relating to the roles of nomination and determination of the compensations are also explained in the relevant section.

(2) Outside Directors

After the close of the 85th Ordinary General Meeting of Shareholders held on June 28, 2011, to facilitate business operation utilizing outside perspectives and strengthen further the supervising function for business execution, the Company adopted Outside Officers' structure consisting of three Outside Directors and two Outside Auditors. After that, Anritsu transitioned to a “Company with Audit & Supervisory Committee” by resolution at the 89th Ordinary General Meeting of Shareholders held on June 25, 2015, and adopted the current structure consisting of five Outside Directors (including two Audit & Supervisory Committee Members.) By paring down the number of outside officers and joining the board, the proportion of Outside Directors over the whole board has risen, contributing to active discussions and fulfilling deliberations based on stakeholders' diverse perspectives. After the close of the 91st Ordinary General Meeting of Shareholders held on June 28, 2017, the number of Outside Directors was four (including two Audit & Supervisory Committee Members). At present, the number is five (including three Audit & Supervisory Committee Members), as resolved at the 95th Ordinary General Meeting of Shareholders held on June 24, 2021. Thereby, Outside Directors currently constitute 50% of the whole Board of Directors.

By appointing Outside Directors who have rich experience as the top management of global business companies or broad knowledge and excellent insight as a CPA or legal professional, Anritsu expects to utilize their advice and suggestions from outside perspectives for addressing its managerial challenges. Since all the

Outside Directors join the Compensation Committee and the Nominating Committee as members, we believe that deliberations at the meetings and the boards' decision-making process will become more objective and impartial, thereby contributing to ensuring transparency of the Company management.

In addition, to deepen understandings and grasp the Group's actual situation and managerial challenge, Outside Directors are encouraged to join domestic field audits conducted by the Audit & Supervisory Committee, whenever practicable, even if they are not on the Audit & Supervisory Committee. Through their attendances at financial results briefings, Outside Directors also seek to figure out the status of dialogue between the Company and its shareholders and investors.

As another effort made after the transition to a "Company with Audit & Supervisory Committee," Anritsu sets up the Independent Committee consisting of Outside Directors only. The chairperson of the Committee is selected among Outside Directors, and as the "Leading Independent Outside Director," the chairperson takes the role of forming an opinion of the Committee and plays as a liaison and coordinator with the senior management of the Company. Through mutual good and smooth communication among Outside Directors, the Committee creates a venue for free and active discussions to facilitate information exchange and share the same problem recognition from the independent and objective standpoint. The Company expects to utilize their advice on the management; suggestions on the evaluation of the board's effectiveness; reports (*toshin*) presented at the board's request based on the deliberations at the Nominating Committee and the Compensation Committee; and other opinions for addressing its managerial issues and leading such use to raise the Group's corporate value.

The Company has executed an agreement limiting the liability for damage with each Outside Director. Under the agreement, the limit of liability is (a) JY 10 million or (b) the amount stipulated by law, whichever is higher.

### (3) Status of Audits by the Audit & Supervisory Committee and Directors on Audit & Supervisory Committee

For the latest business year, Mr. Norio Igarashi (outsider/chairperson), Ms. Keiko Shimizu (outsider), and Mr. Toshisumi Taniai (insider/full-time) hold meetings of the Audit & Supervisory Committee and conducted audits by the Committee Members. Mr. Igarashi has expertise and rich experience in finance and accounting as a CPA and a university professor and a broad insight into management primarily based on experience as an outside officer for listed companies. Ms. Shimizu also has expertise and rich finance and accounting experience as a CPA and a university professor and a broad insight as a qualified IT security auditor. Mr. Taniai had held several positions, including Director and Vice Presidents in charge of personnel and administration, corporate planning, and corporate governance of the Company. Applying such experience, he made efforts to grasp internal information promptly and appropriately and flexibly conducting audits and related activities. Ms. Shimizu and Mr. Taniai retired from the office due to the expiration of their term at the close of the General Meeting of Shareholders held on June 24, 2021. At the same meeting, four of Mr. Norio Igarashi, Ms. Nozomi Ueda, Mr. Junichi Aoyagi, and Mr. Toru Wakinaga were selected as Directors on the Audit & Supervisory Committee. Subsequently, the Committee is formed by four members above, including three independent Outside Directors. Also, at its session held on the same date, the Audit & Supervisory Committee appointed Mr. Norio Igarashi as a chairperson and Mr. Toru Wakinaga as a full-time member. Ms. Ueda (new/outsider) has rich experience and expertise as a lawyer. Mr. Junichi Aoyagi (new/outsider) has rich experience and expertise in finance and accounting as a CPA. And Mr. Toru Wakinaga (new/insider/full-time) has held executive positions, such as Vice President and Senior Executive Officer of the Management Audit Department; thereby, he has detailed knowledge about the Company's businesses and audit work.

To maintain and improve the quality of audits conducted by the Audit & Supervisory Committee, Anritsu sets up the Management Audit Department as a team meant to support the Committee's activities and assigns full-time personnel with experience of serving as Officers. The Committee conducts its activities in cooperation with the Management Audit Department, the Accounting Auditor, and an internal audit department (Global Audit Dept.).

The Audit & Supervisory Committee stipulates the "Rules of the Audit & Supervisory Committee" and its by-laws to work on many activities. Concretely, at the beginning of every business year, it selects a chairperson of the Committee and full-time personnel; allocates audit work among the members; determines

other matters necessary for fulfilling their duties as the Committee members; reviews the result of audits for the previous term; assesses risks in managerial issues for a new business year; and deliberates and draws up its audit policy, prior items for audit, and an annual audit plan.

For the latest business year, the Audit & Supervisory Committee conducted its audit activities, placing audit priorities on the development and operation status of the internal control system and the progress of addressing management challenges.

The audit activities conducted during the term were as follows: attendances at meetings of the board; exchanges of opinions with the senior management; visits to business departments and domestic or overseas subsidiaries, which were identified as the priority audit sites for field audits, interviews, and the like; hearing of reports from the Accounting Auditor; and exchanges of information at quarterly liaison meetings among three audit-related departments (the Audit & Supervisory Committee, the Accounting Auditor, and the internal audit department). At the end of the business year, it organized audit records prepared during the term, scrutinized the Business Report and Financial Statements, prepared audit working papers and an Audit Report, and did related work, and gave the audit report to the shareholders at the relevant ordinary general meeting of shareholders. Besides, full-time Audit & Supervisory Committee Members worked on the following activities, together with the Management Audit Department's staff: improvement of the audit environment and gathering of information in the Company; monitoring of the status of information provision from the senior management; attendances at monthly meetings of the Management Strategy Conference and other material meetings, such as the board meetings of domestic and overseas subsidiaries; presence at inventory audits; access to important documents, such as those submitted for managerial decisions (*kessai*) and written contracts; hearing of reports from both the internal audit department and the internal control department quarterly and timely; sharing of information with non-full-time Audit & Supervisory Committee Members; check upon the operation status of the internal control system daily, and audit on its properness. While the chairperson led discussions at meetings and formulated an opinion of the Committee, all the non-full-time Committee members presented their objective thoughts on the overall business execution from the independent and neutral position by attending the board and the Audit & Supervisory Committee. They also conducted field audits as required.

For the latest business year, nine sessions of the Audit & Supervisory Committee were held with perfect attendance. At the regular meetings of the Board of Directors held in May and July 2020, the Committee made reports on the results of audit activities conducted (during the year), the material matters necessary in fulfilling their duties determined by the Committee, the outline of the scheduled annual audit plan, and related issues.

#### (4) Status of Internal Audit

As to the internal audit, the Global Audit Dept. (as of the end of the latest business year, consisting of eight full-time staff members) conducts the operational audit and provides directions and support to each internal control department of the Group companies. For instance, in the light of daily monitoring of business activities, a trade control department controls products' export, and the Global Audit Dept. conducts an internal audit on the consequence of such control. In this way, the Company seeks to strengthen and enrich its control by dividing roles and responsibilities among business departments and the related internal committees. The internal audit department reviews the results of audits conducted for the previous business year. It also prepares audit policy, annual audit plan, and the like for a new business year, considering recent scandals involving other companies, requests from the top management and the Audit & Supervisory Committee, and the issues for remedy as pointed out in the previous years. And based on the above policy and plan, the internal audit department implements its audit activity.

In the latest business year, to conduct effective and efficient audits, the internal audit department worked to strengthen cooperation with the Audit & Supervisory Committee and the Management Audit Department. Specifically, it exchanged opinions with them on the audit policy, audit plan, audit progress, and other related matters and reported to them on the implementation of audits periodically and at any time when required. Further, the liaison meetings among the Audit & Supervisory Committee, the Accounting Auditor, and the internal audit department were held periodically to raise the effectiveness of their respective audits.

By utilizing accumulated audit know-how and expertise and succeeding and developing practical efforts made for long years, we will continue to improve audits and related activities' quality and effectiveness.

#### (5) Status of Financial Audits

An auditing firm appointed by the Company as its accounting auditor is KPMG AZSA LLC (“AZSA”). AZSA’s executive members who take charge of audits for Anritsu are appropriately rotated, and it is a rule that no member engages in the auditing work beyond seven consecutive fiscal terms (five out of seven as a lead executive member). The CPAs who conducted the Company’s financial audit for the latest consolidated fiscal year were Mr. Tatsunaga Fumikura (who has engaged for six consecutive years, including the latest business year, and acted as a lead executive member for five consecutive years) and Mr. Hiromasa Niinaya (who has engaged for two consecutive years, including the latest business year), and both belong to AZSA. Besides, four CPAs, and four successful applicants for the CPA examination, together with 14 staff members, assisted the financial audit by AZSA.

The Audit & Supervisory Committee selects an Accounting Auditor following its internal rules “Criteria for evaluation and selection of accounting auditor” (in compliance with the “Practical guidelines for Corporate Auditors, etc. regarding criteria for evaluation and selection of accounting auditor” issued by Japan Corporate Auditors Association). Accordingly, the Committee evaluated KPMG AZSA LLC, its Accounting Auditor, in the light of quality control, independence, risks of fraud, and other items and concluded that AZSA satisfied all the evaluation criteria. Besides, since the Group is expanding its businesses internationally, it is advantageous for the Company to utilize KPMG’s global network rationally for auditing activities in the Group. Moreover, the Company’s accounting department and internal control department have maintained good communication with AZSA. Given the current situation and related factors, we re-appointed AZSA as the Accounting Auditor for Anritsu.

The Company has not executed an agreement for limiting the liability for damage with the Accounting Auditor.

### 3. Reasons for Adoption of Current Corporate Governance System

Since Anritsu engages in a highly professional manufacturing business, swift business execution based on the front line's opinions is indispensable. In this light, since 2000, the Company has introduced the Corporate Officer System as a management structure to continuously increase corporate value by having the management executives make decisions and execute businesses speedily and exert their management abilities. Since corporate governance is one of the vital issues, the Company has also appointed independent Outside Directors and set up voluntary advisory bodies to the board, i.e., the Nominating Committee and the Compensation Committee, mainly consisting of Outside Directors. In this way, we are forging ahead with ensuring the transparency and the accountability of the Company management. Furthermore, to facilitate those approaches and strengthen audit and supervisory functions, as resolved at the 89th Ordinary General Meeting of Shareholders held on June 25, 2015, the Company transitioned to a “Company with Audit & Supervisory Committee.” The principal reasons for such transition were as follows: (1) Anritsu had strived to improve corporate value aiming at the introduction of the corporate governance system which could smoothly obtain support and understanding from the global point of view, considering the high proportion of overseas sales in the consolidated sales and the ownership ratio of shares held by non-Japanese; (2) Anritsu expected that by reducing the number of independent Outside Officers who were valuable and rare, and having them to join the board, the proportion of Outside Directors in the whole board would rise; thereby leading to the further improvement of transparency and active discussions based on the perspectives of the shareholders; and (3) Anritsu considered that the participation of officers who engage in audit activity into the board resolution would lead to the reinforcement of audit and supervisory functions.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Vitalize the General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	The Company dispatches convocation notice for a general meeting of shareholders about three weeks before the convocation date, and it tries to do so early. Before such dispatch, it also posts the notice (Japanese text) and the English translation of its excerpts on the Company website or other web pages.
Scheduling General Meeting of Shareholders Avoiding the Peak Day	The Company sets a date for a general meeting of shareholders at an earlier date than so-called “concentrated days.”
Allowing Electronic Exercise of Voting Rights	The Company allows the shareholders to exercise their voting rights through the Internet or other electronic method.
Participation in Electronic Voting Platform and other measures to improve the environment for institutional investors to exercise their voting rights	The Company participates in the electronic voting platform to facilitate the exercise of voting rights by institutional investors.
Providing Convocation Notice (Summary) in English	The Company prepares the English translation of excerpts of the convocation notice and posts it on its website or another webpage in English.
Other Matters	General meetings of shareholders are held at a conference room of the Company head office located in Atsugi-shi, Kanagawa-ken. At the Anritsu Gallery near the conference room, various objects and materials are displayed to show Anritsu’s corporate history and products of the Group. In addition to the convocation notice, the resolution notice, aggregate results of exercised voting rights, the Business Report, and matters on supplementary explanation on propositions are disclosed on the Company website.

#### 2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Disclosure Policy is disclosed on the Company website; also described in “2. Other Matters Concerning to Corporate Governance System” under “V. Other” below.	
Regular Investor Briefings for Individual Investors	Briefings for individual investors have been held domestically so far, but for FY 2021, it is not scheduled yet.	Not scheduled
Regular Investor Briefings for Analysts and Institutional Investors	A briefing on financial results is held quarterly (four sessions per year) at a meeting room in Tokyo or online remotely. Presentation materials used and excerpts of Q&A at the briefings are posted on the Company website.	Scheduled
Regular Investor Briefings for Overseas Investors	The Company periodically conducts overseas IR activities for investors in North America, Europe, Asia, and other regions. It also constantly participates in briefing sessions held in Japan for overseas institutional investors and exchanges views and opinions.	Scheduled
Posting of IR Materials on Website	In addition to the reference materials for shareholders' general meetings, the timely disclosure materials, such as financial results, Securities Reports, Quarterly Reports, briefings materials (presentation materials and extracts of Q&A), Integrated Report/Annual Report, are posted on the Company website.	

	<p>Anritsu also sets up web pages for corporate governance, financial and business overview, mid-term management plan, shares, corporate bonds, rating, and other subjects, respectively, and provides explanations on each.</p> <p>Further, it prepares the English translation of excerpts of those materials as needed and posts them on its website. For such information, go to the following links:</p> <p>*Japanese: <a href="http://www.anritsu.com/ja-JP/">http://www.anritsu.com/ja-JP/</a>  *English: <a href="http://anritsu.com/en-US">http://anritsu.com/en-US</a></p>	
Setting-up of Department and/or Manager in Charge of IR Activities	IR team of the Corporate Branding Department controls IR activities. An officer responsible for the department is Mr. Akifumi Kubota, Director, Senior Vice President, and CFO.	
Other matters	Excepting the so-called “quiet period,” we have IR interviews with institutional investors at home and abroad throughout the year.	

### 3. Measures to Ensure Due Respect for Stakeholders [Updated]

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>Emphasizing our responsibility for and dialogue with various stakeholders, we set forth the Company Philosophy, Company Vision, and Company Policy below. On April 1, 2021, we revised the Company Vision and Company Policy. The revised Company Vision embraces the determination of all the Group members that everyone will take on a challenge proactively and continuously provide society with new value to grow toward the future, individually.</p> <p>&lt;Company Philosophy&gt;  *Contribute to the development of a safe, secure, and prosperous global society by offering “Original and High-Level” products and services with “sincerity, harmony, and enthusiasm.”</p> <p>&lt;Company Vision&gt;  *Beyond testing, beyond limits, for a sustainable future together.</p> <p>&lt;Company Policy&gt;  1) Growing day-by-day both as people and as a company based on self-development and sincere effort.  2) Solving challenges through internal and external cooperative collaborations and harmonious relations.  3) Making breakthroughs with an enthusiastic and progressive spirit.  4) Devoting the company and stakeholders to building a people- and planet-friendly sustainable future.</p> <p>The Company develops policies and guidelines as internal rules following international standards, including the “International Labor Organization’s Declaration on Fundamental Principles and Rights at Work,” the ten (10) principles of the “UN Global Compact,” the “Guiding Principles on Business and Human Rights” endorsed by UN, and “ISO26000:2010” for companies’ social responsibilities. We also strive to raise our awareness of issues at each phase of the value chain analysis. With those efforts, Anritsu is moving ahead with initiatives to respect human rights and diversity.</p> <p>Further, the Anritsu Group set out and declared to the public “Anritsu Group Charter of Corporate Behavior” and “Anritsu Group Code of Conduct” as the</p>

	<p>standards of exemplary corporate conduct in fulfilling its social responsibility. We recognize that sustainable growth and corporate value creation over the mid-to-long term for the Company can be achieved as an outcome or consequence of various stakeholders' offering of resources and contribution. Therefore, the Company expresses its basic views on ensuring equal treatment of all the shareholders and cooperating appropriately with stakeholders other than the shareholders in the "Anritsu Corporation Basic Policy on Corporate Governance."</p>
<p>Implementation of Environmental Activities, CSR Activities, etc.</p>	<p>Anritsu is propelling corporate sustainability forward as one of PDCA activities aiming at the targets defined in the mid-term business plan developed under the decisions of the Board of Directors and the Management Strategy Conference. We identify crucial ESG issues to be shared in the Group through discussions at the Sustainability Promotion Center, composed of representatives from key departments, and other meetings. Those issues are conveyed to each department or office to share and discuss specific steps to take, which are widely recognized at all levels across the Group. Also, given the effect of the Group's businesses on earth environment and society, we are forging ahead with CSV (creating shared value) on a global level by appropriately reflecting such issues in our management.</p> <p>In the Sustainability Policy, the Company expresses its stance to address environmental issues, including climate change, proactively and contribute to building a people- and planet-friendly future. Specifically, Anritsu will regularly offer education to all employees on how to address climate change, establish a Sound Material-Cycle Society, and practice the Group's environment-minded management to prevent pollution. Additionally, we will appropriately operate the environmental management in concert with the business growth. Through those efforts, we will pursue the improvement of environmental performance.</p> <p>The Anritsu Group aims to realize by 2030 "planning and implementing of carbon-neutral society in 2050," "attaining SBT targets," "implementing advanced initiatives," and "establishing a structure for compliance with environmental law on a global basis." We have already started "GLP2023," the mid-term business plan for three years up to FY 2023. Based on four key themes set in the GLP2023 Environmental Initiatives: "Reduce greenhouse gas emission," "Better communication to improve the environmental brand," "Provide products free of hazardous substances," and "Promote effective use of management systems to address environmental issues," we will move our activities forward.</p> <p>The Company also submitted our program to reduce greenhouse gas emissions to the "Science Based Targets initiative (SBTi), approved in December 2019. Considering that the private generation of electric power necessary for implementing our businesses would serve the SDGs' goal after, we decided to emphasize promoting an initiative for "Private Generation of Renewable Energy ("PGRE"). Thereby, in the "Anritsu Climate Change Action PGRE 30" formulated in April 2020, Anritsu targets to raise the proportion of private generation using solar energy, which is one method of renewable energy, from around 0.8% of the Group's electricity consumption (excluding those of some subsidiaries) in FY 2018 to about 30% by around 2030. By installing new or additional solar generation facilities at three principal premises, Anritsu will accelerate those approaches and contribute to the attainment of Target 7.2 in Goal 7 of SDGs "to increase the global share of the renewal energy mix by 2030 substantially".</p>

On July 30, 2021, the Company approved the proposal of the Task Force on Climate-related Financial Disclosures (TCFD). From before that time, the Anritsu Sustainability Report has disclosed the Company's climate-related risks and opportunities in compliance with the framework of the TCFD proposal and published the results of the evaluation from aspects of "governance," "strategy," "risk management," and "metrics and targets," and we will further pursue the enhancement of information disclosure.

The Company declares in its Sustainability Policy that it will forge ahead with establishing a healthy and satisfying work environment respecting all persons' rights and advancing the personal development of individuals with diverse people. Thus, it is vital to create a work environment where diverse human resources can share the value and proactively work to carry on our business activities and realize our growth by developing the ability to address various market needs and risks. As a corporation with operations worldwide, we are promoting "Diversity Management" on a group basis to establish its corporate culture that never allows any form of harassment and discrimination for any reason (ex: race, nationality, gender, age, religion, sexual orientation, mental or physical disability, or other personal factors).

In hiring employees, Anritsu positively recruits non-Japanese nationals and diverse persons, whether new graduates or mid-career, considering the equality of gender. We expect all employees work proactively toward their own goals and targets while realizing their contributions to the Company and organization and their growth through jobs. For that purpose, the Company has prepared human resource development programs to support their career advancements for achieving their respective life visions. In the domestic offices, through its active hiring of female employees, the improvement of training programs, and other measures, the proportion of female workers to males and the number of women in managerial positions are gradually increasing. Also, to help them balance their career development and household affairs such as child-raising, the Company offers several programs, including maternity and childcare leave and absence from work, reemployment, and reduction in working hours. And we are aggressively working to establish a comfortable work environment for women. At the same time, Anritsu expects every employee, irrespective of gender, who hopes to use those programs to balance work and family matters, such as childcare. In this light, a department that comprehensively supervises diversity promotion has a central role in providing related information to all the employees, keeping them informed for raising awareness and fostering their understandings. Due to those initiatives, recently more male employees have taken child-care leave. Besides, aiming at the work-style reform or promoting "life-work balance," the Company is making efforts to reduce the long working hours by controlling more strictly, encouraging the shortening of meeting hours or more efficient proceedings at meetings. Moving ahead with those initiatives, we are sure to protect our employees' health and enable them to care for children or elders or do household affairs without concern. By taking those approaches, Anritsu will improve productivity, realize innovation, and enhance corporate value. At the end of March 2021, the proportion of female employees to all Group employees is about 16% domestically and about 21% internationally. And the proportion of female managers to all the managers is about 2% at home and about 11% worldwide.

In GLP2023, the mid-term management plan, we announced significant initiatives, indicators, and other key factors in each category of ESG as our sustainability goal. Also, for fostering "Diversity Management," we set several specific targets, such as lifting the rate of female managers to 15% or



	<p>more; consideration of the employment of elder persons at 70 or less intending to establish a new treatment program to encourage and motivate senior employees; and achievement of the legal employment rate of persons with disabilities at 2.3% through the expansion or development of job categories.</p> <p>For the progress of other approaches and related information, see the Integrated Report and the Sustainability Report annually issued and released on the Company website.</p> <p>*Integrated Report:  <a href="https://www.anritsu.com/en-US/about-anritsu/investor-relations/library/annual-report">https://www.anritsu.com/en-US/about-anritsu/investor-relations/library/annual-report</a></p> <p>*Sustainability Report:  <a href="https://www.anritsu.com/en-US/about-anritsu/sustainability/library">https://www.anritsu.com/en-US/about-anritsu/sustainability/library</a></p>
<p>Development of Policies on Information Provision to Stakeholders</p>	<p>In the Disclosure Policy, Anritsu makes it rule that “Anritsu will disclose accurate information to every stakeholder with good faith fairly and positively by observing the related laws or ordinances, irrespective of its content and whether circumstances surrounding the disclosure is favorable or not.” Under the Policy, the Company proactively sends out information about business activities by distributing various reports and printed materials and utilizing its website and other methods.</p>

#### IV. Matters Related to the Internal Control System

##### 1. Basic Views on Internal Control System and the Progress of System Development

The Company is tackling the strengthening of its internal control system to figure out and assess factors that would hinder its growth and achievement of its business targets (business risks) comprehensively and control them on a company-wide basis. To lead the internal control system's establishment to the increase in corporate value, the Internal Control Committee and the Global Audit Dept. play the central roles in activities focusing on raising a group-wide awareness and cultivating corporate culture. Under the firmly established internal control system, each Group company's internal audit department and dedicated internal audit staff take principal roles in the assessment and audit activity.

Suppose any inadequacy or insufficiency is found in the assessment or audit process regarding the Company Philosophy, ethics, the unification of accounting principles and procedures, IT infrastructures, and business process relating to financial reports. In that case, the Company will remedy the problem by taking appropriate measures.

Given the necessity to cultivate the self-sustaining corporate culture further, we will continue to deepen communication on a group-wide basis to raise awareness at all levels.

- Risk management

Anritsu acknowledges that its major risks are (1) business risks relating to decision-making and business execution, (2) compliance risks, (3) environment risks, (4) risks in quality of products or services, (5) risks in control of export and import, (6) information security risks, and (7) infectious disease and disaster risks. We have defined a responsible person for the management of each risk for its analysis and assessment. The assessment result is deliberated at the Management Strategy Conference and reported to the Board of Directors when necessary. In the occurrence of an event that is likely to have a significant effect on business operation, the Company will call a meeting of related persons under the “Basic Rules for Risk Management” to grasp the situation, take measures, and promptly report to the board and the Audit & Supervisory Committee. Anritsu engages in crisis management activities for disaster risks on a day-to-day basis; for instance, we are gathering risk information and preparing disaster prevention schemes. Further, the Company is now constructing a disaster response structure, including a recovery plan at the occurrence of a disaster, to cope with the situation promptly and appropriately.

● Compliance

For propelling healthy corporate behavior in compliance with codes of ethics and laws or ordinances, the top management plays a role of the driving force, and under the directions of the Management Strategy Conference, an Officer in charge of compliance (“Compliance Officer”) supervises the Group-wide activities for compliance promotion. The Corporate Ethics Promotion Committee, a body to drive compliance, plans and implements the company-wide measures while engaging in promotion activities in cooperation with other internal committees related to compliance. Further, each department conducts day-to-day promotion activities under the manager’s instructions with the Corporate Ethics Promotion Committee and related committees' support. More specifically, we are now moving ahead with the following measures: application of the “Anritsu Group Code of Conduct” to subsidiaries, including overseas companies; issuance of “Case Study Sheet” explaining concrete examples and points of attention; educational and awareness-raising activities by providing training for each level and compliance driving events; implementation of “Questionnaire Survey” to check the firm establishment of compliance system and the awareness level of employees; and setting-up of “Help Line” to prevent any violation of code of ethics and laws or ordinances in the Group.

Under the laws or ordinances, the Company obtained the board’s resolution on establishing the structure to ensure the appropriateness of business activities. Based on the board’s approval, we have built the internal control system to develop and operate the Group's effective structure. The operation status and other information about the internal control system are reported to the board annually, and the summary is included in the Business Report, the Securities Report, and other disclosure materials. The currently adopted “Basic Policy for Establishing Internal Control System” is as follows:

1. System for ensuring that the execution of duties by directors and employees of the company as well as directors, etc. and employees of subsidiaries comply with laws or ordinances and the Articles of Incorporation

(1) Driven by the Corporate Philosophy of “sincerity, harmony, and enthusiasm,” the Company declares to “contribute to society as a good corporate citizen” in its Company Policy. Aiming at developing as a “company of integrity,” we also set out the “Anritsu Group Charter of Corporate Conduct” and the “Anritsu Group Code of Conduct.” Anritsu has placed compliance with laws or ordinances and corporate ethics as the starting point of the Group’s enterprise activity.

(2) Fully recognizing that it is their role to act up to this Basic Policy for Establishing Internal Control System, the Company’s Directors and Officers shall take the initiatives to establish the effective structure for the Group and ensure corporate ethics are entirely entrenched.

(3) Under the Management Strategy Conference chaired by the Group CEO, the Corporate Ethics Promotion Committee of the Company shall strive to develop and enhance the compliance system of the Group according to the “Basic Rules for Compliance with Ethics and Laws” in cooperation with other compliance-related committees (including those for information control, fair trade promotion, export and import control, environmental management, and other related affairs) as well as corresponding departments of subsidiaries. The Corporate Ethics Promotion Committee shall submit a periodical report on compliance issues to the board to rectify problems.

(4) In cooperation with compliance-related committees and corresponding departments of subsidiaries, the Corporate Ethics Promotion Committee shall provide the Group’s employees with education and training and monitor the results. Based on the “Rules for Internal Audit,” the Company's internal audit department conducts audits on activities of compliance-related committees and a legal department in charge of driving corporate ethics.

(5) Every employee or worker of the Anritsu Group who becomes aware of any possible violation of the Anritsu Group Code of Conduct possesses the means to report or notify per se or via own supervisor of that fact to the internal or external point of contact. In that case, such reporting or notification shall be kept confidential. In no event, the person who reported or notified shall be treated unfavorably for submitting the report. The Company shall stipulate rules for handling such cases and keep everyone in the Group informed about such practices.

(6) To ensure proper financial reporting of the Group and its credibility, the Company shall conduct the reliable operation of its internal control with continual improvements according to the “Basic Rules for Internal Control System.”

(7) The Anritsu Group shall take a firm stance and actions against any anti-social forces or organizations that jeopardize civil society's safety, block all contacts with them, and exclude any action to support their activities. The Company shall also cope with unreasonable claims or demands in close cooperation with external specialists, such as legal counsels and police.

(8) Any transaction among companies that belong to the Group shall be conducted appropriately in the context of laws or ordinances, accounting principles, tax laws, and other social norms.

## 2. System for storing and managing information relating to the execution of duties by directors

(1) The Company shall establish and operate the system to manage information in business affairs strictly and properly according to the “Basic Rules for Information Management.”

(2) For documents relating to the decision-making and execution of duties by the Company’s Directors and Officers (ex. respective minutes of and reference materials for general meetings of shareholders, the board meetings, and the Management Strategy Conference meetings), the Company shall appoint responsible persons for preservation, and storage period and method to manage them under laws or ordinances and the “Rules for Trade Secret Management” properly. And Anritsu establishes the system under which every Director may access those documents promptly.

(3) For the trade secret and personal information, the Company shall manage them strictly and adequately according to laws or ordinances, the “Rules for Trade Secret Management,” and the “Rules for Personal Information Protection.”

## 3. System for the rules, etc. relating to the management of risks of loss for the company and subsidiaries

(1) The Company acknowledges that its major risks are (1) business risks relating to decision-making and business execution, (2) compliance risks, (3) environment risks, (4) risks in quality of products or services, (5) risks in control of export and import, (6) information security risks, and (7) infectious disease and disaster risks. Therefore, it shall appoint a responsible person for risk management on each risk and establish the risk management system. A risk management promotion department shall set out rules and guidelines, offer training and education for establishing the system to increase the risk management level, and ensure the business's continued development.

(2) In the process of compiling the mid-to-long-term management plan of the Group, given changes in the business environment, the Company shall identify potential risks and draw up countermeasures against them aiming to attain the business targets. Also, at the Management Strategy Conference held monthly chaired by the Group CEO and consisting of full-time Directors and Officers, the Company shall deliberate on the risk analysis and the progress of conducting risk countermeasures when necessary and report them to the board.

(3) To systematize and integrate all the risk management efforts on a group-wide basis and operate them in a unified way, the Company shall set out the “Basic Rules for Risk Management,” which will be utilized to enhance corporate value further and to achieve sustainable development of corporate activities.

(4) In the occurrence of an event that is likely to have a significant effect on the Group management, the Group CEO shall convene a meeting of related persons under the “Basic Rules for Risk Management” to grasp the situation, take measures, and promptly report to the board and the Audit & Supervisory Committee.

(5) In the occurrence of a severe accident or disaster, the Company shall set up the emergency headquarters headed by the Group CEO under the “Basic Rules for Risk Management” and the “Basic Rules for Disaster and Emergency Measures” to address the situation to minimize damage and recover the business earlier.

4. System for ensuring the effective execution of duties by directors of the company as well as directors, etc. of subsidiaries

(1) To adapt to changes in the business environment flexibly and speedily to enhance competitiveness as a global enterprise and increase corporate value continuously, under the Corporate Officer System, the Company shall share the roles and duties (including those about subsidiaries) among its Directors and Officers. To execute such duties, it shall set out the “Rules for Division of Responsibility,” which defines the scope of functions and responsibilities of each organizational department and appoints a responsible person for each department to ensure the system under which their duties are executed effectively and adequately.

(2) The Company shall hold a regular meeting of the Board of Directors monthly and an extraordinary one when required to make decisions flexibly.

(3) The Board of Directors shall deliberate, approve and supervise the execution of a mid-term business plan and a single-year corporate budget linked to that plan of the Group, all of which are compiled by the Management Strategy Conference.

(4) Group CEO shall set its mission and objectives for a year based on the Group’s mid-term business plan and a single-year corporate budget and exert leadership to attain the business target. In response to the Group CEO’s above goals, the Company’s Officers shall also set their missions and objectives for the year, respectively, and tackle to achieve them.

(5) The Group shall set out international business guidelines for each business group to smoothly move ahead with its global business expansion. The Company also shall seek to streamline the work process in common among the Group companies using the shared service, integrate IT system, introduce a Cash Management System (CMS), and take necessary measures.

5. System for reporting to the company on matters relating to the execution of duties by directors, etc. of subsidiaries

(1) To implement the Group management smoothly, the Company shall have subsidiaries’ presidents, officers, and other persons appointed by the Group CEO to attend important meetings, including the Management Strategy Conference, the Business Development Strategy Conference, and the Budget Compiling Conference. At those meetings, the Company shall receive a report from each subsidiary on its business performance, financial status, and other significant matters.

(2) Each Director or Officer of the Company shall receive reports from a subsidiary, of which they take charge, on their business performance, financial standing, and other significant matters periodically and when required.

6. Other systems for ensuring the properness of business operation of a corporate group comprising of the company and subsidiaries

(1) Directors and Officers of the Company shall provide instructions to the subsidiary they take charge of, respectively, according to their duties assigned to develop an appropriate internal control system.

(2) The Company’s internal audit department shall cooperate with the respective internal audit departments or similar units of subsidiaries in conducting audits on the properness of business operation.

7. Matters relating to the employees who are to assist the duties of the Audit & Supervisory Committee

(1) The Company shall set up a management audit department and assign full-time personnel to assist the duties of the Audit & Supervisory Committee.

(2) The Audit & Supervisory Committee may request the internal audit department to assist their duties, and the Company shall write that effect in the provision relating to the internal audit department in the “Rules for Division of Responsibilities.”

(3) The Audit & Supervisory Committee may receive cooperation and clerical support from specific employees who have expertise in the head office's administrative department when necessary.

8. Matters relating to ensuring the independence of employees who are to assist duties of the Audit & Supervisory Committee from Directors (excluding those on the Audit & Supervisory Committee) and the effectiveness of instructions given by the Audit & Supervisory Committee

(1) For matters relating to the assistance to duties of the Audit & Supervisory Committee, the employees, etc., staffed to the management audit department shall follow directions and orders from the Audit & Supervisory Committee. For transferring such employees, etc., it is required to obtain the Committee's prior consent.

(2) When the Audit & Supervisory Committee asks for assistance to or cooperation in their duties from specific employees of the internal audit department and the administrative department of the head office, Directors, Officers, and managers shall directly instruct them to follow the request.

(3) For requests for assistance and cooperation from the Audit & Supervisory Committee, the employees of the internal audit department or the administrative department of the head office who are asked to do so shall follow the Committee's directions and orders, not to follow the same from Directors (excluding those on the Audit & Supervisory Committee), Officers, and their managers.

(4) To transfer the internal audit department's manager, it is required to obtain the prior consent of the Audit & Supervisory Committee.

9. System for reporting to the Audit & Supervisory Committee from directors and employees of the company, directors, auditors, and employees of subsidiaries or any other persons who received a report from them, as well as other systems for reporting to the Audit & Supervisory Committee

(1) To grasp the significant decision-making process and the status of business execution, specific members of the Audit & Supervisory Committee selected by the Committee ("Selected Committee Members") may attend essential conferences. The conferences include the Management Strategy Conference, a council for the Group's mid-term business plan, and other meetings deemed necessary by the Selected Committee Members.

(2) The Selected Committee Members may access material documents relating to business execution, such as Written Request for Decision (*ringisho*). When they deem it necessary, they may ask relevant Directors, Officers, and employees to produce and explain the documents.

(3) Suppose the Company's Director, Officer, or employee or subsidiaries' directors, auditors, or employees, or any other person who received the report from them becomes aware of any conduct that is likely to cause significant damage to the Group or violate laws or ordinances or the Articles of Incorporation. In that case, that person shall promptly report to the Audit & Supervisory Committee about that issue and the status of implementation of internal audit; the progress of development of the internal control system; material accounting policies and standards and their revisions; and other necessary information. The Company shall also set out rules to define the reporting structure and communication route to the Audit & Supervisory Committee and keep all members informed about the rules.

(4) The Company's legal department shall report to the Audit & Supervisory Committee on the plan and results of compliance activities (including contents of report and counseling notified to the consultation desk or helpline under its control) periodically and when required.

10. System for ensuring that no person is treated unfavorably for submitting the report in the preceding item

(1) The Company shall stipulate rules that an employee's report to the Audit & Supervisory Committee and its content shall be kept confidential. In no event, the employee shall be treated unfavorably for submitting the report. Anritsu shall keep everyone in the Company informed about such rules.

(2) A Compliance Officer of the Company is responsible for monitoring and supervising to ensure that the person who made the report (“reporter”) does not face the deterioration of the working environment for submitting the report. The Officer shall immediately remedy if found that the reporter has been treated unfavorably.

11. Matters relating to principles of procedures for advancement or indemnification of expenses as well as payment of other expenses and debts incurred in the execution of duties by the Audit & Supervisory Committee

(1) The Company shall promptly respond to the request from Audit & Supervisory Committee Members for advancement or indemnification in relation to executing their duties under paragraph 4 of Article 399-2 of the Companies Act unless such expense is deemed not necessary for the execution of their duties.

(2) Any Audit & Supervisory Committee Member may use lawyers, CPAs, or other external specialists at the Company's expense unless such use is deemed unnecessary for implementing the audit.

(3) The Company estimates and budgets for the amount necessary for paying expenses and costs to be incurred in executing duties by Audit & Supervisory Committee Members.

12. Other systems for ensuring the effective implementation of audits by the Audit & Supervisory Committee

(1) Representative Directors of the Company shall periodically, or as needed, meet with the Audit & Supervisory Committee Members to exchange opinions on problems to be addressed by the Company and critical issues in audit and other matters for fostering communications between them.

(2) The Company's internal audit department shall report on its internal audit plan and audit results to the Audit & Supervisory Committee periodically and as needed for fostering communications between them. As needed, the Audit & Supervisory Committee may ask for an investigation by the internal audit department and the administrative departments relative to the internal audit.

(3) The Company shall establish the structure for providing information to the Audit & Supervisory Committee and the cooperative system between the Committee and the internal audit department to enable the Committee to implement audits on the whole Group effectively and adequately, corresponding to the consolidated management of the Group.

(4) Directors and Officers of the Company seek to enhance the internal audit system and the complete cooperation system so that the Audit & Supervisory Committee implements audits more effectively.

## 2. Basic Views on Eliminating Anti-Social Forces

Recognizing that it is critical for a corporation's healthy growth to take a resolute attitude against any anti-social forces, the Company expresses its fundamental stance in the basic policy for establishing its internal control system. The “Anritsu Group Code of Conduct” also declares its stance against anti-social forces:

“We will take firm stance and actions against any anti-social forces or organization jeopardizing civil society’s safety, block any contacts with them, and never act for helping their activities.”

Further, to shut off any involvement in anti-social forces, a general affairs department shall take charge of addressing any unreasonable claim or demand in close cooperation with external specialists, such as legal counsels and police.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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At the close of the 87th General Meeting of Shareholders held on June 26, 2013, the Company ceased to continue the “Countermeasures against Large-scale Purchase of Shares of the Company (Anti-takeover measures).” Because we determined that it was the highest-priority issue for the Company to (i) realize the mid-to-long-term management strategy and the mid-term management plan, (ii) continuously engage in the increase of corporate value through the development and strengthening of corporate governance, and (iii) increase the return to the shareholders and further expand dialogue with them and investors. In this connection, we set out the “Basic Policy regarding Persons Who Control Decisions on the Company’s Financial and Business Policies” as below. Aiming to “become a global market leader” and “create new business through innovations of business ideas,” Anritsu will strive to ensure and heighten corporate value and the shareholders’ common interests.

(1) Basic Policy regarding Persons Who Control Decisions on the Company’s Financial and Business Policies  
Anritsu is an open and public company that allows unrestricted sale and purchase of its shares. Thus, the decisions on whether it shall sell its shares in response to a large-scale purchase attempted by a party or person and requirements for a party or person who controls decisions of the Company’s financial and business policies shall ultimately rest on the collective will of the shareholders. However, to maximize accumulated management resources, which create corporate value and the shareholders’ common interests, and to elevate the Group’s brand value, it is imperative to have thorough understandings of the stable management of the Company from the mid-to-long-term standpoint and the accumulated management resources. In this sense, if a party or person who controls decisions on the Company’s finance and business policies fails to satisfy the above requirements, it will likely impair the Company’s corporate value and the shareholders’ common interests.

Therefore, when an inappropriate party or person for controlling decisions on the Company’s financial and business matters attempts a large-scale purchase, we need to assist the shareholders in making their decisions. Specifically, we will request information from that party or person and make every effort to gather related information proactively and disclose it appropriately. Also, to ensure and improve corporate value and the shareholders’ common interests, the Company will take proper measures to the extent allowed under laws or ordinances and its Articles of Incorporation.

(2) Special initiative to contribute to the realization of Basic Policy

To work for increasing corporate value from a longer perspective, given the Company Philosophy, Company Vision, and Company Policy, Anritsu has formulated the mid-term management plan, and we are tackling their attainments on a group-wide basis. The Company also seeks to strengthen corporate governance and ensure transparency in the management by taking various initiatives, including (i) the enhancement of supervisory function for the management through the introduction of the Corporate Officer System and appointments of independent Outside Directors, (ii) the transition to a “Company with Audit & Supervisory Committee,” (iii) the establishment of the Nominating Committee, the Compensation Committee, and the Independent Committee, all of which are chaired by an independent Outside Director, and (iv) the implementation of evaluation of the effectiveness of the Board of Directors.

Pursuing the management focusing on improving corporate value will reduce the risk of any attempt at a large-scale purchase that would substantially impair the Company’s corporate value and the shareholders’ common interests. Therefore, we believe the above approaches are consistent with the Basic Policy in (1) above, not intending to maintain the Company’s Directors or Officers’ positions.

## 2. Other Matters relating to Corporate Governance System

The “Anritsu Disclosure Policy” and the status of the internal structure for timely disclosure of the corporate information are as follows:

### 1. Disclosure Policy

The Company’s Disclosure Policy declares to “disclose accurate information to every stakeholder with good faith fairly and positively according to the related laws or ordinances, irrespective of its content and whether circumstances surrounding the disclosure is favorable or not.” Under the Policy, we are working to disclose

corporate information in a fair, timely, and appropriate manner to the public, the shareholders, investors, and other related persons according to the following action plan:

- (1) Disclose accurate information
  - (i) explicitly, in an understandable way,
  - (ii) and transmit it proactively, timely, and promptly,
  - (iii) to be disseminated widely and impartially.
- (2) Ensure the careful management of information and seek to prevent insider trading.

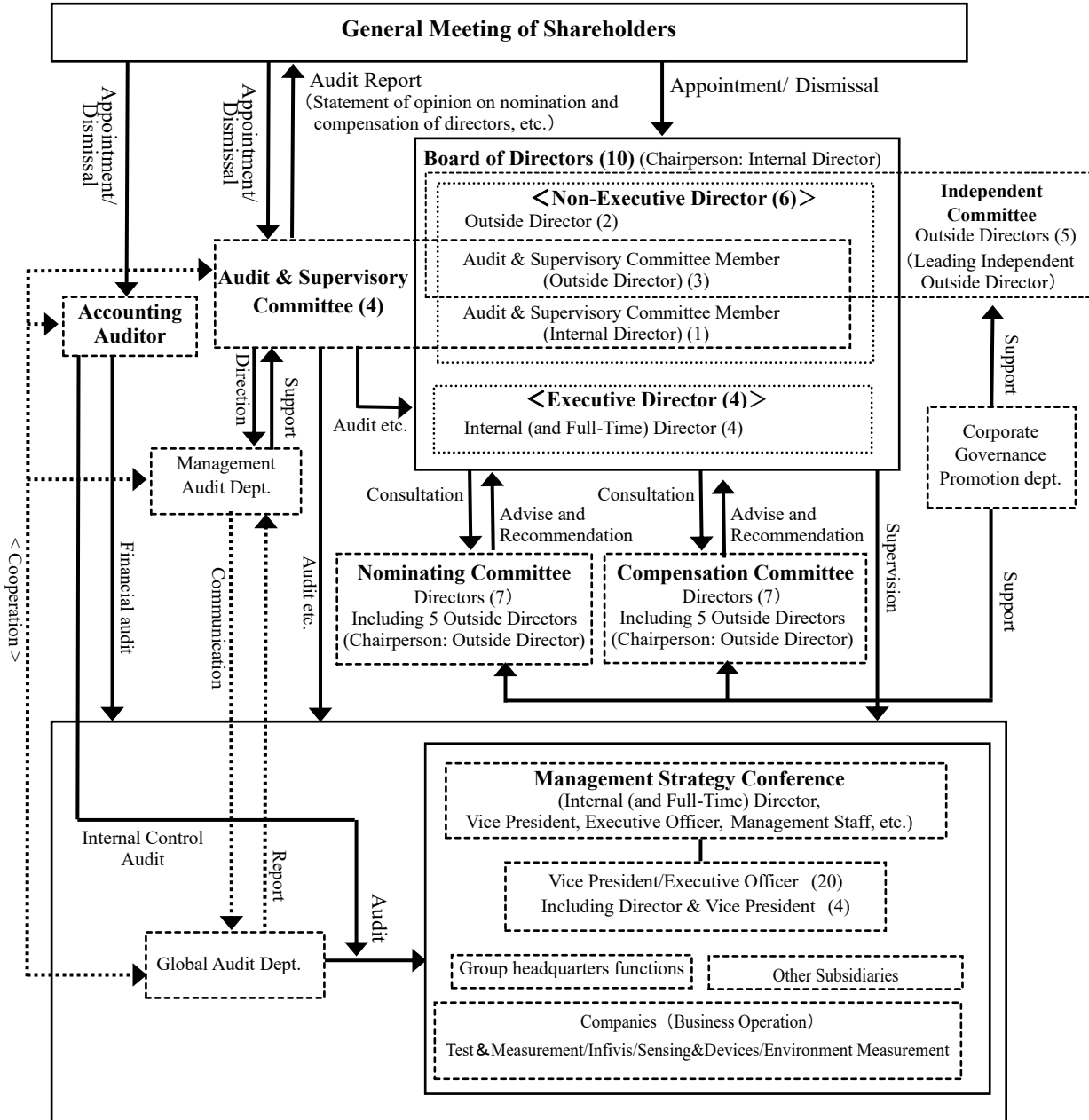
## 2. Internal structure for timely disclosure

To realize the Disclosure Policy, the Company has stipulated internal rules (“Rules on Disclosure of Corporate Information” and “Rules for Prevention of Insider Trade”), based on which we handle every corporate information to pursue the enhancement of its transparency and credibility as an enterprise.

- (1) Gathering and management of information  
Once corporate information that may require a timely disclosure is generated, the head of a department in charge of such information shall confirm and report its content to a responsible person for information handling, the position of which is assumed by a Vice President supervising financial affairs (“Information Handling Officer”). The Information Handling Officer controls matters relating to the management and disclosure of corporate information.
- (2) Determination of significance of information  
For the corporate information gathered at the Information Handling Officer, the Disclosure Policy Committee chaired by the Information Handling Officer shall evaluate and determine whether it requires disclosure or not. When it is determined to disclose, the Committee shall discuss what content, when, and how to disclose the information and other necessary matters.
- (3) Public announcement  
The Company shall promptly disclose any material fact upon the resolution by the Management Strategy Conference and the Board of Directors. In principle, Representative Director(s), Vice President in charge, and respective department managers of IR, legal, and accounting departments (collectively “Information Disclosure Officers.”) assume the role of disclosing information. They shall submit a report to the Stock Exchanges and carry out disclosure procedures for news media in cooperation with the Information Handling Officer. If any selective disclosure is made carelessly or for a similar reason, the Company shall promptly prepare and issue disclosure materials based on the Disclosure Policy Committee's deliberation and approval.
- (4) Monitoring structure  
Directors on Audit & Supervisory Committee conduct audits on whether the Company's timely disclosure system is properly working or not in various ways. Specifically, they attend the board's meetings, the Management Strategy Conference, and other significant meetings; access material documents, such as minutes of the Information Disclosure Committee meetings; promptly report on material matters; and implement information disclosure audits. Besides, the Internal Control Committee plays as a center of establishing, operating, and improving the internal control system. And the Global Audit Dept. verifies the internal control system's appropriateness and effectiveness as an independent internal audit department.
- (5) Training and education  
To ensure the fair, timely, and appropriate disclosure of information on a Group-wide basis and prevent insider trading, the Company offers training and education for its employees to fully understand the related laws or ordinances and internal rules and regulations. It also instructs subsidiaries to establish their information management structure and disclosure procedures, respectively.

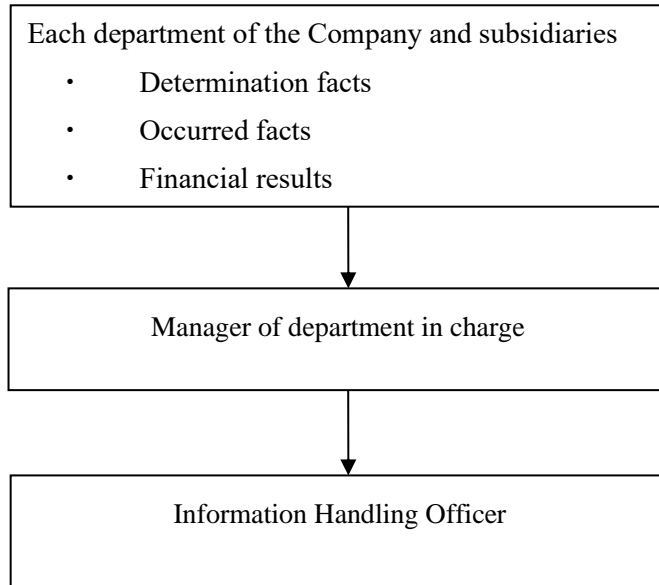


# 【Corporate Governance System】

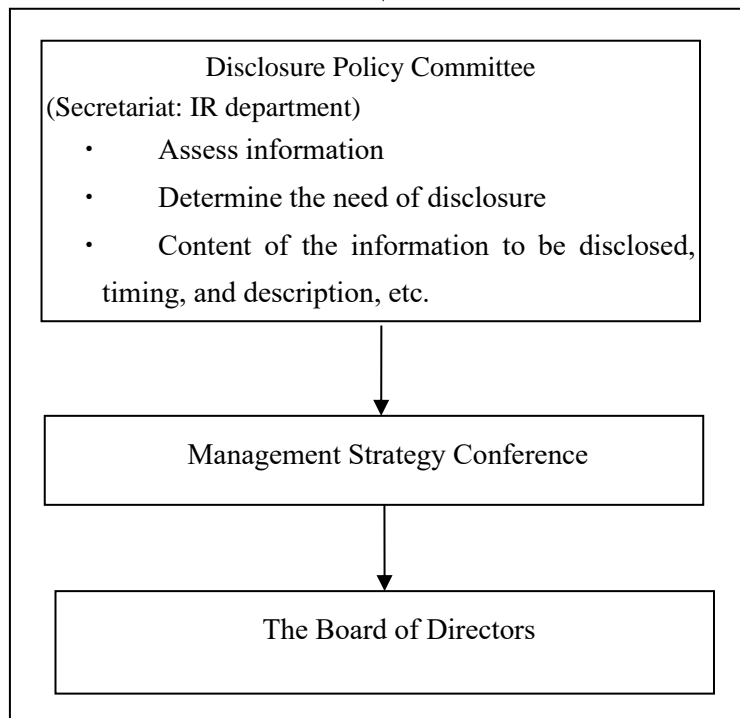


## 【Scheme for Timely Disclosure System】

### (1) Gathering and management of information



### (2) Determination of significance of information



### (3) Public announcement

