

## To Our Shareholders

Company Name: **ANRITSU CORPORATION**

Representative:

Hirokazu Hamada; President & Director

Code Number: 6754 (Tokyo Stock Exchange, First Section)

Media Contact:

Akifumi Kubota; Director, Executive Vice President, CFO

(Phone: +81 46 296 6507)

## The Company's View on the ISS Report Concerning Proposal of the 93<sup>rd</sup> Ordinary General Meeting of Shareholders

Anritsu (hereinafter referred to as the "Company") has submitted a proposal (the 4<sup>th</sup> proposal) to appoint one (1) Substitute Director elected as Audit & Supervisory Committee Member at the 93rd Ordinary General Meeting of Shareholders of the Company (hereinafter referred to as "the General Meeting") scheduled to be held on June 26, 2019. With regard to Mr. Takashi Sano, who is a candidate, the Company has confirmed that the Institutional Shareholder Services, Inc. (hereinafter referred to as "ISS") has issued a report that recommends voting against the Company proposal.

The reason for appointment as a candidate for Substitute Outside Director elected as Audit & Supervisory Committee Member and the matters concerning independence are as described in "Reference documents concerning exercise of voting rights" in the notice of the General Meeting. In order for the shareholders to make a sound decision, the Company will supplement it as follows and inform the Company's view on the ISS Report, so we ask for your understanding.

### 1. ISS's Recommendation to vote against

ISS has recommended voting against the proposal for the appointment of Mr. Takashi Sano as Substitute Director elected as Audit & Supervisory Committee Member according to ISS's "Japan Proxy Voting Guidelines 2019" for the following reasons:

Mr. Takashi Sano does not meet the ISS's independence criteria because he worked at KPMG AZSA LLC, an accounting auditor of the Company.

### 2. The Company's View

The Company's View is as follows;

- (1) Mr. Takashi Sano used to work for KPMG AZSA LLC, an accounting auditor of the Company, but resigned more than 11 years ago. After retirement, he has never been involved with the business and operation of KPMG AZSA LLC. Furthermore, he has never been involved with the Company during his tenure in KPMG AZSA LLC. We believe that there is no doubt about his independence.
- (2) Mr. Takashi Sano currently serves as Outside Director of the Company for four years. He has held a position as president at overseas subsidiary of NEMIC-LAMBDA (Currently TDK-Lambda Corporation) and has remarkable insight and experience on global business. We appointed him as Outside Director in the expectation to reflect such insight and experience to management of the Company, which conducts business globally. In fact, in the Board Meeting of the Company, we have received from Mr. Takashi Sano valuable opinions backed by rich knowledge and experience on global business and expertise as an accounting specialist. We believe that he contributes to the management of the Company, and there is no issue with his independence.
- (3) The Company has designated and reported Mr. Takashi Sano as an independent board member stipulated by Tokyo Stock Exchange, Inc. In addition, he meets "Criteria for Judging Independence of Outside Officers" set by the Company.
- (4) Mr. Takashi Sano has advanced knowledge of finance and accounting as a Certified Public Accountant, and has sufficient knowledge of the Company and its business based on his experience as an Outside Director of the Company. We believe that he will be suitable as Substitute if the number of Directors elected as Audit & Supervisory Committee Members is insufficient.

**【For reference】** Brief personal record of Mr. Takashi Sano

- Oct. 1973    Joined Arthur Andersen (Currently KPMG AZSA LLC)
- Feb. 1979    Joined NEMIC-LAMBDA Co., Ltd. (Currently TDK-Lambda Corporation)
- Jun. 1986    President of NEMIC-LAMBDA Singapore PTE. LTD. (Currently TDK-Lambda Singapore Pte. Ltd.)
- Dec. 1992    Joined Inoue Saito Eiwa Audit Corporation (Currently KPMG AZSA LLC)
- Jan. 1993    Registration of CPA
- Aug. 1997    Representative Partner of Asahi Audit Corporation (Currently KPMG AZSA LLC)
- Nov. 2007    Resigned KPMG AZSA & Co. (Currently KPMG AZSA LLC)
- Dec. 2007    Established Sano CPA Office (Incumbent)
- Jun. 2011    Outside Corporate Auditor of Zuken Inc.
- Jun. 2014    Outside Director of Zuken Inc. (Incumbent)
- Jun. 2015    Outside Director of the Company (Incumbent)