

Company Name: **ANRITSU CORPORATION**
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Notice Regarding Disposal of Treasury Stock to Employee Stockholding Association Using Restricted Stock

ANRITSU CORPORATION (hereinafter “Anritsu”) announces that at a meeting of the Board of Directors held today (May 30, 2024), in operating a restricted stock grant system (hereinafter, the “System”), which grants restricted stock to employees of Anritsu and its subsidiaries through the ANRITSU Group Employee Stockholding Association (hereinafter, the “Association”), it resolved to dispose of treasury stock as restricted stock (hereinafter, the “Treasury Stock Disposal” or “Disposal”) with the Association as the scheduled allottee, as described below.

1. Outline of the Disposal

(1) Date of Disposal	August 30, 2024
(2) Class and number of shares to be disposed of	19,920 shares of common stock of Anritsu (Note 1)
(3) Disposal price	1,169.5 yen per share.
(4) Total value of Disposal	23,296,440 yen
(5) Method of Disposal	Third-party allotment
(6) Scheduled allottee	ANRITSU Group Employee Stockholding Association: 19,920 shares
(7) Other	The Treasury Stock Disposal is subject to effectuation of a Securities Registration Statement pursuant to the Financial Instruments and Exchange Act.

(Note 1) In view of the purpose of the System, the Association will use promotional activities against employees of Anritsu and subsidiaries to invite applicants for membership in the Association over a period long enough for the dissemination of the System. For this reason, the figures for the “number of shares to be disposed of” and “Total value of Disposal” specified above represent the maximum amount and the actual number of shares to be disposed of and total value of Disposal will be determined based on the acceptance of new members and the number of employees of Anritsu and its subsidiaries whose consent to the System is confirmed.

2. Purpose and the Reasons for the Disposal

Anritsu expects that the System will further encourage the employees of Anritsu and its subsidiaries to join the Association and motivate them to contribute to the enhancement of the Anritsu 's corporate value. Further, the restricted stock will be granted only to a person (hereinafter, the “Subject Employee”) who has consented to the acquisition of the interest in stock allotted to the Association, is a resident of Japan, is a member of the Association and is an employee of Anritsu or its subsidiaries.

The outline of the System is as follows:

< Outline of the System >

Under the System, Anritsu will pay monetary claims (hereinafter, the “Monetary Claims”) for granting restricted stock to the Subject Employees and the Subject Employees will contribute their Monetary Claims to the Association. Subsequently, the Association can receive the issuance or disposal of Anritsu’s common stock as restricted stock by making a contribution in-kind to Anritsu of the Monetary Claims contributed by the Subject Employees.

The amount per share to be paid for Anritsu's common stock in cases where such common stock is to be newly issued or disposed of based on the System will be determined by the Board of Directors but will not be particularly advantageous to the Association (or the Subject Employees) and will be based on the closing price of Anritsu's common stock on the Tokyo Stock Exchange (Stock exchange: Prime) on the business day immediately preceding the date of the resolution by the Board of Directors regarding the issuance or disposal (or the closing price on the transaction day immediately prior thereto if no transaction is made on such date).

When issuing or disposing of Anritsu's common stock based on the System, Anritsu and the Association will execute a restricted stock allotment agreement, the terms of which will include (1) the Association is prohibited from transferring, creating any security interest on, or otherwise disposing of the allotted shares to a third party (hereinafter the "Restriction") during a certain period, and (2) Anritsu shall acquire the allotted shares without payment if certain events occur. Furthermore, the Monetary Claims will be paid to the Subject Employee on the condition that the restricted stock allotment agreement is executed between Anritsu and the Association.

Moreover, with regard to an Association member's equity interest pertaining to the restricted stock acquired by the Association through the issuance or disposal (hereinafter the "Restricted Stock Equity Interest"), a Subject Employee will be restricted from withdrawing the restricted stock corresponding to the Restricted Stock Equity Interest until the Restriction on the restricted stock is lifted based on the Rules of the Association (hereinafter the "Association Rules").

< Outline of Disposal >

Anritsu and its subsidiaries resolved to grant to the Subject Employees the Monetary Claims, the total amount of which is 23,296,440 yen. Anritsu will grant to the Association 19,920 shares of Anritsu common stock (hereinafter "Allotted Shares") in exchange for the Association's contribution in kind of such Monetary Claims contributed by the Subject Employees to the Association.

The Treasury Stock Disposal will be accomplished by a third-party allotment in which Anritsu and its subsidiaries grant Monetary Claims to the Subject Employees. Anritsu will dispose of treasury stock to the Association in exchange for the contribution of such Monetary Claims. While the number of shares to be disposed of is expected to become fixed in due course as indicated in (Note 1) of 1. Outline of Disposal above, 19,920 shares are scheduled to be disposed of to the Association as the maximum amount.

The dilution caused by the Treasury Stock Disposal will be 0.01% (rounded off to two decimal places; hereinafter the same in all calculations of percentages) of 135,870,594 shares as the total number of issued shares as of March 31, 2024, and will be 0.02% of 1,318,603 as the total number of voting rights as of March 31, 2024.

< Outline of the Restricted Stock Allotment Agreement >

The outline of the restricted stock allotment agreement to be entered into between Anritsu and the Association is as follows:

(1) Transfer restriction period

The Association is prohibited from transferring, creating any security interest on, or otherwise disposing of the Allotted Shares during the period from August 30, 2024(payment date) through November 19, 2027.

(2) Condition for lifting of Restriction

On the condition that a Subject Employee has been a member of the Association on a continuous basis during the period from August 30, 2024 (payment date) through November 19, 2027, the Restriction will be lifted on the last day of the transfer restriction period for the Allotted Shares corresponding to the Restricted Stock Equity Interest held by such Subject Employee.

If this condition is satisfied, Anritsu shall notify the Association regarding the lifting of the Restriction and the number of Allotted Shares for which the Restriction will be lifted. The Association shall, pursuant to the provisions of the Association Rules, transfer the interest in Allotted Shares for which the Restriction was lifted out of the Restricted Stock Equity Interest held by the Subject Employee who satisfied the condition to the member equity interest (hereinafter the "Ordinary Equity Interest") held by such Subject Employee in relation to the share acquired by the Association not based on the System.

(3) Treatment upon terminating membership in the Association

In cases where a Subject Employee terminates membership in the Association (including cases where the membership of such employee is automatically terminated due to the loss of membership qualifications or the employee terminates membership upon the submission of a notice of termination of membership) during the transfer restriction period upon reaching retirement age or any other circumstances prescribed in the restricted stock allotment agreement, Anritsu shall lift the Restriction, as of the date when the Association receives the notice of termination of membership from such Subject Employee for the number of Allotted Shares to be allocated as reasonably determined based on the period from August 2024 to the date of receipt of the notice of the termination of membership and the details of the reason for the termination of membership.

(4) Acquisition without consideration by Anritsu

Anritsu will automatically acquire without consideration the Allotted Shares for which the Restriction is not lifted as of the expiration of the transfer restriction period or as of the timing prescribed in the restricted stock allotment agreement.

(5) Management of shares

During the transfer restriction period, the Allotted Shares shall be managed in a dedicated account opened by the Association at Daiwa Securities Co., Ltd. in order to ensure that the Association does not transfer, create any security interest on, or otherwise dispose of the Allotted Shares during that period. Furthermore, the Association shall register and manage, pursuant to the provisions of the Association Rules, the Restricted Stock Equity Interests to be held by the Subject Employees in relation to the Allotted Shares separately from the Ordinary Equity Interests held by such Subject Employees in relation to the shares acquired by the Association not based on the System.

(6) Treatment upon reorganization, etc.

In cases where, during the transfer restriction period, a merger agreement wherein Anritsu becomes the extinct company, a share exchange agreement or a share transfer plan wherein Anritsu becomes a wholly-owned subsidiary, or other matters regarding reorganization are approved at a general meeting of shareholders of Anritsu (however, in cases where the reorganization, etc., in question does not require approval from a general meeting of shareholders of Anritsu, the Board of Directors of Anritsu), based on the resolution of the Board of Directors, the Restriction may be lifted as of the date immediately before the business day preceding the effective date of the reorganization, etc. (hereinafter, the “Effective Date of Reorganization”) for the percentage of the Allotted Shares (any amount less than 1 share is rounded off) that is derived by multiplying the number of the Allotted Shares corresponding to the Restricted Stock Equity Interest held by such Subject Employee by the number derived by dividing the number of months from August 2024 to the month of the Effective Date of Reorganization by 40.

3. Basis of Calculation and Specific Details of the Amount to be Paid

The Disposal of Treasury Stock shall be implemented by using Monetary Claims provided to the Association based on the System, as property contributed in kind. To eliminate any arbitrariness in the Disposal price, the closing price for common stock of the Anritsu on May 29, 2024 (the business day immediately preceding the date of resolution by the Board of Directors) on the Tokyo Stock Exchange (Stock exchange: Prime) of 1,169.5 yen is used as the Disposal price. As there are no special circumstances suggesting that the latest share price of the Anritsu should not be relied on, this price is deemed to be rational as it appropriately reflects the Company’s corporate value and is not particularly favorable to the Association.

Note that the rate of deviation (rounded off to two decimal places) of the closing price of Anritsu’s common stock on the Tokyo Stock Exchange (Stock exchange: Prime) on May 29, 2024, the business day immediately preceding the date of the resolution by the Board of Directors, from the average closing price of Anritsu shares on the Tokyo Stock Exchange (Stock exchange: Prime) is as follows.

Period	Average closing price (any amount less than 1 yen is rounded off)	Deviation rate
1 month (April 30, 2024~May 29, 2024)	1,202 yen	-2.70 %
3 months (March 1, 2024~May 29, 2024)	1,232 yen	-5.07 %
6 months (November 30, 2023~May 29, 2024)	1,254 yen	-6.74 %

At the Board meeting held today, all directors who are members of the Audit & Supervisory Committee (four

directors, three of whom are outside directors) have expressed their opinion that Anritsu's process of determining that the foregoing disposal price will not be particularly advantageous to the Association as the allottee is reasonable, and that such determination is fair in light of the fact that the purpose of the Treasury Stock Disposal is to introduce the System and that the disposal price is the closing price on the business day immediately preceding the date of the resolution of the Board of Directors.

4. Matters related to procedures under the Code of Corporate Conduct

With regard to the Treasury Stock Disposal, since (1) the dilution rate is less than 25% and (2) it does not involve the change of the controlling shareholder, there is no need to take procedures for acquiring the opinion of an independent third party and confirming the intention of shareholders as set forth in Article 432 of the listing regulations prescribed by the Tokyo Stock Exchange.

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