

Last Update: June 26, 2024

ANRITSU CORPORATION

Hirokazu Hamada, President and Representative Director

Contact: IR Department

Securities Code: 6754

<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 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 to cultivate our corporate culture that respects the rights and interests of all the stakeholders, including shareholders, customers, and employees, and to improve 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]

Anritsu has complied with all the principles in the “Corporate Governance Code.”

[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, 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 holding their shares. Suppose the necessity to continue having any stock becomes less, or it loses 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 propels transactions from an ESG perspective and is 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 who currently has its shares to keep doing so 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 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. 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 it has held 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 (including deemed held shares) to the total net asset decreased to below approximately 1.2% at the end of March 2024.

-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>

In compliance with 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 conduct 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's approval.

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

The Company believes it is critical to create an environment where diverse employees can share their values and proactively work to continue business activities and achieve 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 managing 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 Sustainability Report posted on our webpage discloses 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.

We have not set specific numeral targets to promote non-Japanese employees to middle managerial positions. 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 cooperative work to make the best use of the information for developing and providing customers with products and services. Some non-Japanese employees who belong to Group companies abroad take middle managerial posts in the Company. Further, non-Japanese members hold about 30 % 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 reports submitted before appointing 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 reserve management. The Anritsu Corporate Pension Fund pays special attention to the conflicts of interest that 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 management strategies and challenges, risk management, internal control system, and governance.

To attain “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 business plan, which defines targets in terms of its earning capacity and capital efficiency and utilization of management resources. When disclosing the mid-to-long-term business plan and its progress, we will provide the information to our stakeholders in an

integrated, structured, and understandable way to gain their proper understanding 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 offers “Original and High-Level” products and services to contribute to developing a safe and secure global society, aiming to become a corporation, the growth and advancement of which are sought after in the whole society. Anritsu will also respond in good faith to respect and maintain harmony with every party concerned, including its shareholders, investors, clients, business partners, employees, and local communities, and proactively take action 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 the 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 pursuit 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 future executive candidates. In selecting the candidates, we pick up promising personnel with advanced expertise who are highly capable of business exercise and are expected to contribute to improving business performance. The Company comprehensively evaluates the candidates based on the following five key capabilities representing a desirable member of 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 for 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 Directors, if there is any misconduct or 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 Directors 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 that 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, when 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 able to fulfill 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 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 2023 and from April 2024 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 was engaged in product development and domestic and international marketing in the Communication, Test, and Measurement business department, which is the core business of the Group, thereby having broad business knowledge and experience, including trends in industry and technology. He currently drives Anritsu's global business by exerting leadership as the Company's Representative Director, President, and Group CEO. The Company nominated him as a candidate for Director, expecting that he would make full use of his knowledge and experience in its management and the board's decision-making process.

***Akifumi Kubota**

Mr. Kubota was engaged in the accounting and finance of the Company and some overseas subsidiaries before serving as Chief Finance Officer (CFO) from April 2010. He is currently taking charge of executing the business administration of the Group as Chief Corporate Officer with broad knowledge 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 in its management and the board's decision-making process.

***Shunichi Sugita**

Mr. Sugita was engaged in marketing in the Communication, Test, and Measurement business department, which is the core business of the Group, as well as planning the Group's mid-to-long-term strategies, including merger and acquisition (M&A), as Chief Business Strategy Officer, with broad knowledge and experience in corporate planning, such as trends in industry and technology. He currently takes charge of executing finance strategy for the Group as CFO. The Company nominated him as a candidate for Director, expecting that he would make full use of his knowledge and experience in its management and the board's decision-making process.

***Takeshi Shima**

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

***Tatsuro Masamura**

Mr. Masamura has broad expertise in information and communication technology, rich experience, and excellent insight required 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 in its management and the board's decision-making process.

***Nozomi Ueda**

Ms. Ueda has no direct experience in a company's management; however, she has rich experience and expertise as a lawyer and a broad insight into corporate management, primarily based on her experience as an outside officer for listed companies. The Company nominated her as a candidate for Outside Director, expecting that she would make full use of her knowledge and experience in its management and the board's decision-making process.

***Norio Igarashi**

Mr. Igarashi has no direct experience in a company's management; however, he has rich experience and expertise in finance and accounting as a certified public accountant (CPA) and excellent insight as an academic expert. He also possesses a broad knowledge of corporate management based on his experience as an outside 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 knowledge and experience in its management, auditing, and other affairs.

***Junichi Aoyagi**

Mr. Aoyagi has no direct experience in a company's management; however, he has expertise in finance and accounting as a CPA and abundant work experience at home and abroad. The Company nominated him as a candidate for Outside Director on the Audit & Supervisory Committee, expecting that he would make full use of his knowledge and experience in its management, auditing, and other affairs.

***Hidetoshi Saigo**

Mr. Saigo was responsible for the telecommunication system business division of listed companies. He has expert knowledge of information and communications technology and rich experience and excellent insight as a senior management. The Company nominated him as a candidate for Outside Director on the Audit & Supervisory Committee, expecting that he would make full use of his knowledge and experience in its management, auditing, and other affairs.

***Toru Wakinaga**

Mr. Wakinaga has broad 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 knowledge and experience 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, we consider it indispensable 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 associated with the business strategy. To create new businesses that lead to success, we strive to establish a global collaboration structure and a firm research and development system to collectively leverage the individuals' knowledge gathered through personnel exchanges across borders, following the closely linked intellectual property strategy with the business strategy. For that purpose, the Company will make the necessary investments and other efforts.

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

<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 and 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 the Officers who execute businesses. The board resolves the matters specified in the Companies Act and the Articles of Incorporation and other material 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 consisting of Executive Directors, Officers, and other executives, deliberates and decides material matters on business execution. The Conference also formulates a comprehensive strategy for global management and group management and determines material matters on business execution that do not require submission to the board. Besides, it discusses issues 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 important 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, as a current rule, such an important matter requires deliberation and decision by the board. 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 Directors 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 that the involvement of independent Outside Directors in various aspects of the business operation from their neutral standpoints based on each experience, knowledge, and know-how contributes to ensuring the transparency, objectivity, and fairness of the decision-making process and facilitates the board to function more effectively. Typical examples of those aspects are the appointment and resignation of Representative Directors, the selection of Directors and Officers, the development plan for their successors and candidates, and the establishment of the compensation scheme in conformity with the business strategy. 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. Presently, five of the total seven members of respective committees 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 the 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.

The Board of Directors, the Nominating Committee, and the Compensation Committee consist of Directors (including those on the Audit & Supervisory Committee), all of who 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 Audit & Supervisory Committee member 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 composition of the Board of Directors, 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 when 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 those of incumbent Directors are disclosed in the Anritsu Sustainability Report, as well as 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 the 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 so 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 Reports, 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 balance the two functions better. 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 FY2023 is as follows:

1. Evaluation method & process

Before conducting the evaluation, the Board of Directors reviewed the measures taken to address specific issues raised in the previous results for FY2022. For instance, they discussed the progress of initiatives and achievements for building solid relationships with our business partners, which SCM (supply chain market) related departments have propelled. The board also examined the status of managing each risk in disasters, infectious diseases, information security, and product and service quality, among the material risks identified by the Company. Those deliberations facilitated the board's grasping and understanding of how the Company currently keeps communication with stakeholders other than shareholders and how the Officers and employees executing the businesses have managed those risks surrounding the Company.

Furthermore, the board deliberated how to proceed with the assessment for FY 2023 (including the appropriateness of such process, questionnaire items, and related matters). Based on the board's review, the Company conducted a questionnaire survey for ten of all the incumbent Directors at the end of FY2023 (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. The 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

The above questionnaire included new open-ended questions allowing Directors to write their views freely. For example, Directors were asked, "As the board of the Company, how to get appropriately engaged in and push forward a series of initiatives to realize capital cost and stock price-conscious management?" and "In anticipation of a hostile takeover, what measures should the independent committees and the Board of Directors always be prepared to take against it?"

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 important 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 identified several issues to be addressed for further enhancement of the board's effectiveness, and all the Directors shared their understanding of those issues and necessary improvements. To lead to effective management supervision by developing efficient and fruitful discussions at the board and advancing the full use of the Nominating Committee and the Compensation Committee, the board outlines the following approaches to improve those issues.

*Provide a venue for discussion on the priority themes to deliberate at the Board of Directors selected from [a broad range of] management issues recognized and presented by each Director.

*Prepare meeting materials that concisely outline the critical points of a proposal, report, or suggestion to enable the board members to concentrate on deliberation efficiently within the limited time frame and devise easy-to-understand ways of explaining with more clarity, such as by using a summary paper.

*Draw up agendas to discuss throughout the year at the Nominating Committee in advance and create an environment where the Committee members can deliberate more efficiently for the year. In preparing the agendas, the board examines how to assess and evaluate Outside Directors considering their expected roles, how to invite candidates for Outside Directors who are appropriate and eligible for the Company, and other related factors. The information about the activities of the Nominating Committee shall also be provided to Directors other than the Nominating Committee members appropriately when necessary.

As a future action, the Board of Directors will further improve its effectiveness by departing from conventional practices and approaches to address the issues raised through the evaluation conducted for FY2023.

We will also continue to evaluate the board's effectiveness periodically, pursuing how the board should be geared 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 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," and "Company Policy," a mid-term management plan, organization, business markets, and 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 in enriching their understanding of the Company by arranging their visits to various workplaces, offering the venue for opinion exchange with management staff, or using other methods. At the same time, the Company is working out the "Training Program for Next Generation of Executives" to foster 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. We also offer them opportunities to renew such knowledge and information as needed on an ongoing basis. The Company is responsible for 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 benefits the Company in 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 dialogue with the shareholders, the IR department and the CFO cooperate with Representative Directors, Executive Directors, Vice Presidents in charge, and other relevant executives before adequately responding to requests for dialogue from the shareholders. Also, to enrich IR activities and foster dialogue with the shareholders, the members exchange opinions separately and individually at the “Disclosure Policy Committee” consisting of the IR Department and related departments, accounting, management planning, public relations, and legal. Further, when necessary, the IR Department organizes meetings separately and individually. As specific opportunities for such dialogue, the Company holds individual meetings with the shareholders on a routine basis and quarterly financial results briefings, which are vital IR activities. It also participates in outside IR-related conferences and seminars and conducts IR activities overseas, such as roadshows.

Further, we are working to enhance information disclosure on the Company website and periodically have briefing sessions for individual (small) shareholders. 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), Information Disclosure Officers (who take charge of information disclosure), and the Management Strategy Conference. The same information is regularly reported to the Board of Directors, along with the status of IR activities.

The Company sets the “Rules for Prevention of Insider Trading” prohibiting 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 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.

【Action to Implement Management that is Conscious of Cost of Capital and Stock Price】 [Disclosed in English]

The Company’s Mid-term Business Plan, “GLP2023”, for three (3) years up to FY2023 ended at the end of March 2024, and the newly compiled three-year Mid-term Business Plan, “GLP2026,” has just started in April 2024. This “GLP2026” continues to focus on strengthening investment in growth and further improving return to shareholders and clarifies its basic policy as follows:

- 1) Invest JY 40.0 billion or more for growth (M&A plus capital investments)
- 2) Create a business portfolio that consistently achieves an ROE of 10% or more
- 3) Create 25% of FY2026 (ending in March 2027) operating profit in areas other than the Communication, Test, and Measurement businesses
- 4) Strengthen human resources in businesses in new areas and establish a company-wide human resource training structure
- 5) Achieve resource recycling (circular economy) in our business activities
- 6) Aim for a dividend payout ratio of 50% or more in shareholder return

The enhancement of our capability to generate cash flow is indispensable in implementing investment in sustainable growth. Therefore, striving to optimize the capital allocation, we will allocate cash created by improving profitability and efficiency into strategic investments as a priority for realizing our growth.

Three years in the “GLP2026” correspond to the transitional phase from 5G to 6G; thus, it is an important milestone to evolve into an enterprise with sales of JY 20 billion in FY2030.

The “GLP2026” focuses on expanding 6G and three new business areas (Industrial Measurement, EV/Battery, and Medical/Pharmaceutical). We will accelerate those new areas' organic and inorganic growth (through M&A) and prepare to acquire the demand for the forthcoming 6G business. During the “GLP2026,” in

addition to an operating cash flow of JY 50 billion or more, we will generate cash through fund procurement by improving asset efficiency and utilizing our strong financial position to invest JY 40 billion or more in propelling businesses in new areas. In regard to shareholder return, we aim for a consolidated dividend payout ratio of 50% or more and acquire treasury shares flexibly when required. To “achieve the return of equity that exceeds the cost of shareholder’s equity of 7% recognized by the Company” targeted in our financial strategy, we set out to attain the ROE of 12% or more in the “GLP2026.” Additionally, we will strive to “improve the PER (price-earnings ratio) by the human capital management, responses to sustainability issues, strengthening other non-financial strategies and enhancing IR communication and disclosure” for increasing our PBR (price-to-book value ratio) and further heightening of corporate value.

Also, to increase shareholder returns, in FY2023, we raised the target of consolidated payout ratio from “30% or more” to “50% or more” for the following reasons. First, our many years’ efforts to enhance the financial strength have contributed to building robust and healthy financial strength, as demonstrated by a record-high A rating earned for the Company’s corporate bond in FY2021. Thus, we now step up to the next stage to further improve shareholder returns, and for that purpose, we decided to renew the target. The consolidated payout ratio in FY2023 attained 69%.

As always, the Company makes initiatives to reflect stakeholders' thoughts, such as those of investors, into management. For instance, we periodically submit reports on feedback, fundamentals analysis, and other matters regarding IR activities, including engagements with investors to the Board of Directors. To address risks in business operations properly, we appoint persons responsible for the respective risk categories from the Officers, who report on the status of managing and addressing relevant risks to the Board of Directors. We consider those approaches consistent with implementing management that is conscious of the capital cost and stock price and will increase shareholders’ returns to enhance corporate value further to respond to all the shareholders’ expectations.

Those initiatives’ progress and other details are appropriately disclosed by posting on the Company webpage and other means.

【Implementation and Improvements of Dialogues with Shareholders】 [Disclosed in English]

The progress of improving structure and the outline of initiatives for promoting constructive dialogues with shareholders are described in <Principle 5-1: Policy for improving structure and measures to encourage constructive dialogue with shareholders> above. Please review them and the following supplementary notes, including the FY2023 status.

Supplementary Notes:

To dialogue with investors, we deliberate and determine the agenda at the Disclosure Policy Committee, indicated in the chart “Scheme for Timely Disclosure System” below. Considering investors' attributes and the purposes of dialogues, we select appropriate persons to attend each dialogue, and the top management members, including the Group CEO and CEO, actively take part in IR activities.

During FY2023, in addition to the Ordinary General Meeting of Shareholders and quarterly briefings on financial results, we held more than 300 sessions to communicate with investors for a year, such as IR meetings with individual investors in and out of Japan and conferences hosted by securities companies. Over 80 sessions out of them were small-group or individual meetings attended by the top management members as main speakers, respectively.

We recognize that our shareholders and investors have a high degree of interest in various topics, in particular, the market trend for our key businesses, the progress and action taken for the mid-term business plan, shifting of the raised costs to address inflation, policy for shareholders return, cash allocation, impacts of exchange fluctuations, the business situation of companies acquired, and ESG-related disclosure, which were major themes of our dialogues in FY2023. Mainly, we talked with domestic and overseas active management investors and exchanged opinions with fund managers, analysts, responsible persons for ESG-related issues, and relevant persons.

Valuable opinions and suggestions obtained through those dialogues are periodically reported to the Board of Directors (8 sessions a year), the Management Strategy Conference (4 sessions a year), and the Disclosure

Policy Committee meetings and deliberated as necessary. We also utilize those opinions and suggestions as reference for appropriate operation of the Company management and reflect them in our future initiatives. For the progress and status of material issues, we include them in the agenda of the dialogues and appropriately disclose the information. We will continue to disclose information through the Integrated Report and the Company webpage to provide explanations to all the stakeholders.

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%
----------------------------	---------------------------

[Status of Major Shareholders] [Updated]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	21,239,600	16.09
Custody Bank of Japan, Ltd. (Trust Account)	11,922,600	9.03
NORTHERN TRUST CO.(AVFC) RE UKUC UCITS CLIENTS NON LENDING 10PCT TREATY ACCOUNT	2,418,900	1.83
JUNIPER	2,385,700	1.81
Sumitomo Life Insurance Company	2,314,000	1.75
Custody Bank of Japan, Ltd. Sumitomo Mitsui Trust Bank, Limited. Retirement Benefit Trust Account	2,000,000	1.52
JP MORGAN CHASE BANK 385781	1,856,671	1.41
STATE STREET BANK WEST CLIENT - TREATY 505234	1,632,700	1.24
NORTHERN TRUST CO.(AVFC) RE THE HIGHCLERE INTERNATIONAL INVESTORS SMALLER COMPANIES FUND	1,469,600	1.11
Goldman Sachs Securities Co., Ltd. BNYM	1,438,500	1.09

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 March 31, 2024, 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 3,904,177 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 they held at the end of the latest business year, they are not included in the above list of “Status of Major Shareholders.”

Name: Sumitomo Mitsui Trust Bank, Limited.

Date when the reporting obligation accrued: October 18, 2023

Number of share certificates, etc., held (thousand shares): 14,313

Ratio of holding share certificates, etc.: 10.53%

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
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 Shareholders

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

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 an Audit & Supervisory Committee
-------------------	-------------------------------------------------

[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	
Tatsuro Masamura	From another company									△			
Nozomi Ueda	Lawyer												
Norio Igarashi	CPA												
Junichi Aoyagi	CPA												
Hidetoshi Saigo	From another company									△			

* 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

a. Executive of the Company or its subsidiaries

b. Executive or non-executive director of a parent company of the Company

c. Executive of any fellow subsidiary of the Company

d. Party for which the Company is a major client or supplier, or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director

g. Major shareholder of the Company (if the shareholder is a legal entity, an executive thereof)

h. 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 in Audit & Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Tatsuro Masamura		○	Mr. Tatsuro Masamura assumed the director of Japan Radio Co., Ltd. and retired from the company in June 2018. As a corporate group, the Company has direct or indirect business transactions with Japan Radio Co., Ltd, including the sale and maintenance of products. However,	Mr. Masamura has broad expertise in information and communication technology and rich experience and excellent insight as senior management of several companies. The Company appointed him, expecting him to fully use his knowledge and experience in its management and the board's decision-making process. 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

			<p>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>at the Nominating Committee and the Compensation Committee, thereby contributing to more transparency in 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 unlikely cause a conflict of interest with general shareholders.</p>
Nozomi Ueda	○	○	<p>N/A</p> <p>There is no special relationship between the Company and either Kioizaka Themis Law Firm or mixi, Inc., where Ms. Nozomi Ueda concurrently holds the positions.</p>	<p>Ms. Ueda has no direct experience in a company’s management; however, she has rich experience and expertise as a lawyer. The Company appointed her, expecting her to fully use her knowledge and experience in its management and the board’s decision-making process.</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 more transparency in the management.</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 unlikely cause a conflict</p>

				of interest with general shareholders.
Norio Igarashi	○	○	N/A	<p>Mr. Igarashi has no direct experience in a company's management; however, he has expertise and rich experience in finance and accounting as a CPA and excellent insight as an academic expert. He also has a broad knowledge of corporate management, primarily based on his experience as an outside officer for listed companies.</p> <p>The Company appointed him, expecting him to fully use his knowledge and experience in its managing, 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 more transparency in the management.</p> <p>Also, his joining the Audit & 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 unlikely cause a conflict of interest with general shareholders.</p>
Junichi Aoyagi	○	○	N/A	Mr. Aoyagi has no direct experience in a company's management; however, he has expertise as a CPA

			<p>There is no special relationship between the Company and Junichi Aoyagi CPA Office, where he concurrently holds the position.</p>	<p>and abundant work experience at home and abroad. The Company appointed him, expecting him to fully use his knowledge and experience in managing, 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 more transparency in the management.</p> <p>Also, his joining the Audit & Supervisory Committee with such knowledge and insight and his objective and unbiased feedback at meetings will help ensure the effectiveness of audits 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 unlikely cause a conflict of interest with general shareholders.</p>
Hidetoshi Saigo	○	○	<p>Mr. Hidetoshi Saigo has experience as an executive (such as an executive officer) at Oki Electric Industry Co., Ltd. and retired from that company in August 2017.</p> <p>As a corporate group, the Company has a direct or indirect business</p>	<p>Mr. Saigo has work experience as a responsible person for the information system business division of listed companies; thereby, he has broad expertise in information and communication technology and rich experience and excellent insight as senior management.</p> <p>The Company appointed him, expecting him to fully use his knowledge and experience in managing, auditing, and other affairs.</p>

			<p>transaction with Oki Electric Industry Co., Ltd., including the sale and purchase, and maintenance of the products. However, the transaction volume with Oki Electric Industry Co., Ltd. in the latest business year was small (less than 0.1% of the consolidated revenue).</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 more transparency in the management.</p> <p>Also, his joining the Audit & Supervisory Committee with such knowledge and insight and his objective and unbiased feedback at meetings will help ensure the effectiveness of audits 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 unlikely cause a conflict of interest with general shareholders.</p>
--	--	--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

[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
------------------------------------------------------------------------------------	-----------

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 set up a management audit department (Management Audit Dept.). The Department is staffed with dedicated

personnel who have 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 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 their 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 cooperate closely. Besides, the Committee, the Accounting Auditor, and the internal control department periodically have meetings for audit activity by three parties 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
---------------------------------------------------------------------------------------------------------	-------------

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 [Updated]

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 training 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

In FY2023, the Company had three sessions of the Nominating Committee (in November, January, and February), attended by all the members. The Committee deliberated the future executive candidates and the new composition of Officers and examined a proposal for the election of Directors to be submitted to the General Shareholders' Meeting and other matters.

Further, since compensation and other rewards ("compensations) for Directors and Officers are material matters 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 (bonus and stock compensation) 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.

In FY2023, the Compensation Committee had three sessions (in August, February, and March) attended by all the members. Every business year, the Committee examines various compensation-related matters, for example, whether the performance-linked compensations (bonus and stock compensation) paid to Executive Directors and Officers are appropriately allocated based on the content deliberated at the Committee. Also, for the performance-linked compensations (bonus and stock compensation) to be paid in the next year as their remuneration for the current business year, the Committee deliberates the payment level and amount estimated according to the basic principles for calculation method stipulated by Anritsu, taking into account many evaluation factors (such as the Company's business forecast and the degree of attainment of sustainability objectives, like ESG targets.) Additionally, for the mid-to-long-term incentive plan (the stock compensation program that employs a trust structure), whose applicable period was scheduled to expire at the end of FY2023, the members discussed the continuance of its operation.

Currently, the Nominating Committee and the Compensation Committee have seven members each, consisting of all the incumbent Outside Directors (five Directors, including Directors on the Audit & Supervisory Committee), the Group CEO, and one Director designated by the Group CEO. The respective chairpersons are selected among Outside Directors. As of submitting this report, Mr. Tatsuro Masamura chairs the Nominating Committee, and Ms. Nozomi Ueda chairs the Compensation Committee.

[Independent Directors]

Number of Independent Directors

5 persons

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 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 an independent Outside Director, we shall eliminate any chance of using discretion and establish an environment to ensure independence as an Outside Director even after the appointment. The Company considers those approaches will contribute to maintaining and enhancing 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 Directors 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 [Updated]	Introduction of the Performance-linked Compensation Program
------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------

Supplementary Explanation on Relative Items [Updated]

The Company has introduced a scheme for the compensation 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 25, 2024.) The Company also decided that the share acquisition rights issued under the stock option system, which existed when introducing the Performance-linked Compensation Program, should remain until the expiration date or their extinguishment and not grant any new stock option.

As described above, since the compensations for Executive Directors include 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 compensation program aims to motivate Directors to forge ahead and attain 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. In addition, to measure the contribution of a department or unit of which a particular Director takes charge to the Company's performance, we employ other indicators, i.e., the degree of achievement of projected sales, operating profit, and ESG/SDGs targets. The actual progress toward non-financial targets set by Directors, respectively, is also considered in their evaluation. As a judging criterion for the stock compensation program, we use the operating profit targets set at the beginning of each business year during the Program Period and the same in the mid-term business 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 grants a certain number of shares to Directors, in principle, at their retirement as Directors, 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 business plan.

Recipients of Stock Options [Updated]

Supplementary Explanation of Relative Items

[Director Compensation]

Disclosure of Individual Directors' Compensation

No Individual Disclosure

Supplementary Explanation of Relative Items [Updated]

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 for FY 2023 are as follows.

- Directors (excluding Audit & Supervisory Committee Members and Outside Directors): JY 185 million for four Directors, including JY 59 million for the performance-linked compensation (composed of JY 47 million as bonuses and JY 12 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 49 million for six Officers, composed of basic remuneration (fixed pay) only

Policy on Determining Compensation Amounts or Calculation Methods

Established

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 constantly achieve management objectives and increase corporate value.
- 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. In that package, the amount equivalent to 50% of their basic remuneration is the performance-linked compensation to motivate them to share a profit orientation with the shareholders and engage 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, fixed pay only.

The performance-linked compensation consists of a pecuniary one (annual bonus equivalent to 30% of the basic remuneration) and a 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 its 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 compensating 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 a convocation notice from its Legal Department (“Legal Dept.”) to each Outside Director. By using a webpage exclusively for the board members as a way of 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 important 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 subjects of management challenges 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, “Free Discussion” is valuable in training management executives. We also believe that those approaches will lead to a deep understanding 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
------------------------------------------------------------------------------------------------------------	------

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) [Updated]

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 19 (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 material matters about the Company and the Group companies; it also affirms reported cases, such as the progress or status of business execution.

In principle, a regular board meeting is held monthly, and a special meeting is convened when required. In FY 2023, the board had 12 regular meetings and one special (13 in total), which were attended by all Directors.

At the monthly meetings, the Executive Directors report on the management conditions based on the market situation for each business segment and the status of their business executions every time and explain periodically feedback on IR activities, including the engagement with investors, and the progress of addressing sustainability issues, compliance promotion activities, the ES (Employee Satisfaction) survey results. In FY2023, the board discussed the cooperation and communication with our business partners and the progress of managing each risk in disasters, infectious diseases, information security, and product and service quality, among the material risks identified by the Company. Also, based on the assessment of human rights-related risks, the member identified and deliberated the priority issues to address from now on in anticipation of the occurrence of those risks. Besides, following the Rules of the Board of Directors, various matters requiring the board’s approval, including the basic policy for the company management, quarterly financial results, fund procurement, and appointment of Officers, are deliberated as necessary and resolved.

The evaluation of the effectiveness of the Board of Directors is deliberated at a monthly meeting in December, January, February, and March of every year. At the December session, the board reviews the status of initiatives taken to improve the issues identified in the evaluation result for the preceding business year. It discusses the principles for evaluation (including the content of a questionnaire survey to be implemented) for the current business year. In January, the evaluation process starts by delivering the questionnaire after setting the evaluation principles. The answers to the questionnaire are analyzed, and additional comments and suggestions are aggregated and deliberated at the February meeting. In March, the board shares the issues identified in the evaluation result and resolves initiatives to enhance its effectiveness. The board leverages a series of evaluation processes to realize more workable supervision of the Company management.

Furthermore, for 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 challenges and other matters in the mid-to-long term, according to the themes of the presentations made on the relevant business division of the Group.

The material matters on business execution 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 a special meeting is convened

when required. The Management Strategy Conference formulates a comprehensive strategy for global management and Group management and makes decisions on material matters on business execution that do not require the board's deliberation. To deepen the consideration of issues submitted to the board, the Conference members discuss them in advance, except those exclusively resolved by the board.

With regard to determining important business executions, the Articles of Incorporation stipulate that "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 (important) 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, as a current rule, such an important matter shall be deliberated and decided by the board. 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 operations utilizing outside perspectives and strengthen further the supervising function for business execution, the Company adopted an 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). The current number is five (including three Audit & Supervisory Committee Members), as resolved at the 95th Ordinary General Meeting of Shareholders held on June 24, 2021. Outside Directors constitute 50% of the whole Board of Directors.

By appointing Outside Directors with 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.

To deepen their understanding and grasp the Group's actual situation and managerial challenges, 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 attendance 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 transitioning to a "Company with Audit & Supervisory Committee," Anritsu set up an 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 an 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 management challenges 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

In FY2023, the four members of the Audit & Supervisory Committee, Mr. Norio Igarashi (outsider and chairperson), Ms. Nozomi Ueda (outsider), Mr. Junichi Aoyagi (outsider), and Mr. Toru Wakinaga (insider and full-time) had meetings and conducted their audits until the close of the 97th Ordinary General Meeting of Shareholders held on June 28, 2023. By resolution at the 97th Ordinary General Meeting of Shareholders held on June 28, 2023, four candidates, Messrs. Norio Igarashi, Junichi Aoyagi, Hidetoshi Saigo, and Toru Wakinaga, were selected as Directors on the Audit & Supervisory Committee. Also, at its session on the same date, the Audit & Supervisory Committee appointed Mr. Norio Igarashi as a chairperson and Mr. Toru Wakinaga as a full-time member. Accordingly, the Committee continues to be formed by four members, including three independent Outside Directors, and they have meetings and conduct audits. Mr. Hidetoshi Saigo, who was newly selected as an Outside Audit & Supervisory Committee member, has work experience as a responsible person for the information system business division of listed companies; thereby, he has broad expertise in information and communication technology and rich experience and excellent insight as senior management. Mr. Norio Igarashi has rich experience and expertise in finance and accounting as a CPA, excellent insight as an academic expert, and a broad knowledge of management primarily based on his experience as an outside officer for listed companies. Mr. Junichi Aoyagi has expertise in finance and accounting as a CPA and abundant work experience at home and abroad. And Mr. Toru Wakinaga had executive positions, such as Vice President and Senior Executive Officer of the Management Audit Department, thereby, having profound knowledge about the Company's businesses and audit work. Based on such experience, he made efforts to grasp internal information quickly and appropriately and conduct audits and related activities flexibly.

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 in 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 a lot of activities. At the beginning of every business year, the Committee selects its chairperson and full-time personnel, allocates audit work among its members, and determines other matters necessary for fulfilling their duties as the Committee members. Further, the members review their activities and the Committee operation and audit results for the previous term, assess risks for a new business year as one of the Company's management challenges, discuss and draw up their audit policy, identify priority items, and prepare 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: attendance at meetings of the board; exchanges of opinions with the senior management (two sessions with the Representative Director and three sessions with Officers; 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, 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; attendance 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 up on the maintenance and 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.

In FY2023, the Audit & Supervisory Committee had 11 meetings (seven out of 11 were held on and after June 28, 2023) attended by all the Directors who are the Audit & Supervisory Committee members. At the regular meetings of the Board of Directors held in May and July 2023, 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 ten full-time staff members) conducts the operational audit and provides directions and support to each internal control department of the Group companies. In daily monitoring of business activities, for example, a trade control department controls products' exports, and the Global Audit Dept. conducts an internal audit on the consequence of such control. By dividing roles and responsibilities among business departments and the related internal committees as above, the Company seeks to strengthen and enrich its control. 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. Based on the above policy and plan, the internal audit department implements its audit activity.

Between the Global Audit Dept. or other internal audit-related departments and the Board of Directors/the Audit & Supervisory Committee, the reporting structure and information distributing route have already been set up. 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. Periodically and at any time necessary, the department exchanged opinions with them on the audit policy, plan, progress, and other audit-related matters and made reports after implementing audits. The status of activities of the internal audit department, the result of internal control evaluation, and the outline of the implementation plan for the year are reported to the Board of Directors periodically every year. Further, liaison meetings among the Audit & Supervisory Committee, the Accounting Auditor, and the internal audit department are 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 over the years, we will continue to improve the quality and efficiency of audits and related activities.

(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. Kiyoyuki Sakurai (who has been engaged for three years, including the latest business year, and acted as a lead executive member for three years) and Mr. Sinichiro Tozuka (who has been engaged for three years, including the latest business year), and both belong to AZSA. Besides, eight CPAs, and three successful applicants for the CPA examination, together with 24 staff members, assisted in 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 the Group’s activities. 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 opinions of the front line 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 management executives make decisions, 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 for the board, i.e., the Nominating Committee and the Compensation Committee, which mainly consists of Outside Directors. In this way, we are forging ahead with ensuring the transparency and 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 Meetings 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 methods.
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 the conference room of the Company’s 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 the 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 [Updated]

	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 and are scheduled in FY2024.	Scheduled
Regular Investor Briefings for Analysts and Institutional Investors	A quarterly briefing on financial results is held (four sessions per year) in a meeting room in Tokyo or remotely online. Presentation materials 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), and Integrated Report/Annual Report, are posted on the Company website.	

	<p>Anritsu also sets up web pages for corporate governance, financial and business overviews, mid-term business plans, 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: http://www.anritsu.com/ja-JP/ *English: http://anritsu.com/en-US</p>	
Setting up of Department and/or Manager in Charge of IR Activities	The IR Department controls IR activities. Mr. Shunichi Sugita, Director and Senior Vice President, is the officer responsible for the department.	
Other matters	Except for 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. They embrace 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><Company Philosophy> *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><Company Vision> *Beyond testing, beyond limits, for a sustainable future together.</p> <p><Company Policy> 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 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 the “Anritsu Group Charter of Corporate Behavior” and “Anritsu Group Code of Conduct” as the standards of exemplary corporate conduct in fulfilling its social responsibility. We recognize that sustainable growth and corporate value</p>

	<p>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 contributions. 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's 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. Crucial ESG issues are communicated to and widely recognized at all levels across the Group through discussions at the Sustainability Center and other means. Considering the effect that the Group's businesses may have on the earth's 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 proactively addresses environmental issues, including climate change, and contributes to building a people- and planet-friendly future. Specifically, Anritsu will regularly educate 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 its vision by 2030 to become "an environmentally leading company through implementing advanced and independent initiatives regarding climate change and resource recycling." The Environment Initiatives in the "GLP2026," the new mid-term business plan started in April 2024, declare four key themes; "Response to Climate Change," "Response to Resource Recycling (Circular Economy)," "Enhancement of Scheme for New Products to Adapt to Environmental Regulations," and "Keeping Brand Name as an Environmentally Leading Company." Under those themes, we will move our activities forward.</p> <p>Recognizing that the private generation of electric power necessary for implementing our businesses would serve the SDGs' goal, we strive to reduce greenhouse gas emissions, emphasizing 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 specific 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> <p>On July 30, 2021, the Company approved the proposal of the Task Force on Climate-related Financial Disclosures (TCFD). Before that time, the Anritsu Sustainability Report 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." We will further pursue the enhancement of information disclosure.</p>

As the foundation for initiatives to respect human rights in the Group, Anritsu set the Group's Human Rights Policy and declared its commitment to honoring human rights as its corporate responsibility. Also, in its Sustainability Policy, we are determined to forge ahead by establishing a healthy and rewarding work environment that respects 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 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 experienced persons, considering the equality of gender. We expect all employees to 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. For instance, the new track for executive staff to work in a way that fits their life stage and style started in FY2022 has been widely recognized by the employees, and more females have been promoted. By choosing that track, they can develop their career focusing on life-and-work balance by selecting appropriate working patterns depending on their respective life stages, such as working at home (teleworking) during the period of pregnancy, maternity, and childcare leave. Through our 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 in the domestic offices. As of the end of March 2024, the proportion of female managers to all the managers is 3.8% at home and 11.2% worldwide.

In this way, to create a comfortable work environment, the Company has established and maintained various programs, including maternity and childcare leave and absence from work, reemployment, and shortening working hours. And we expect every employee will use those programs to balance work and family matters, such as childcare, without any concern, irrespective of gender, as they desire. For that purpose, Anritsu strives to provide information, raise awareness and foster understanding of all the employees, and a department comprehensively supervising diversity promotion takes a central role in those efforts. As an outcome of those initiatives, more male employees have taken childcare leave recently.

Our accumulated efforts have gained official recognition; in March 2023, the Company got the highest rank out of the three-staged certification system "Eruboshi ("L Star": L stands for Lady, Labour, and Laudable)" under the Act of Promotion of Women's Participation.

Additionally, to promote "life-work balance," the Company is making efforts to reduce long working hours by controlling more strictly, encouraging the shortening of meeting hours or more efficient proceedings at meetings. Moving ahead with those initiatives will protect our employees' health and enable them to care for children or elders or do household affairs without

	<p>concern. By taking those approaches, Anritsu will improve productivity, realize innovation, and enhance corporate value.</p> <p>In the Mid-term Business Plan “GLP2026,” we set significant initiatives and other key factors in each category of ESG as our sustainability goal. Those initiatives include specific targets for fostering “Diversity Management,” such as raising the rate of female managers, and realizing an engaging and rewarding work environment.</p> <p>For progress on other approaches and related information, see the Integrated Report and the Sustainability Report, which are issued annually and released on the Company website.</p> <p>*Integrated Report: https://www.anritsu.com/en-us/about-anritsu/investor-relations/ir-library/annual-report</p> <p>*Sustainability Report: https://www.anritsu.com/en-us/about-anritsu/sustainability/library</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 are 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 striving to strengthen its internal control system to comprehensively figure out and assess factors that would hinder its growth and achievement of its business targets (business risks) and control them on a company-wide basis. To lead the internal control system's establishment to increase corporate value, the Internal Control Committee and the Global Audit Dept. play central roles in activities focusing on raising 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 further cultivate the self-sustaining corporate culture, 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 managing 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 operations, 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 gather risk information and prepare disaster prevention schemes. Further, the Company is now constructing a disaster response structure, including a recovery plan in 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 the 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 is a body that drives compliance and plans and implements 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 support from the Corporate Ethics Promotion Committee and related committees. 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 a "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 to develop 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 threat of violation of the Anritsu Group Code of Conduct possesses the means to report or notify per se or via their 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 shall the person who reported or notified be treated unfavorably for submitting the report. The Company shall stipulate rules for managing 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 contact 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. Anritsu establishes a 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 for each risk and establish a 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 a mid-to-long-term business plan for 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 and 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 of 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 a special 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 respective missions and objectives for the year and tackle to achieve them.

(5) The Group shall set 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 important matters.

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

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

(1) Directors and Officers of the Company shall provide instructions to the subsidiary each takes charge of 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 with the duties of the Audit & Supervisory Committee.

(2) The Audit & Supervisory Committee may request the internal audit department to assist with 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., assigned to the management audit department shall follow directions and orders from the Audit & Supervisory Committee. The transfer of such employees requires the Committee's prior consent.

(2) When the Audit & Supervisory Committee asks for assistance 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 are 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 important 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 the Written Requests 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, employees, or any other person who received the report from them becomes aware of any conduct that is likely to cause considerable 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 the 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 shall the employee 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 it is 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 the amount necessary for paying expenses and costs 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 periodically, or as needed, report on its internal audit plan and results to the Audit & Supervisory Committee to foster communication 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 a firm stance and actions against any anti-social forces or organization jeopardizing civil society's safety, block any contact with them, and never act to help their activities."

Further, to prevent 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 counsel and police.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
------------------------------------	-------------

Supplementary Explanation [on Relevant Items]

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).” The reason is that 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 business 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” 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 decision 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 a thorough understanding 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 business 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 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 corporate information are as follows:

1. Disclosure Policy

The Company’s Disclosure Policy declares that it will “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 are favorable.” 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 the significance of information

For the corporate information gathered by the Information Handling Officer, the Disclosure Policy Committee chaired by the Information Handling Officer shall evaluate and determine whether to disclose it. 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

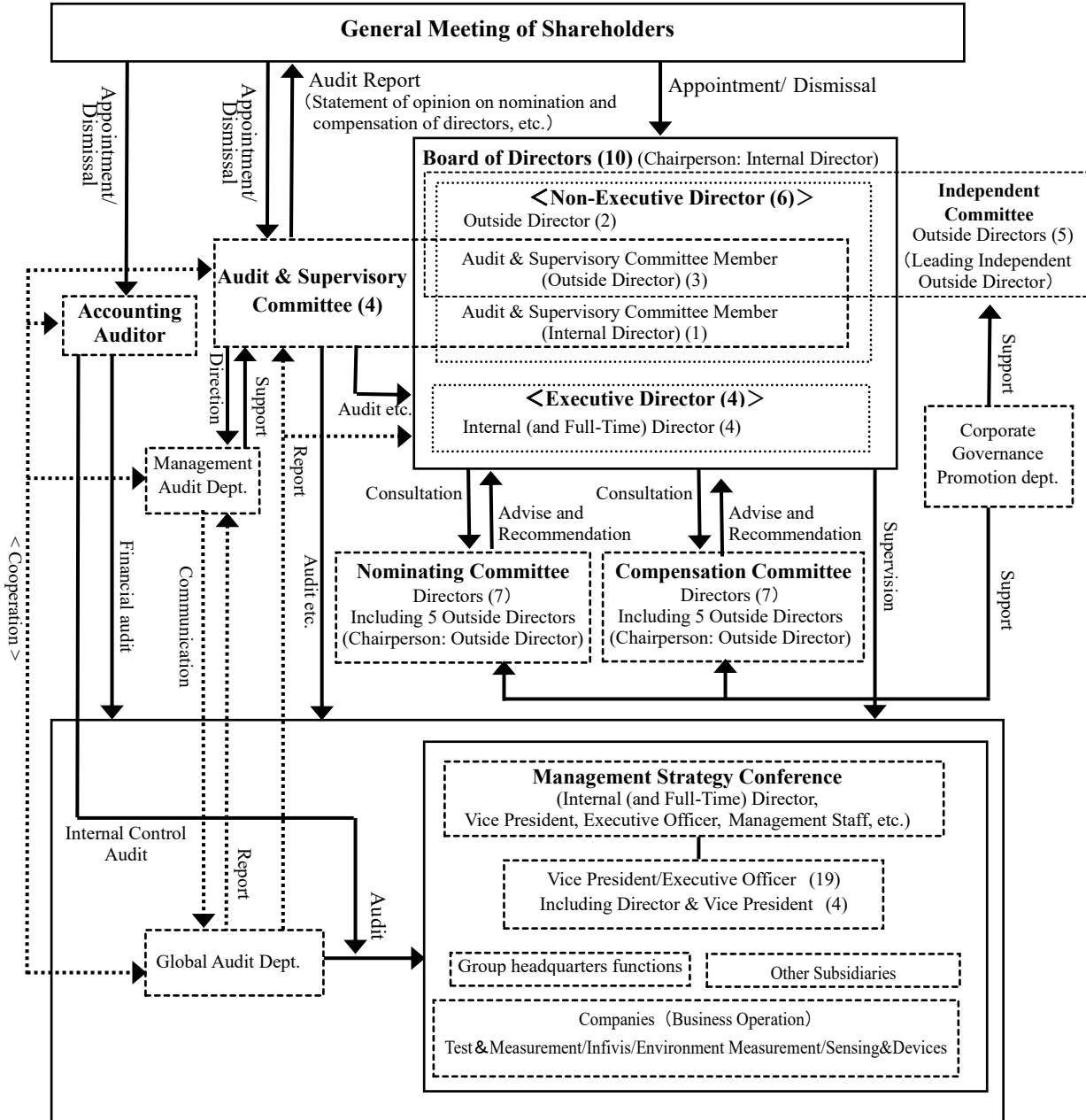
The Company shall promptly disclose any material fact upon the resolution made by the Management Strategy Conference and the Board of Directors. In principle, the Representative Director(s), Vice President in charge, and respective department managers of IR, legal, and accounting departments (collectively “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 the 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 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 a center in establishing, operating, and improving the internal control system. The Global Audit Dept. verifies the internal control system's appropriateness and effectiveness as an independent internal audit department.

(5) Training and education

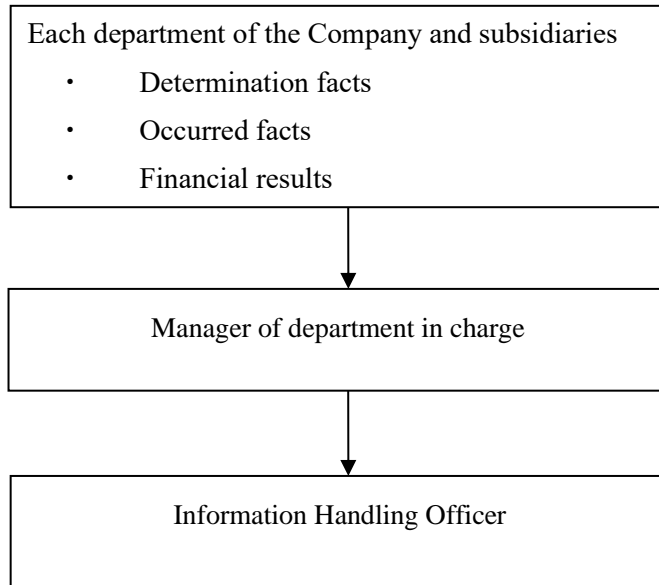
To ensure the fair, timely, and appropriate disclosure of information on a Group-wide basis and prevent insider trading, the Company offers training and education for its employees to fully understand the related laws or ordinances and internal rules and regulations. It also instructs subsidiaries to establish their respective information management structure and disclosure procedures.

【Corporate Governance System】

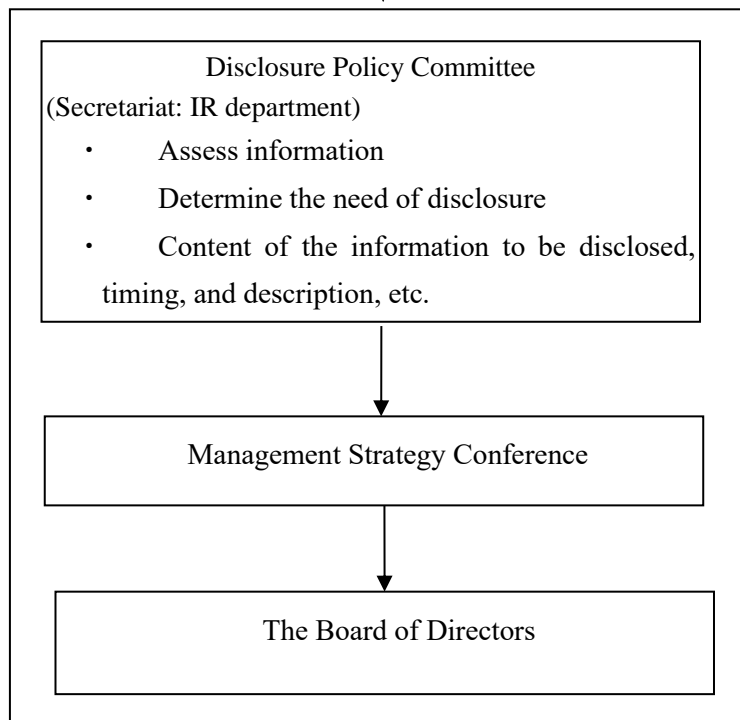


【Scheme for Timely Disclosure System】

(1) Gathering and management of information



(2) Determination of the significance of information



(3) Public announcement

