

Sustainability Data Book 2022



Contents

Contents	2
Editorial Note	3
Advantest's Sustainability	4
Message from Advantest's Director of Sustainable Management	5
Realization of Sustainability through ESG Promotion	6
Materialities and the ESG Action Plan	6
Basic Policy and System for Promoting ESG Initiatives	9
Our Activities in FY2021	10
Stakeholder Engagement	12
Involvement with External Initiatives	13
External Recognition	16
Environment	19
Mitigation of Climate Change (Prevention of Global Warming)	20
Approach to Climate Change	20
Environmental Management	21
Environmental Policies	22
Environmental Education	23
Climate Change Initiatives in Our Business Activities	25
Green Products	25
Product Recycling	26
Initiatives to Address Supply Chain Emissions	27
Recycling Resources	30
Initiatives on Environmental Risk Management	32
Management of Legal Compliance Regarding Environmental Impacts	32
Management of Chemical Substances	33
Involving Our Business Partners	35
Compliance with the Laws and Regulations in Each Country	36
Environmental Communication	38
Environmental Initiatives	38
Initiatives for Biodiversity	40
Biotope	42
Society	44
Employment and Diversity	45
Supporting Diverse Working Styles	51
Initiatives for Work-Life Balance	51
Creating a Workplace with Higher Job Satisfaction	54
Employee Engagement	55

Human Resources Development, Fair Evaluation and Treatment	57
Efforts to Develop Human Resources	57
Fair Evaluation and Treatment	60
Employee Health and Safety	62
Promotion of Health and Productivity Management	62
Promotion of Occupational Safety and Health	64
Respecting and Protecting Human Rights	66
Community Activities	68
Taking Responsibility for Our Products	72
Supporting Product Safety and Quality	72
Initiative Towards Customer Satisfaction	75
Innovation Initiatives	77
Intellectual Property Protection	79
Supply Chain Management	80

Governance	83
Corporate Governance	84
Management Structure	84
Executive Compensation System	88
Internal Control System	89
Risk Management	90
Risk Management System	90
TCFD-based Climate Change-related Information Disclosure	91
Business Continuity Initiatives	93
Compliance	95
Initiatives to Promote Ethical Business Practices	95
Export Control	97
Tax Compliance	98
Information Security	99

ESG Data	101
Material Flow	102
Data Collection	103
Environmental Data	103
Social Data	110
Governance Data	118
Approach to Data Aggregation and Third-Party Verification	119
Approach to and Methods for Environmental Data Collection	119
Third-Party Assurance	121

Guideline Comparison Table	122
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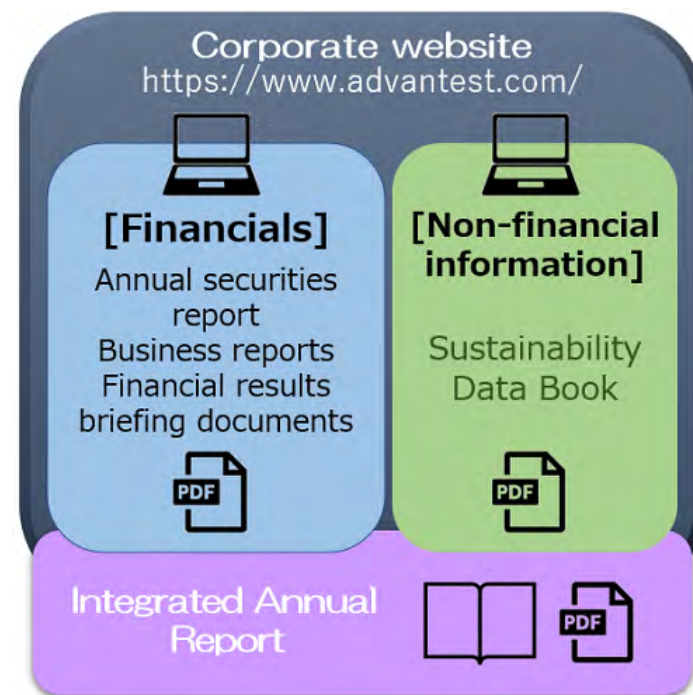
Editorial Note

The "Sustainability Data Book 2022" is an annual report of information on our Sustainability Website as of the end of August 2022, published every year in PDF format. In this data book and our website, we report our approach and initiatives for E (environment), S (society), and G (governance) sustainability in our second mid-term management plan (2021 to 2023) as a tool for communicating with our stakeholders. The website will be updated from time to time after the end of August 2022.

We refer to the GRI standards along with other guidelines to offer a more comprehensive summary of our activities. Regarding climate changes, we are disclosing information in accordance with the "Task Force on Climate-related Financial Disclosures (TCFD)" since FY2021.

Relationship with the Integrated Annual Report

Advantest positions our "Integrated Annual Report" as a "One-stop Handbook" for disclosing our corporate value from financial and non-financial perspectives. The Sustainability Data Book is an appendix to the Integrated Annual Report, compiled with the aim of providing a comprehensive and detailed report on information related to ESG.



About information disclosure

Scope of the Report

Period covered	April 1, 2021 to March 31, 2022 Initiatives and activities up to August 2022 are also included to aid in content comprehension.
Target organizations	Advantest Corporation and its major domestic and overseas consolidated subsidiaries
Issuance	Issued in October 2022 as an annual report

Guidelines Referenced

- Global Reporting Initiative's Sustainability Reporting Standards
- SASB Standards
- ISO26000 Guidelines
- Ten Principles of the United Nations Global Compact
- Ministry of the Environment of Japan, "Environmental Reporting Guidelines 2018"

Third-party Assurance

Third-party assurance has been obtained for the ESG Data on our website from KPMG AZSA Sustainability Co., Ltd. to ensure increased reliability of the reported figures of selected social and environmental performance indicators.

Contact Information

For inquiries related to sustainability
ESG Promotion Office

- Send comments by email to: [✉ PDL-AT-esgsuishin@advantest.com](mailto:PDL-AT-esgsuishin@advantest.com)
- Send comments by fax to: +81-276-84-1150

Advantest's Sustainability

Message from Advantest's Director of Sustainable Management	5
Realization of Sustainability through ESG Promotion	6
Materialities and the ESG Action Plan	6
Basic Policy and System for Promoting ESG Initiatives	9
Our Activities in FY2021	10
Stakeholder Engagement	12
Involvement with External Initiatives	13
External Recognition	16

Message from Advantest's Director of Sustainable Management

Towards a "safe, secure, and comfortable society"

Looking at the international situation as U.S.-China trade war and struggle for technology supremacy continue, dragging impact of China's Zero Covid policy pummeling on the world's economic activities, the turmoil in the global supply chain and the shortage of materials and parts due to the tense situation in Ukraine, and soaring energy prices, concerns of the global recession and rising inflation have escalated further uncertainty. In addition, social issues such as climate change and population problems are becoming apparent on a global scale, requiring us to take appropriate long- or short-term actions in our corporate activities to address these concerns. In a highly uncertain business environment, we are striving to maximize customer satisfaction by accurately grasping customer needs and providing solutions in our core semiconductor test equipment business, all while improving our corporate value by ensuring sustainable management that emphasizes the aspects of "Environment", "Social", and "Governance".



The following are our ESG initiatives from the Second Mid-Term Management Plan (MTP2), which was formulated and launched in FY2021. As for the "E," the environmental aspect of ESG, together with setting goals focusing on key issues such as greenhouse gas reduction, introduction of renewable energy, shortening production time by optimizing production processes, strengthening development and sales of green products, and initiatives addressing resource recycling and biodiversity, we have also evaluated and improved our KPIs. As for the "S," the social aspect of ESG, we enhanced our activities concerning human rights and occupational health and safety, conflict minerals elimination, respecting and observing fair trade practices and procurement policies aiming for increased transparency and reliability of the entire supply chain as a means to fulfill our corporate social responsibilities. In addition, as global human resource measures, we are making efforts to promote diversity, instilling human rights policies and strengthening relevant education, and enhancing employee engagement. Also for our customers, we strive to improve customer satisfaction. As initiatives for the "G," or governance aspect, we held business strategy briefings for the Board of Directors with the intention of increasing the Board's effectiveness, provided full-scale introduction of management succession plans, promoted further penetration of the Advantest Way to our employees worldwide, and are working to reinforce our compliance and risk management systems.

On the other hand, innovations in the areas of digital infrastructure such as communication networks and data centers represented by rapid changes in technology, and the evolution of semiconductors used in a variety of electronic devices lay at the core, spurring the acceleration of digital transformation in the world we live in. In line with our purpose of "Enabling Leading-Edge Technologies," we will continue to support

the digital transformation of society with the goals of delivering safety, security, and comfort to people's live. Under such circumstances, as a semiconductor test equipment manufacturer, we are developing high-performance test equipment and providing solutions that respond to challenges of technological and production evolution in the semiconductor market such as the "improvement of test efficiency in response to the dramatic evolution of semiconductors due to miniaturization", "securing device quality/performance accompanying the development of amplified 2.5D/3D packaging", "early yield improvement and mass production launch of advanced manufacturing line", "increasing demand for high reliability of semiconductors," and "dramatic improvement in operating speed". Accurately grasping technology megatrends and providing valuable products/support to customers will ultimately lead to contributions to future global environmental conservation and the formulation of efficient social infrastructures and supply chains. On top of these contributions, it is crucial to strengthen our corporate governance to bring about sustainable management and the improve our corporate value.

As for our future ESG activities, we will create a roadmap for our participation in the RE100 initiatives to further strengthen our response to climate change issues and aim to reduce greenhouse gas emissions by 60% by FY2030 compared to FY2018. We are determined to work together with our customers, business partners, and other stakeholders to help realize a decarbonized society. In terms of human rights and the working environment, we will work to ensure that our entire value chain understands our ways of thinking, and to continue to work towards respecting human rights, diversity, and occupational health and safety. In addition, we will focus on human resource development and engagement improvement for our employees. On our business side, we will support a wide range of technological innovations in society and build a robust foundation to promote sustainable management by enhancing our existing, core semiconductor testing business while expanding our business into peripheral business areas.

We appreciate your continued support.

September 2022

Yasuo Mihashi

Senior Executive Officer

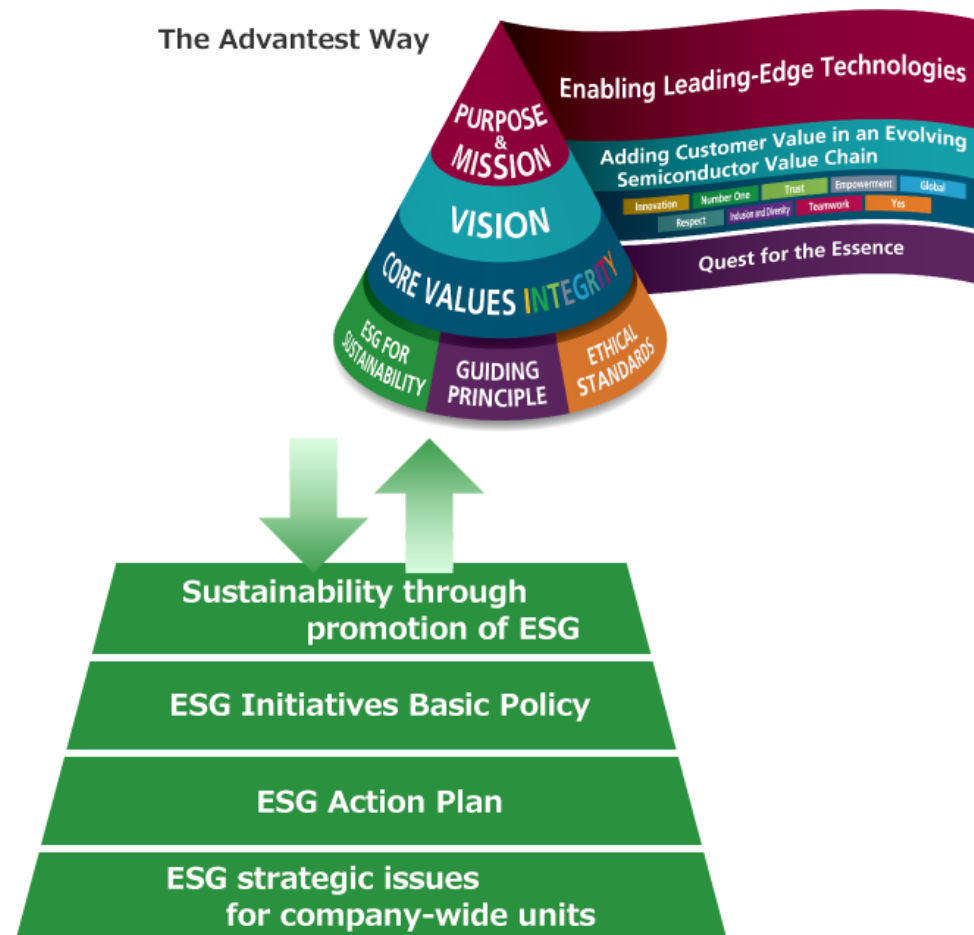
Corporate Planning & Stakeholder Relations Group Leader

Realization of Sustainability through ESG Promotion

We have laid out "sustainability through promotion of ESG" at the foundation of our corporate philosophical system, The Advantest Way, in driving towards the company's sustainability and help bringing about a sustainable world.

We have also set out the ESG Initiatives Basic Policy to promote ESG initiatives throughout the company, and formulated an ESG Action Plan 2021-2023 for its implementation.

The ESG Action Plan 2021-2023 sets out 27 goals and KPIs for E / S / G in total. We have deployed these goals among company-wide units and have been working on their promotion and implementation ever since.



Materialities and the ESG Action Plan

The Mid-Term Management Plan is an initiative to achieve our Grand Design with a goal of 2027 and to continue sustainable growth thereafter. In order to contribute to a sustainable future through our business, we reviewed our materiality in the second Mid-Term Management Plan (MTP2), which began in fiscal 2021, and made the five strategies themselves materiality for the entire Advantest Group.







One of Advantest's materialities is the "further enhancement of ESG initiatives." In an effort to drive this materiality, we have set out the ESG Initiatives Basic Policy and formulated ESG Action Plan 2021 based on these policies. Subsequently, we have updated our ESG Action Plan to incorporate the Enhancement of Initiatives for Human Rights Issues based on discussions at the ESG Global Review Meeting.

In the Sustainability Data Book, we report on our sustainability initiatives based on ESG Action Plan 2021-2023. For the details of our materialities, please refer to Integrated Annual Report 2022.



[Integrated Annual Report 2022](#)

ESG Action Plan 2021-2023

ESG	Key Issue	Person in Charge ¹⁾	Objective	KPI	Target Value			
					2021	2022	2023	2030
E (Environment)    	Climate Change (Scope 1+2)	Co-CSO	Reduce GHG emissions from business activities by 60% by 2030 (vs. FY2018)	GHG emissions reduction amount/rate	35%	38%	40%	60%
			Raise renewable energy usage to 70% by 2030, Group-wide	Coverage rate by renewable energy	50%	53%	55%	70%
	Value Chain (Scope 3)	CPO	Reduce production times 30% through production process reviews (vs. FY2020)	Production time reduction rate for target models (vs. FY2020)	15%	25%	30%	TBD ²⁾
			Promote the use of renewable energy by suppliers and contractors	Number of suppliers who use renewable energy	10	20	40	TBD ³⁾
	Green Products	CTO	Reduce CO ₂ -equivalent emissions (basic unit) per test by 50% by 2030	Reduction rate in basic units (vs. FY2018)	Set basic unit calculation definition	→	20%	50%
			Develop products that are free from polluting substances	Total elimination of PFAS in coolant	New methodology in development plan		Announce release plan	Total elimination of PFAS in next-generation models
	Resource Recycling	CFO	Improve in-house recycling rate by promoting the 3Rs	Waste recycling rate (Japan/overseas)	JPN:90% Other regions: 73% or more	→	→	JPN:90% Other regions: 73% or more
			Maintain Group-wide water usage at FY2016 levels	Water resource usage	288,000m ³ /year	→	→	288,000m ³ /year
	Biodiversity	Co-CSO	Promote nature conservation activities (protection of endangered species in biotope, tree planting, beach clean-up, etc.)	Planning and implementation rate of nature conservation activities	10 activities planned, 80% implemented	14 activities planned, 80% implemented	18 activities planned, 80% implemented	20 activities planned, 80% implemented
	S (Social)  	ESG management at Supply Chain	CPO	Share and solve/mitigate ESG issues (risk management, human rights/occupational safety, environment, fair trade, compliance, etc.)	Due diligence implementation rate for major suppliers	90%	95%	100%
Diversity, protection, and respect for human rights		CHO	Fair treatment in gender	Female manager ratio	9.0%	10.0%	10.5%	17.0%
			Edification and practice of human rights	Participation rate of educational training	100%	→	→	100%
			Work-life balance	Return-to-work rate after maternity leave (JPN)	100%	100%	100%	100%
				Exercise rate of childcare leave by males (JPN)	12%	20%	25%	50%
	CPO	Conflict minerals elimination	Percentage of suppliers confirmed to be free of conflict minerals ⁴⁾	100%	100%	100%	100%	

ESG	Key Issue	Person in Charge ^{*1}	Objective	KPI	Target Value			
					2021	2022	2023	2030
	Customer satisfaction, employee engagement	CCRO	Raise customer satisfaction under New Normal circumstances	Ranking of TechInsights customer satisfaction survey	1st	→	→	1st
		CHO	Edification and improvement of attractive corporate culture	Score of Gallup survey	3.5	→	3.75	4.1
	Investing in human resources	CFO	Maintaining and enhancing occupational safety and health	Occupational accident rate (frequency rate)	0	→	→	0
			Promotion of health management	To be selected in White 500 (JPN)	In Process	→	→	Goal continuation
		CHO	Employee capacity building	Education and training expenses (100MY)	-	5.0	6.0	10.0
G (Governance)	Board effectiveness	CEO	Provide outside directors with updates on business and management issues	3 times/year	In Process	→	→	Goal continuation
			Intensify discussion through Off-site meetings by board members	2 times/year	In Process	→	→	Goal continuation
			Succession planning	Policy/process making, planning, updates	In Process	→	→	Goal continuation
			Diversity of board members	Outside directors must include female representation (>40%)	In Process	→	→	Goal continuation
			Add ESG performance assessment to compensation	Start from FY2021	In Process	→	→	Goal continuation
	Corporate culture and Code of Conduct, compliance, risk management	CFO	Work Shop/training for all employees (The Advantest Way, Law, Regulations, Information securities, etc.)	Participation rate for e-learning (100%)	100%	→	→	100%
			Strengthening Internal Control	Regularly discuss internal control issues	In Process	→	→	Goal continuation
	Promotion & support of ESG management (Sustainable Management Working Group)	Co-CSO	Support & Report group-wide Policy, Strategy, Plan and implementation	Report to Executive Management Committee and BoD (once a year)	In Process	→	→	Goal continuation
			Timely and appropriate disclosure (Integrated Annual Report, Sustainability Databook)	Issuance every year	In Process	→	→	Goal continuation

*1: CEO: Chief Executive Officer
 CPO: Chief Production Officer
 CFO: Chief Financial Officer
 CTO: Chief Technology Officer
 CHO: Chief Human Capital Officer
 CCRO: Chief Customer Relations Officer
 Co-CSO: Co-Chief Strategy Officer

*2: Set products and target values considering future product lifecycles
 *3: Set target values based on investigation of future major suppliers
 *4: KPIs are changed according to actual activities

Basic Policy and System for Promoting ESG Initiatives

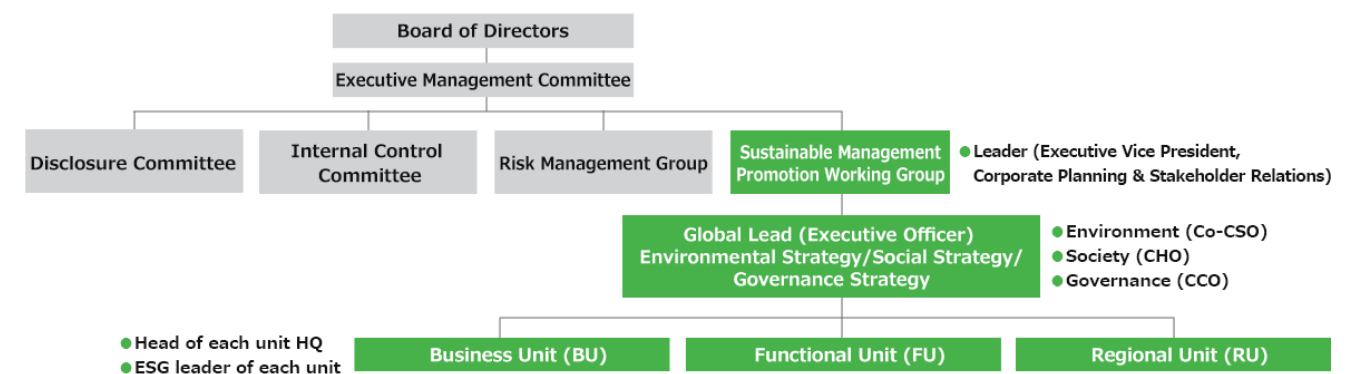
The Advantest Group sets long-term goals for challenges concerning the environment, society, and corporate governance and defines relevant KPIs based on the ESG Initiatives Basic Policy (and the Advantest Group's environmental policies), promoting responsible initiatives that contribute to solving social issues.

Basic Policy

1. In line with the corporate philosophy expressed in The Advantest Way, we believe that taking full consideration of, and implementing concrete actions related to, ESG-related factors is essential for achieving sustainability for both Advantest and society in general. Based on this understanding, we aim for improvement of corporate value over the medium to long term. To fulfill that responsibility, we will strengthen and expand our business while balancing earning power with transparent decision-making and actions, within a framework of respect for stakeholders, consideration for the environment, and harmonious coexistence with society in general. We will also work to contribute to achievement of the SDGs with a view to the sustainability of our global future.
2. Our basic policy is as follows.
 - (1) We continuously seek ways to reduce the environmental impact on the planet and our communities where we live, work, and do business.
 - (2) We fulfill social responsibilities with a presence throughout the world.
 - (3) We strive to consistently deliver high-quality products and services to our customers.
 - (4) We appropriately return profits and disclose information to our shareholders and investors.
 - (5) We treat our employees fairly, and ensures a positive work environment.
 - (6) We collaborate and cooperates with our suppliers.
 - (7) We build a fair, efficient, and highly transparent governance system.

Promotion Framework

Advantest has newly formed the Sustainable Management Promotion Working Group (SMWG) in FY2020 to serve as a governance system to achieve sustainable management. Run directly by the Executive Management Committee, this SMWG consists of the representing executive of each HQ and other members. With the assistance of the SMWG, we formulated the ESG Action Plan, incorporating the key ESG issues in each unit. The ESG Action Plan policies and themes related to climate change from each department. After the ESG Action Plan is approved through the deliberations of the Executive Management Committee, each unit derives a variety of measures and takes charge of implementing initiatives. The achievement statuses of the ESG Action Plan are reported on to the Executive Management Committee and the Board of Directors for discussion and evaluation twice a year.



Reporting and Information Disclosure







The SMWG will report the implementation status of the ESG Action Plan to the Executive Management Committee and the Board of Directors twice a year. And the SMWG will also endeavor to disclose it to external stakeholders in a timely and appropriate manner through, for example, Integrated Annual Report.

Our Activities in FY2021

This page introduces our activities to achieve our 2021 ESG Action Plan.

ESG Action Plan 2021-2023 Activity Results

Based on discussions at the ESG Global Review Meeting, we have updated our ESG Action Plan to incorporate the Enhancement of Initiatives for Human Rights Issues.

ESG	Key Issue	Executive in charge ¹⁾	Goal	KPI	2021	
					Target Value	Results
E (Environment)    	Climate Change (Scope 1+2)	Co-CSO	Reduce GHG emissions from business activities by 60% by 2030 (vs. FY2018)	GHG emissions reduction amount/rate	35%	34%
			Raise renewable energy usage to 70% by 2030, Group-wide	Coverage rate by renewable energy	50%	54%
	Value Chain (Scope 3)	CPO	Reduce production times 30% through production process reviews (vs. FY2020)	Production time reduction rate for target models (vs. FY2020)	15%	21%
			Promote the use of renewable energy by suppliers and contractors	Number of suppliers who use renewable energy	10	12
	Green Products	CTO	Reduce CO ₂ -equivalent emissions (basic unit) per test by 50% by 2030	Reduction rate in basic units (vs. FY2018)	Set basic unit calculation definition	
			Develop products that are free from polluting substances	Total elimination of PFAS in coolant	New methodology in development plan	
	Resource Recycling	CFO	Improve in-house recycling rate by promoting the 3Rs	Waste recycling rate (Japan/overseas)	JPN:90% Other regions: 73% or more	JPN:64% ²⁾ Other regions:77%
Maintain Group-wide water usage at FY2016 levels			Water resource usage	288,000m ³ /year	236,405m ³ /year	
Biodiversity	Co-CSO	Promote nature conservation activities (protection of endangered species in biotope, tree planting, beach clean-up, etc.)	Planning and implementation rate of nature conservation activities	10 activities planned, 80% implemented	11 activities planned, 73% implemented	
S (Social)  	ESG management at Supply Chain	CPO	Share and solve/mitigate ESG issues (risk management, human rights/occupational safety, environment, fair trade, compliance, etc.)	Due diligence implementation rate for major suppliers	90%	100%
	Diversity, protection, and respect for human rights	CHO	Fair treatment in gender	Female manager ratio	9.0%	9.6%
			Edification and practice of human rights	Participation rate of educational training	100%	99.5%
			Work-life balance	Return-to-work rate after maternity leave (JPN)	100%	100%
				Exercise rate of childcare leave by males (JPN)	12%	16%
Conflict minerals elimination	CPO	Percentage of suppliers confirmed to be free of conflict minerals ³⁾	100%	63.4%		

ESG	Key Issue	Executive in charge ^{*1}	Goal	KPI	2021	
					Target Value	Results
	Customer satisfaction, employee engagement	CCRO	Raise customer satisfaction under New Normal circumstances	Ranking of TechInsights customer satisfaction survey	1st	1st
		CHO	Edification and improvement of attractive corporate culture	Score of Gallup survey	3.5	3.64
	Investing in human resources	CFO	Maintaining and enhancing occupational safety and health	Occupational accident rate (frequency rate)	0	0.35
			Promotion of health management	To be selected in White 500 (JPN)	In Process	On Track
		CHO	Employee capacity building	Education and training expenses (100MY)	-	3.9
	G (Governance)	Board effectiveness	CEO	Provide outside directors with updates on business and management issues	3 times/year	In Process
Intensify discussion through Off-site meetings by board members				2 times/year	In Process	On Track
Succession planning				Policy/process making, planning, updates	In Process	On Track
Diversity of board members				Outside directors must include female representation (>40%)	In Process	On Track
Add ESG performance assessment to compensation				Start from FY2021	In Process	On Track
Corporate culture and Code of Conduct, compliance, risk management		CFO	Work Shop/training for all employees (The Advantest Way, Law, Regulations, Information securities, etc.)	Participation rate for e-learning (100%)	100%	97.6%
			Strengthening Internal Control	Regularly discuss internal control issues	In Process	On Track
Promotion & support of ESG management (Sustainable Management Working Group)		Co-CSO	Support & Report group-wide Policy, Strategy, Plan and implementation	Report to Executive Management Committee and BoD (once a year)	In Process	On Track
			Timely and appropriate disclosure (Integrated Annual Report, Sustainability Databook)	Issuance every year	In Process	On Track

*1: CEO: Chief Executive Officer
 CPO: Chief Production Officer
 CFO: Chief Financial Officer
 CTO: Chief Technology Officer
 CHO: Chief Human Capital Officer
 CCRO: Chief Customer Relations Officer
 Co-CSO: Co-Chief Strategy Officer

*2: We were below our target values due to a decrease in sludge recycling rate at major development bases (caused by temporary changes in sludge treatment methods in local governments)

*3: KPIs are changed according to actual activities

Stakeholder Engagement

Advantest implements the following types of communication with stakeholders.

Main stakeholders	Main communication methods
Shareholders and investors	Shareholders' meetings, business reports, and interim reports Financial results and quarterly/annual financial securities reports Corporate governance reports Dissemination of information via the sustainability report Quarterly briefings for institutional investors and analysts on the same day of earnings announcement Dialogues during individual meetings, small meetings and various briefing sessions Individual meetings with major domestic and overseas institutional investors Individual meetings with major domestic and overseas shareholders
Customers	CSR questionnaire User group meetings (VOICE) Exhibitions (SEMICON, etc.)
Suppliers	CSR questionnaire Suppliers New Year Meeting Suppliers Reception QCD Cooperate Forum
Employees	Labor-management negotiations Employee Engagement Survey Various training and workshop sessions
Local Communities	Community contribution activities Science workshops Biotope nature observation events

Engagement with Shareholders and Investors

General Meeting of Shareholders

Advantest considers the General Meeting of Shareholders to be an opportunity for dialogue with our shareholders.

The General Meeting of Shareholders for fiscal 2021 was held at the hall of our Japanese office.

We held a hybrid-type shareholders' meeting in which voting rights cannot be exercised, as we did last year, so that as many shareholders as possible could attend the meeting. We printed guidelines for livestream access on the envelope and enclosed leaflets of the convocation notice mailed to shareholders, making it easier for them to access the General Meeting via Internet. As a result, approximately twice as many shareholders as last year participated. In addition, in order to enhance dialogue with shareholders, we accepted questions online in advance of the meeting, and also allowed them to message us online during the livestream.

We will continue to enhance the openness and accessibility of our General Meeting of Shareholders while taking measures for shareholders who are unable to come to the meeting venue.



Shareholder's Meeting



[Details of Senior Executives](#)

IR activities

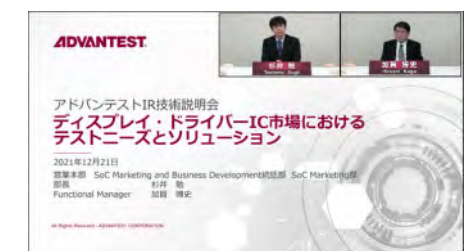
To fulfill the company's duty to demonstrate the company's accountability to our shareholders and investors, and to further increase the level of trust placed in the company, Advantest has formulated the Basic Investor Relations Policy, which summarizes policies related to information disclosure, IR activities and shareholder communication. Based on this policy, we are working to foster more intensive communication with shareholders and investors under the direction of our CEO.

Specifically, we will disclose important information in a timely, fair and appropriate manner to shareholders and investors both in Japan and overseas, and hold a financial briefing every quarter, during which senior Advantest managers will give presentations. We will also hold individual meetings with domestic and overseas institutional investors (around 420 meetings in fiscal 2021), as well as business and technical briefings, in order to swiftly communicate changes and business trends in semiconductor technologies, which are closely related to our business, to the stock market.

Advantest is also working to enhance information disclosure on the corporate website. Feedback and opinions received from shareholders and investors is shared at the Board of Directors, and incorporated into our planning for a sustainable level of business development and mid-to-long term enhancement of corporate value.

Dialog with Suppliers

To help build harmonious relationships with suppliers, Advantest holds an annual NEW Year's reception for valued suppliers, and QCD Forum with suppliers. Besides providing an opportunity for presenting awards that give recognition to suppliers who have made a particularly valuable contribution to Advantest's business, these events also provide an opportunity for the suppliers to exchange their opinions with Advantest's President and Directors.



We held an online IR briefing on the second mid-term management plan in May 2021 and a technology briefing in December for securities analysts and institutional investors.

In January 2022, we invited our business partners and held a business overview briefing session. The event was held online, and the New Year's reception was postponed preventing the spread of COVID-19 infections. Approximately 200 people representing 88 companies participated in this event, and the President, the corporate EVP in charge of semiconductor test equipment, and Corporate EVP in charge of production and purchasing provided business overviews, information on new product releases, production forecasts in addition to addressing our environmental and social initiatives.

Despite rising concerns about procurement mainly in the semiconductor field, we maintain good relationships with our business partners by utilizing online meetings and other opportunities.

Dialog with Employees

We actively communicate with our employees through dissemination of the President's Message, the monthly Morning Meetings and Meetings of All Employees which are held at each business location, the New Year Greeting event held in January each year, the Spring Labor Talks which are held each year starting in February, the ceremony to mark the company's founding which is held in July each year, the Central Labor Negotiations which are held in September each year, and various social events, etc.

Amid the COVID-19 pandemic, we have continued these practices by scaling-down the events, switching to video streaming and online meetings, and taking other measures. The proceedings of the July 2022 anniversary ceremony was livestreamed and recorded on the video so that employees around the world could participate virtually in real time.

Involvement with External Initiatives

Commitment to External Initiatives

Advantest is supporting measures aimed at the realization of a sustainable society through its sponsorship for and participation in various domestic and international statements and guidelines.

Advantest Joins UN Global Compact

The United Nations Global Compact is a voluntary initiative that calls for each company and group to act as a good member of society by demonstrating responsible and creative leadership and to participate in the creation of a global framework for realizing sustainable growth.

Advantest joined the UN Global Compact in 2019 and supports its ten principles in four areas, namely "protection of human rights," "elimination of labor abuses," "environmental protection," and "anti-corruption," and we continuously endeavor to realize these goals.



[UN Global Compact](#)

The Ten Principles of the UN Global Compact

- Human Rights
 - Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
 - Principle 2: make sure that they are not complicit in human rights abuses.
- Labour
 - Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
 - Principle 4: the elimination of all forms of forced and compulsory labour;
 - Principle 5: the effective abolition of child labour; and
 - Principle 6: the elimination of discrimination in respect of employment and occupation.
- Environment
 - Principle 7: Businesses should support a precautionary approach to environmental challenges;
 - Principle 8: undertake initiatives to promote greater environmental responsibility; and
 - Principle 9: encourage the development and diffusion of environmentally friendly technologies.
- Anti-Corruption
 - Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

According to our corporate philosophy of "enabling leading-edge technologies," we aspire to help realize a safe, secure, and comfortable society and sustainable future as well as to solve social issues with the aim of achieving the SDGs (Sustainable Development Goals), which are shared goals for all human beings adopted by the UN in 2015.



Advantest Obtains Certification from the SBTi for its 1.5-degrees Celsius Target

In November 2021, Advantest obtained certification from the Science Based Targets Initiative (SBTi)^{*1}, a global corporate climate initiative that strives for science-based targets which provide a pathway for companies to reduce greenhouse gas (GHG) emissions, for committing to its 1.5-degrees Celsius target. This certification recognizes that Advantest's greenhouse gas reduction goals are based on scientific evidence and will contribute to achieving the target, as determined by the Paris Agreement.



^{*1} SBTi : Science Based Target Initiative
 A global body enabling businesses to set emissions reduction targets in line with climate science, which seeks to restrain rising global temperatures to within 1.5-degrees Celsius of pre-industrial levels. 247 Japanese companies have obtained certification from the SBTi (as of May 23, 2022).

[Science Based Targets Initiative \(SBTi\)](#)

Announcement of support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

In April 2020, Advantest announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)^{*2}. We analyze the risks and opportunities posed by climate change on our business from the perspectives of strategy, risk management, and governance and globally deploy proactive measures. We also promote the enhancement of information disclosure based on the recommendations of the TCFD to achieve sustainable growth for the Advantest Group, enhance corporate value, and foster a sustainable society.



^{*2} Task Force on Climate-related Financial Disclosures (TCFD)
 A task force established in December 2015 by the Financial Stability Board (FSB), an international organization. In its final report issued in June 2017, the TCFD recommended that companies disclose information on the financial impacts of climate-related risks and opportunities.

[Task Force on Climate-related Financial Disclosures \(TCFD\)](#)

Participation in RE100

In August 2020, Advantest participated in RE100^{*3}, an international initiative that aims to procure 100% renewable electricity for its energy consumption in business activities.

Expanding the adoption of renewable energy is essential to achieve 100% reduction of CO₂ emissions, which is one of our long-term goals related to climate change. By participating in RE100, which tackles the social issue of climate change on a global scale, we are promoting the further utilization of renewable energy with other participating companies.



*3 RE100

An international initiative led by The Climate Group, a climate-related non-profit organization, in partnership with CDP, a non-profit organization that promotes global information disclosure and actions concerning environmental impacts. It was established in 2014. The number of participating companies is 320 globally and 58 from Japan (as of July 27, 2021).

[RE100](#)

Participation in the Japan Climate Initiative

Japan Climate Initiative (JCI) is a network of non-state actors who make serious efforts towards the 1.5-degrees Celsius target and the realization of a decarbonized society.

Advantest supports the declaration of the JCI, "Joining the front line of the global push for decarbonization from Japan," and participated in the initiative to support the transition to a decarbonized Japanese society by 2050.

We will contribute to the realization of a decarbonized society by voluntarily and proactively working on actions on climate change and by working together to activate efforts within and between sectors among local governments and companies, that are actively engaged in their climate change countermeasures.



[Japan Climate Initiative \(JCI\)](#)

Participation in the 30by30 Alliance for Biodiversity

Advantest has participated in the 30by30 Alliance for Biodiversity, which works on biodiversity conservation, an important initiative for global environmental conservation.

30by30 alliance is a global promise agreed upon among all G7 countries at the G7 Summit held in June 2021, committed to conserving, or protecting at least 30% of their national land and sea areas by 2030 ("30by30") toward the goal of halting and reversing biodiversity loss (nature positive).



[30by30 Alliance](#)

RBA Code of Conduct

We actively promote initiatives on labor, safety, health, the environment, and ethics in compliance with the RBA Code of Conduct, which was published by the RBA^{*4}, a corporate alliance that promotes corporate social responsibility in global supply chains.

*4 RBA : [Responsible Business Alliance](#)

Response to the Conflict Minerals Issue

Although the U.S. Dodd Frank Act Section 1502 on conflict minerals does not apply to Advantest, we survey our business partners on the use of conflict minerals every year using the RMI^{*5} reporting template (the Conflict Minerals Reporting Template (CMRT)).

*5 RMI : [Responsible Minerals Initiative](#)

External Recognition

Recognition Regarding ESG Initiatives at Advantest

Selected for MSCI Japan Empowering Women (WIN) Index and MSCI Japan Empowering Women Select Index

Advantest was adopted as a constituent stock of the MSCI Japan Empowering Women (WIN) Index and the MSCI Japan Empowering Women (WIN) Select Index.

2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

For the MSCI Japan Empowering Women Index (WIN), companies that exhibit higher levels of gender diversity among their employees are selected based on the gender diversity score calculated using the data disclosed in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace and information disclosed by the company. For the MSCI Japan Empowering Women (WIN) Select Index, companies that demonstrate strong growth and good financial conditions among those selected for the Japan Empowering Women (WIN) Select Index are selected.

Received "A" Rating in MSCI ESG Ratings

Advantest received an "A" rating in the 2022 MSCI ESG Ratings. This constituted an upgrade from the previous "BBB" rating.

MSCI ESG Ratings aim to comprehensively analyze and measure corporate initiatives for relevant ESG risks and opportunities in the areas of Environment, Social, and Governance. ESG Ratings range on a seven-level scale (AAA, AA, A, BBB, BB, B, and CCC).



* THE INCLUSION OF ADVANTEST CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF ADVANTEST CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Selected for FTSE4Good Index Series

Advantest has been selected as a constituent stock of the FTSE4Good Index Series.

Designed by FTSE Russell to measure the performance of companies that demonstrate strong Environmental, Social, and Governance (ESG) practices based on diverse relevant criteria, the FTSE4Good Index Series is a major index series used to create and assess sustainable investment funds and other financial products.



Selected as a constituent of the FTSE Blossom Japan Index

Advantest has been selected as a constituent stock of the FTSE Blossom Japan Index.

The FTSE Blossom Japan Index was designed by FTSE Russell to measure the performance of Japanese companies that demonstrate strong ESG practices.



FTSE Blossom Japan

Graded "A-" in the CDP Climate Change Report / Selected as "CDP Supplier Engagement Leader"

Advantest was graded A- in the CDP Climate Change Report 2021. This rating was upgraded from "B" in 2020, and our efforts to address climate change were highly evaluated.

CDP surveys companies and cities on their environmental protection practices for climate change, water source protection, forest preservation, and so on, and discloses the assessment results to investors. In its climate change questionnaires, CDP grades over 9,500 companies worldwide on their initiatives related to target setting, business strategies, recognition of risks and opportunities, disclosure of amounts of GHG emissions, and other matters on an eight-level scale (A, A-, B, B-, C, C-, D, and D-).

Advantest has also been selected as a "Supplier Engagement Leader" in CDP's Supplier Engagement Rating (SER).

CDP's SER recognizes companies that have excelled in addressing climate change throughout their supply chains, and our ratings show that we were highly evaluated for our preemptive efforts in cooperation with our suppliers in addressing issues on climate change.



Selected to be part of the SOMPO Sustainability Index

Advantest has been selected as a constituent stock of the SOMPO Sustainability Index.

The SOMPO Sustainability Index selects approximately 300 companies each year based on ESG criteria and their equity value. This index was created by SOMPO Asset Management for "SOMPO Sustainable Management," an investment product for pension funds and institutional investors.



Recognition and awards for our activities

Advantest Named THE BEST Supplier of Chip Making Equipment and #1 ATE Supplier for 3rd Consecutive Year from TechInsights

In the TechInsights (formerly VLSIresearch) Customer Satisfaction Survey, Advantest captured the No.1 spot of global semiconductor equipment suppliers for the third consecutive year. The company was also named on the 10 BEST Suppliers list of large suppliers of test equipment for the 34th consecutive year.



The TechInsights Customer Satisfaction Survey is the industry's only available opportunity since 1988 to receive feedback from semiconductor manufacturers. It evaluates and ranks equipment manufacturers based on 15 items in three key factors of customer service, supplier, and equipment performance.

Advantest Named a Top Health Management Brand for the First Time

Advantest was recently selected for the first time as one of the brands in the 2022 Health & Productivity Stock Selection, which are jointly selected by Japan's Ministry of Economy, Trade, and Industry (METI) and the Tokyo Stock Exchange. At the same time, METI has certified Advantest as one of the "White 500" (large listed corporation section), the top 500 corporations certified under METI's 2022 Health and Productivity Management Awards, for the second consecutive year.



Ever since the Declaration of Health and Productivity Management Policy was established in September 2019, Advantest has worked together with the health insurance society and labor union to implement various initiatives for health and productivity by promoting health check-ups, boosting the implementation rate of specified health guidance, and strengthening mental health measures. Moreover, we offer various other activities that directly affect employee health such as online dieting/smoking cessation programs and introduced health portal applications for promoting exercise and health literacy education.

Advantest actively promotes support programs for balancing work and private life. We have acquired "Certification level 2 (two stars)" of the "Eruboshi" certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace in November 2020, and was also granted the "Kurumin" certification based on the "Act on Advancement of Measures to Support Raising Next Generation Children" in February 2021. Followed by the spread of COVID-19, top management sent out the message that employee health should be made a priority, and has been taking thorough measures to prevent the spread of infection including the enhancement of remote work productivity. As a result of these efforts, Advantest has recently been selected for the first time as one of the 50 brands in the 2022 Health & Productivity Stock Selection.

Advantest, the Japan Health Insurance Association, and our labor union will continue to work together to promote health management activities so that our employees, who are the company's greatest asset, can enjoy the best of physical and mental health, have abundant vitality, and maximize their abilities.

Advantest Europe GmbH wins Germany's Best Employers award for the third time

Advantest Europe GmbH (AEG) has been recognized for the third time after 2017 and 2019 as one of "Germany's Best Employers".



The awards ceremony for "Germany's Best Employers" is held by Great Place to Work®, a global survey institution, to evaluate the workplace culture of companies of various sizes in all industries. The companies are ranked on workplace culture based on credibility, respect, appreciation, team spirit, and unity between the company and its employees.

More than 700 companies participated in this year's competition. This is the third time that AEG has participated in the competition and has climbed further up the rankings, placing sixth in the "Germany's Best Employers" category (19th in 2017 and 11th in 2019). In the "Best Employer in ICT (Information and Communication Industry)", AEG was ranked further higher, coming fourth in "Bavaria's Best Employer" (Bavaria: AEG Headquarters = Munich and Amerang Offices).

Advantest Test Solutions, Inc. (U.S.A.) (ATS) in Orange County Register's TOP WORK PLACES for the Third Year in a Row

ATS is once again the recipient of the Top Workplaces award from the "Orange County Register," a local newspaper publication in Southern California. This is the third year in a row that ATS received this award.

The qualification is based on the results of a confidential employee questionnaire regarding corporate culture, management, and leadership.

Some general points and words shared by our employees were: Busy, Integrity, Focused, Trust, Teamwork, Professional, Innovation, Inclusion, Challenging, Dedication, Empowerment, Close-Knit. In particular, ATS rated highly in the following: "operates by strong values"; "encourages different points of view"; and "my manager cares about my concerns", which led to the award.



Advantest (China) Co., Ltd. (ATC) Receives 2020-2021 China Healthiest Work Place Outstanding Practice Award

ATC received 2020-2021 China Healthiest Work Place "Outstanding Practice Award". This award was selected from 223 enterprises who competed the "China Healthiest Work Place", issued by Mercer China, a global leading HR consulting firm who started China Healthiest Work Place selection program from 2016 every once in two years. The selection focused on the major two dimensions of health management system construction and individual health risk improvement, while the employers who provided outstanding health environment and health support were selected.



The "China Healthiest Work Place" includes four awarded topics.

While the "Top Healthiest Workplace" award selection is based on employees' survey, three other awards of "Outstanding Innovation Award", "Outstanding Practice Award", and "Outstanding Women Care Award" are selected by a group of HR and public health experts inside and outside Mercer China.

ATC received this award based on the Employee Health Project started from 2019. Working together with Mercer, we issued an online Health Risk Assessment (HRA) tool and interlinked with medical professional service who assesses individuals in a high mental or physical risk group in face-to-face meetings. This project will help employees and the management with early assessment of health risks and propose remedies. Though support services and resources of this kind are scarce in the Chinese market, we combined a lot of innovative ideas from Advantest HR, Mercer's consultant, and professional partners, which bore fruit, resulting in these valuable solutions.

Environment

Mitigation of Climate Change (Prevention of Global Warming)	20
Approach to Climate Change	20
Environmental Management	21
Environmental Policies	22
Environmental Education	23
Climate Change Initiatives in Our Business Activities	25
Green Products	25
Product Recycling	26
Initiatives to Address Supply Chain Emissions	27
Recycling Resources	30
Initiatives on Environmental Risk Management	32
Management of Legal Compliance Regarding Environmental Impacts ..	32
Management of Chemical Substances	33
Involving Our Business Partners	35
Compliance with the Laws and Regulations in Each Country	36
Environmental Communication	38
Environmental Initiatives	38
Initiatives for Biodiversity	40
Biotope	42

Mitigation of Climate Change (Prevention of Global Warming)

We will strive to reduce GHG emissions by providing green products and innovating in our business processes in order to fulfill our corporate mission to control global warming as per the ESG Initiatives Basic Policy. Having declared support for the TCFD Recommendations, we will proactively continue to clarify risks and opportunities associated with climate change and implement information disclosure.

Approach to Climate Change

Based on "The Advantest Way," Advantest continuously engages in long-term initiatives to alleviate and adapt to climate change in order to contribute to tackling important social challenges related to environmental issues.

For [disclosures related to climate change based on the TCFD Recommendations](#), please refer to "Risk Management" on the "Governance" page.

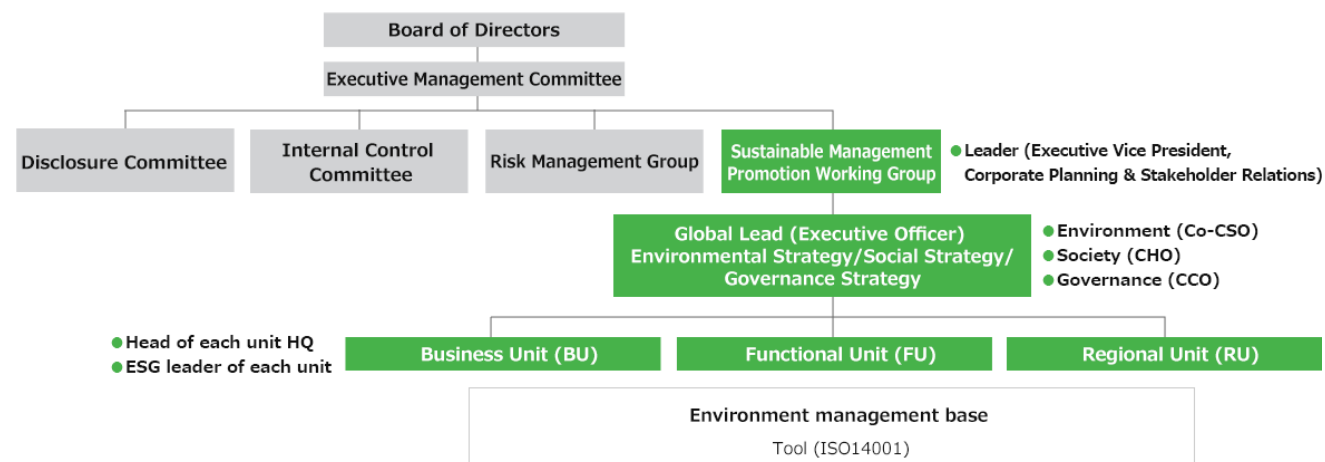
International initiatives and Advantest's efforts on climate change

Name of institution	Advantest's efforts
TCFD The Task Force on Climate-Related Financial Disclosures	As part of our efforts to ensure information disclosure, we analyze the impacts of climate change on business continuity as well as management risks and opportunities associated with laws and regulations based on the temperature increase scenarios outlined by the IPCC.
SBTi Science-based Targets Initiative	We formulate CO ₂ emissions reduction goals based on scientific insights and implement relevant measures as we work to achieve the goal of limiting temperature increases adopted in the Paris Agreement. In November 2021, Advantest obtained certification from the Science Based Targets initiative (SBTi), which recognized that Advantest's greenhouse gas reduction goals will contribute to achieving the target. (Scope1,2 : 1.5-degrees Celsius, Scope3 : 2-degrees Celsius)
RE100 Renewable Energy 100%	We formulate and implement plans for transitioning to renewable energy sources for the electricity consumed upstream and downstream in our business operations and in our supply chain.
CDP Carbon Disclosure Project	We proactively disclose information on initiatives for risks associated with climate change, such as the TCFD Recommendations, SBTi, and RE100. In December 2021, Advantest was promoted to A- rank from 2020 in the CDP corporate evaluation results. In February 2022, Advantest was selected as the highest-rated Supplier Engagement Leaderboard in the Supplier Engagement Rating (SER).
IPCC Intergovernmental Panel on Climate Change	Declared target temperature increases and GHG emissions based on projections for scenarios on what the world will look like after a temperature increase of less than 2-degrees Celsius and 4-degrees Celsius, respectively. Advantest uses these scenarios as a basis for analysis of physical and transition risk. ▷ Limit the temperature increase up to 2050 to below 1.5-degrees Celsius. ▷ Reduce GHG emissions by 45% by 2030, and by 100% by 2050.
The Paris Agreement (COP21) An international agreement adopted in 2015 to limit the global average increase in temperature to 1.5-degrees Celsius, a level that is far below 2-degrees Celsius, compared to pre-industrial levels.	

Environmental Management

Advantest has formulated an ESG Action Plan 2021-2023 to aim for the sustainability of the company and humanity through the enhancement of ESG initiatives. Environmental initiatives are managed under the "E (Environment)" category of the ESG Action Plan 2021-2023. Specific targets and indicator settings are based on international standards for climate change countermeasures. The ISO14001 management program is used as the basis for the commitment to our goals. The results are reported to and discussed with the Sustainable Management Promotion Working Group twice a year. The Working Group will then report them to the Executive Management Committee and the Board of Directors in accordance with the ESG Promotion Basic Policy.

For the details of international recommendations based on scientific evidence, please refer to "[Approach to Climate Change](#)".



Acquisition of ISO14001 Certification

The Advantest Group has acquired the integrated ISO14001 certification for its offices, as well as its research, development, and production facilities in Japan. The Group has acquired ISO14001:2015 certification for its environmental management system, which is based on relevant laws and regulations in each country where it operates. Under the uniform standards provided by ISO14001:2015, we are promoting initiatives to reduce energy use, control waste generation, develop and provide environmentally friendly products (green products), and reduce the environmental impact of our business activities.

Acquisition of ISO14001 certification



As of March 31, 2022

Company	(Base)	First acquisition of ISO14001 certification
ADVANTEST CORPORATION (Including business affiliates)		Aug. 2000 (Integrated certification)
	Head Office	2009/11
	Advantest Laboratories Ltd./Sendai Factory	2000/2
	Gunma R&D Center	2002/4
	Saitama R&D Center	2003/10
	Kitakyushu R&D Center	2003/3
	Gunma Factory	1998/4
Advantest America, Inc.		2008/10
	San Jose, U.S.A.	
Advantest Europe GmbH		2008/4
	Munich, Germany	
	Amerang, Germany	
	Boeblingen, Germany	
Advantest (Singapore) Pte. Ltd.		2008/6
Advantest (M) Sdn. Bhd. (Penang - Malaysia)		2008/9
Advantest Korea Co., Ltd.		2008/7
Advantest Taiwan Inc.		2006/12
Advantest (China) Co., Ltd. (Certification includes the following subsidiaries)		2008/5
	Advantest (Suzhou) Co., Ltd.	
	Advantest Technology (Shanghai) Co., Ltd.	



Bureau Veritas Certification (copy)

Advantest Corporation ISO14001 certifications scope

As of March 31, 2022

Applicable standards	ISO14001:2015
Certification number	4468578
Certification scope	Research, development, design, manufacture and services of semiconductor and component test systems and mechatronics systems
Certifying body	Bureau Veritas Certification Holding SAS
Date of first certification	December 8, 2000 (Acquisition of ISO14001:1996 certification at the Gunma Factory on April 21, 1998)
Date of integrated certification	Integrated as Advantest Group as of December 8, 2000.
Applicable business locations	Gunma R&D Center, Head Office, Saitama R&D Center, Gunma Factory, Kitakyushu R&D Center, Advantest Laboratories & Sendai Factory (Including each business affiliate)

Implementation of Internal Environmental Audits

The Advantest Group is always implementing regular internal audits on environmental burden reduction activities at each business location in order to confirm internal and external compliance with the operation of the environmental management system (EMS). We have been striving to build an efficient system by training internal auditors in some sections of the company since fiscal 2018. Corrective measures are being executed for all items toward any issues raised by regular internal audits and no serious defects were found in the operation of the environmental management system. In the future, we will continue to make ongoing efforts to improve our environmental management system, and will focus on improving our environmental performance.

Environmental Policies

Advantest has established our environmental policies as an entire group and promotes environmental conservation in view of realizing a sustainable society. Based on the ESG Initiatives Basic Policy, Advantest continuously makes efforts to set long-term goals for environmental priority issues through our business. We have clarified KPIs for the three-year period of our second mid-term management plan (MTP2) (2021 to 2023), with the goal of contributing to the climate change mitigation and a decarbonized society.

Please refer to "Materiality and ESG Action Plan" and "Our Activities in FY2021" for the ESG Action Plan and fiscal 2021 results, respectively.

Environmental policies of the Advantest Group

The Advantest Group contributes to the sustainable development of society through our business activities. Moreover, we are committed to protecting the environment through climate change countermeasures, preservation of biological diversity, etc. as well as ensuring sustainable use of energy, water resources, etc. All our employees actively engage in the following environmental conservation activities so that our company can earn the trust of society.

1. Promoting Environmental Management

By maintaining our environmental management system, we promote global environmental conservation efforts that achieve a balance between business activities and environmental concerns.

2. Reduction of Customers' Environmental Burden

We promote energy conservation, improved recyclability, and the elimination of hazardous substances to provide environmentally friendly products and services that contribute to our customers' reduction of their environmental burdens while considering the life cycle of our products from material procurement to waste disposal.

3. Better Workplace Procedures

We reform work procedures to continually improve our environmental performance by creating environmentally friendly products.

4. Environmental Protection and Sustainable Use of Resources

By being alert to the environmental impact of our business activities, we strive to protect the environment from measures against climate change to the conservation of biodiversity, as well as sustainable use of resources such as energy and water.

5. Complying with Environmental Laws and Regulations and Preventing Pollution

Upholding all environmental laws and regulations and voluntary standards, we protect nature and shield our neighbors from environmental pollution and health hazards caused by chemical substances, waste and other contaminations.

Environmental Education

Basic Stance on Environmental Education

The Advantest Group believes that it is essential for our employees to hold the following two matters in mind when tackling environmental issues:

1. Each and every employee needs to always feel that the environment is an issue close to their heart; and
2. Think about what they can and should do both at work and in the home, and transform these ideas into action.

The Advantest Group addresses "1" by implementing general environmental education and promotes awareness-raising activities globally to address "2" by using our in-house social networking platform, "My LIFE. ON.", to provide a place for sharing individual employees' efforts.

Major Environmental Education Programs

Program name	Educational
Training for new employees	Environmental awareness education for new employees
General environmental education program	Insight into the Advantest Group's environmental policies and general knowledge on environmental conservation
Education for internal environmental auditors	Cultivation and further education of internal environmental auditors
Management of chemical substances	Education on the handling and safety management of chemical substances
Capability training for specific tasks	Education to maintain and improve the skills that are needed by those engaged in specific tasks such as energy management, pollution control and waste management.

General Environmental Education

The Advantest Group provides a general environmental education program globally with the aim of encouraging all of our employees to continuously engage in environmental conservation activities.

The course materials for the general environmental educational program explain five initiatives and their environmental benefits based on our environmental policies. We are also committed to cultivating our employees' environmental awareness by including SDGs- and climate change-related contents. The final section of the materials includes multiple questions on the learning content that are designed assess employees' understandings. We achieved 97.0% attendance rate in FY2021.

Participation in General Environmental Education for fiscal 2021

	Target employees	Number of participants	Participation ratio (%)
Japan	2,741	2,741	100
Overseas	2,802	2,638	94.1
Overall	5,543	5,379	97.0

To further enhance environmental education, we created environmental education videos. From FY2022, we will use these videos to provide a more comprehensive and approachable environmental education for all. In addition, we purchased and installed an interactive digital globe, that reflects real-time Earth data. We will continue to promote environmental education on a global scale through this tool, which not only allows us to learn about global atmospheric temperature changes, but also about the past, present, and future of the Earth.



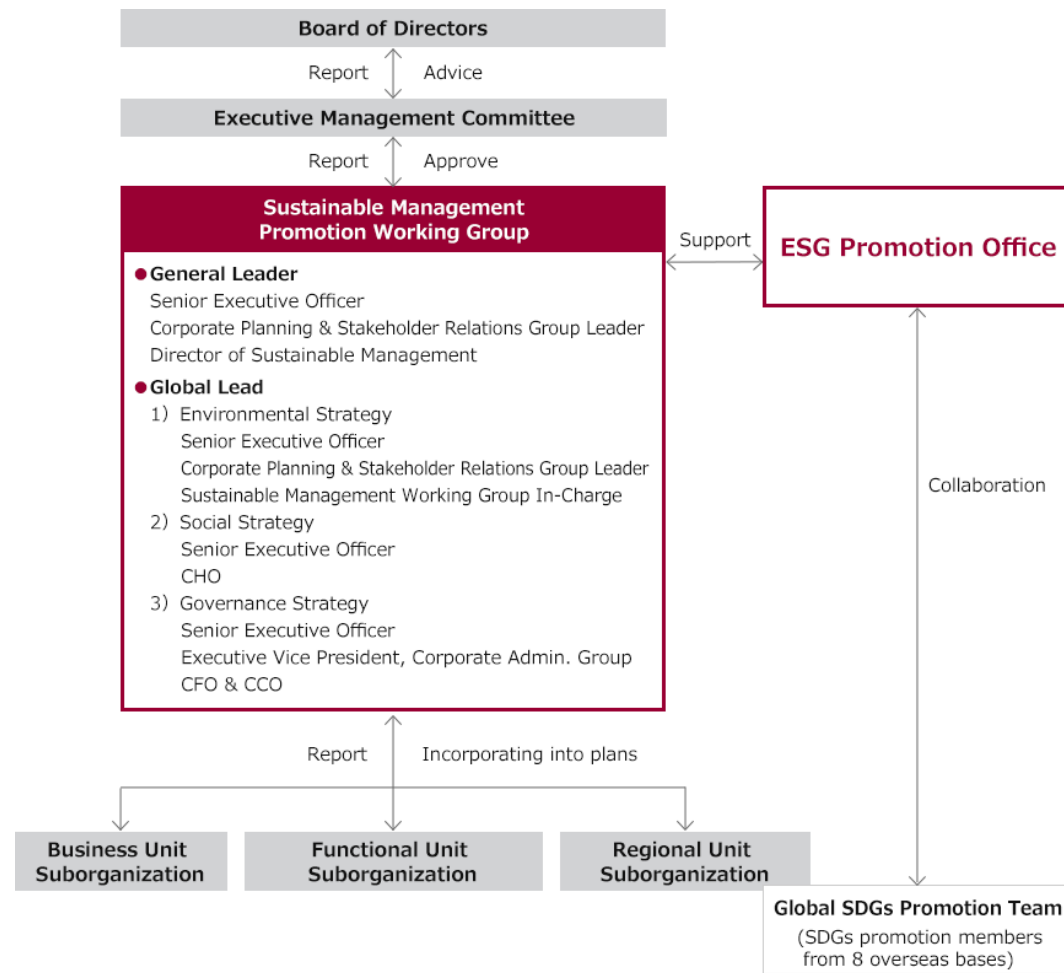
Interactive digital globe

Global Educational Activities on Our Internal Social Networking Platform "My LIFE. ON."

The Advantest Group runs an internal social networking platform, "My LIFE. ON.". This social networking platform enables our employees to enjoy contributing to the SDGs by posting activities that are beneficial for people, the environment, and society and "liking" and commenting on each other's posts to demonstrate their support for such activities.

Establishment of a Global Promotion System and Encouraging Environment Awareness Events

The Advantest Group has built a global system to encourage employee participation. SDGs promotion members from eight global locations hold online meetings three times a year to report on their own activities and plan and manage joint global events.



My LIFE. ON. post/comment screen

In FY2021, the ESG Promotion Office launched an Environmental Painting / Photo Contest to commemorate the "World Environment Day" on June 5. A total of 353 environmental-themed paintings and photographs were submitted by Advantest employees and their families around the world. These artworks were posted on "My LIFE. ON." and were shared among the entire Group. This event helped not only to raise the environmental awareness of our employees, but also to improve communication among peers.



Artworks submitted for the Environmental Painting / Photo Contest by employees' children

As a result of our active support for employee contribution activities through "My LIFE. ON.", employees around the world have posted many activities related to their environmental and social contributions.

Activity Report on My LIFE. ON. of an Employee Aiming to Make 100 Blood Donations

Since 2020, one employee has continuously posted on My LIFE. ON. about his goal to make 100 blood donations. This activity has received a great response, with about 400 views and more than 50 likes, which brought together many friends who are also conscious of the SDGs.

Climate Change Initiatives in Our Business Activities

We understand the impacts our business activities have on the planet's environment and we carry out activities to reduce our environmental impact. This page introduces our initiatives for environmental conservation.

Green Products

Basic Stance

Contributing to the sustainable development of society and conducting environmentally friendly business operations are essential issues that need to be addressed in modern business management. The Advantest Group works to develop products from the perspective of environmental conservation while prioritizing high precision and high quality, and certifies as green products those products that are environmentally friendly in terms of the three key aspects of energy and resource saving, improving recyclability, and elimination of hazardous substances. There is demand in society for the supply of green products because they provide both a reduction in the environmental footprint and an improvement in economic value. The Advantest Group is developing green products in response to these demands and based on the belief that these products will be beneficial for its customers.

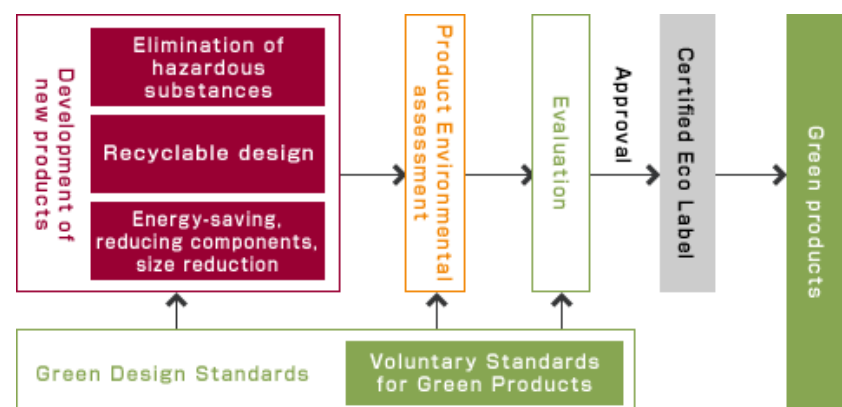
Development Flow of Green Products

At the Advantest Group, all products undergo a product environmental assessment.

During the product environmental assessment, products are assessed from various aspects, including energy-saving, reduction of the number of components, size reduction, recyclable design, and elimination of hazardous substances.

New products that meet the Voluntary Standards for Green Products defined by Advantest are certified as green products and are awarded with an Eco Label (type II), in addition to the product environmental assessment. We design new products to be 100% green products.

Development flow of green products



Advantest Group Eco Label

The Advantest Group Eco Label features an original three-color design representing energy and resource saving, recyclable design, and elimination of hazardous substances through green procurement.

Energy and Resource Saving

- Voluntary Standards**
- Energy saving design
 - Reducing component design
 - Size reduction design



Recyclable Design

- Voluntary Standards**
- Design with recyclable plastic materials
 - Design for ease of dismantling
 - Release of information on disposal

Elimination of hazardous substances (Green Procurement)

- Voluntary Standards**
- Improved rates of green procurement
 - Elimination of banned substances

Energy and Resource Saving

We aim to reduce the environmental impact of our products through product designs that save energy, reduce components, and reduce size.

The reduction rate of energy against conventional products has been set to a standard of at least 20% for semiconductor test systems and measurement instruments, and at least 10% for other products such as handlers and nanotech products.

We have also set a reduction rate of at least 10% in the same way for components and the miniaturization for all of our products.

Recyclable Design

In recyclable design, we release information on parts that will require special attention during disposal, and plastic parts designed in-house use 90% or more recyclable materials. Moreover, we make sure that products are easy to dismantle with standard tools, and we use rechargeable batteries displaying a recycle symbol.

Elimination of Hazardous Substances (Green Procurement)

To eliminate hazardous substances from our products, we have established Group standards on banned substances based on the IEC62474 standard, and we conduct surveys of hazardous substances contained in parts and materials used in our products. Advantest is building a response system for some of its products and eliminating relevant chemical substances using the results of this survey because these chemical substances are regulated by the RoHS directive as of July 2017.

Our main products are semiconductor examining devices, which are not manufactured products. Therefore, our main products do not cause emissions of gases such as PFASs.

Green Products Certified During Fiscal 2021

We supplied the following three products, which were certified as green products in fiscal 2021.

- Test Systems Series: Two
- Leading Edge Products Series: One

Product Recycling

Advantest has been recycling products through Advantest Pre-Owned Solutions Co., Ltd. since January 2022. In response to changes in the business environment, we work with the Field Service Group to respond to a variety of customer requests, with the support for products that have been shipped to the market at the core, until the shipped products are no longer in use.

Recycling is one solution that we provide for customer inquiries for products they no longer need. Currently, recycling is a domestic Japan-only solution, but we will continue consider its global applications and expand our activities.

Basic Stance

It is the Advantest Group's basic policy to take active steps to ensure that the products we sell are reused and recycled after they are retired, and to buy back products that are not expected to be reused so that the resources can be recycled.

Recycling policy

1. Achieve 100% collection of recyclables through manual dismantling.
2. Clarify to whom recycling is to be commissioned, and ensure traceability.
3. Promote the conservation of the global environment in collaboration with customers.
4. Properly dispose of harmful substances.

(Hazardous substances: mercury relay, ion type smoke detector, internal cooling water, and Fluorinert)

Results Achieved in Fiscal 2021

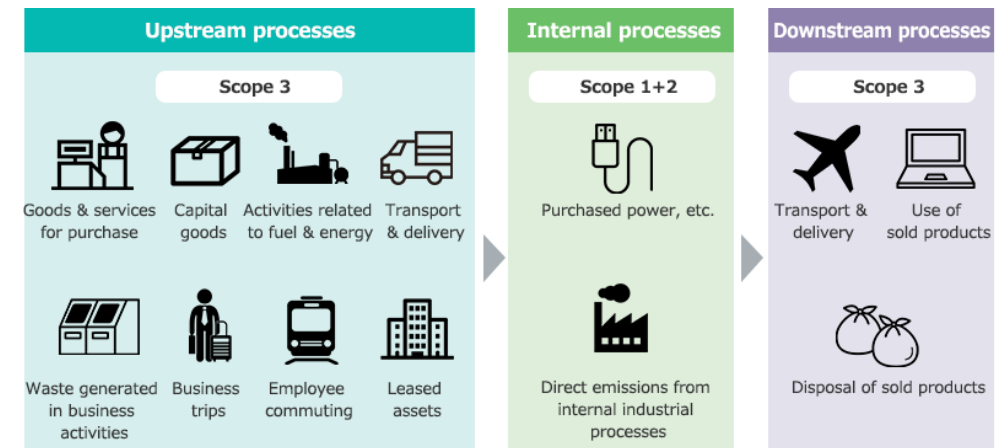
In fiscal 2021, there was no recycling result due to the high operating rate of our customers under the tight market environment for semiconductors resulting from the global chip shortage.

Product recycling flow in practice



Initiatives to Address Supply Chain Emissions

The Advantest Group will proactively deploy energy conservation measures and shift to renewable energy to reduce our environmental footprint in the from medium to long term throughout our value chain at each of our bases in Japan and overseas as a response to climate change.



Efforts to Address Climate Change

Advantest newly established the Sustainable Management Promotion Working Group (hereinafter SMWG) in FY2020. The SMWG identifies issues related to climate change from the entire Group, each region, and department, while goals and priority measures will be summarized in an ESG Action Plan 2021-2023 to support and promote company-wide activities for each business year. The SMWG will collaborate with related company-wide committees such as the Disclosure Committee, Internal Control Committee, and Compliance Committee in a timely and appropriate manner, and will manage the progress of the entire group and perform risk management. The progress of the ESG Action Plan 2021-2023 is reported and confirmed at the ESG Global Review Meeting held twice a year, and is discussed and evaluated by the Executive Management Committee and the Board of Director. Task Forces 1, 2, 3, and 4 (explained below) have been established and launched efforts to reduce greenhouse gas emissions throughout the Group and our value chain.

Initiatives to Address Climate Change in Our Supply Chain

The entire Advantest Group is committed in reducing CO₂ emissions (Scope 1+2) from our business activities. We are promoting CO₂ emissions reduction activities throughout our supply chain by setting Scope 3 "Category 1: Purchased goods/services" and "Category 11: Usage of products," which account for more than 95% of the entire Advantest Group's CO₂ emissions, as priority items for reducing CO₂ emissions.

(1) Task Force 1: CO₂ Emissions Reduction in Product Development (Scope3 Category11)

ESG Action Plan 2021-2023

Key Issue	Objective	KPI	Target Value				
			2021	Results	2022	2023	2030
Value chain (Scope3)	Reduce CO ₂ -equivalent emissions (basic unit) per test by 50% by 2030	Reduction rate in basic units (vs. FY2018)	Set basic unit calculation definition	→	20%	50%	

CO₂ generated with the use of our products sold to our customers accounts for 63% of our total CO₂ emissions. We will collaborate with our global R&D departments worldwide to promote the reduction of CO₂ emissions through the development of next-generation products with low power consumption and high efficiency so as to reduce the power consumption of our products and simultaneously reduce CO₂ emissions from the use of our products.

(2) Task Force 2: CO₂ Emissions Reduction Through Cooperation with Business Partners (Scope 3 Category 1)

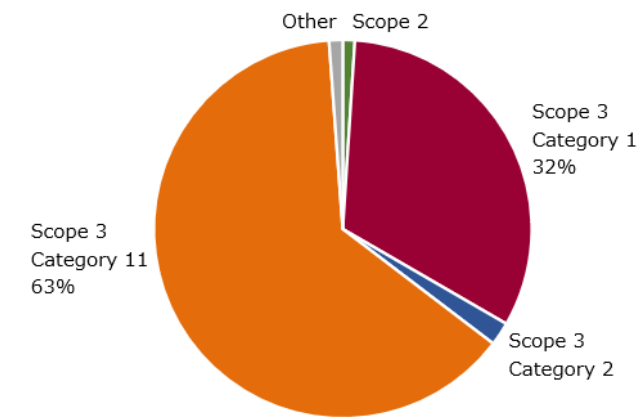
ESG Action Plan 2021-2023

Key Issue	Objective	KPI	Target Value				
			2021	Results	2022	2023	2030
Value chain (Scope3)	Promote the use of renewable energy by suppliers and contractors	Number of suppliers who use renewable energy	10	12	20	40	TBD

Beginning from FY2021, we have added questions on the implementation status of renewable energy (deployed to or to be deployed) and greenhouse gas emissions on our "Supply Chain CSR Questionnaire". Individual feedback based on the analysis and evaluation of the questionnaire results, conducted among our key suppliers, enables us to share an understanding of the necessity and importance of reducing greenhouse gas emissions with our suppliers. We will continue to contribute to the reduction of greenhouse gas emissions throughout the supply chain in collaboration with our business partners and suppliers.

(3) Task Force 3: CO₂ Emissions Reduction Through Collaboration with Our Customers

We have begun working with our customers to reduce greenhouse gas emissions throughout the supply chain. Through collaboration with our customers, we aim to incorporate their policies and goals regarding climate change into our strategies, through which we also investigate details of their expectations towards Advantest and how they view our role in tackling climate change issues.



* <Calculation method for Category 1>

- CO₂ emissions are calculated by multiplying the total purchase amount for each purchased good by the corresponding intensity of the "Embodied global-energy/emission intensity based on a consumer's price basis" issued by the National Institute for Environmental Studies.
- For goods for which the transportation cost cannot be isolated from the purchase price, the emissions arising from the transportation of the goods are included in Category 1 emissions, not Category 4: "CO₂ emissions generated in transportation of products from tier 1 suppliers to the company."

* <Calculation method for Category 11>

- Among the Automated Test Equipment sold by the Advantest Group, SoC test systems and memory test systems are subject to calculation.
- CO₂ emissions are calculated by multiplying the total lifelong power consumption of the products sold during the relevant fiscal year by the world emission factor in the IEA Emissions Factors 2021 issued by the IEA.
- The lifelong power consumption is calculated by multiplying the assumed product usage period (10 years) by the power consumption calculated for each product based on the number of units sold and product specifications of the calculation target system.

(4) Task Force 4: Reduction of Greenhouse Gas Emissions in Business Activities (Scope1+2)

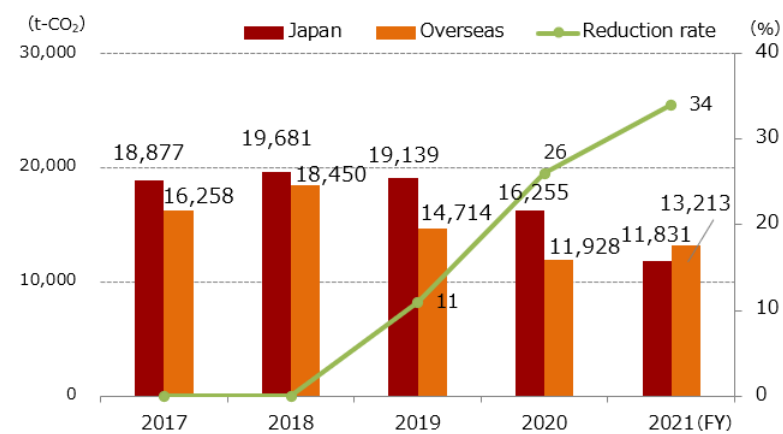
ESG Action Plan 2021-2023

Key Issue	Objective	KPI	Target Value				
			2021	Results	2022	2023	2030
Climate change (Scope1+2)	Reduce GHG emissions from business activities by 60% (vs. FY2018)	GHG emissions reduction amount/rate	35%	34%	38%	40%	60%
	Raise renewable energy usage to 70% by 2030, Group-wide	Coverage rate by renewable energy	50%	54%	53%	55%	70%

The Advantest Group established mid- to long-term targets for each Group country and site to reduce CO₂ emissions from the Group's business activities and are promoting activities towards achieving these goals. We are promoting the introduction of renewable energy at each global site, and achieved 100% renewable energy usage in Europe and the U.S.A. since FY2020. We have also started introducing renewable energy in Japan from FY2020 and achieved a renewable energy ratio of 100% in FY2021 at the Gunma Factory, our production base in Japan.

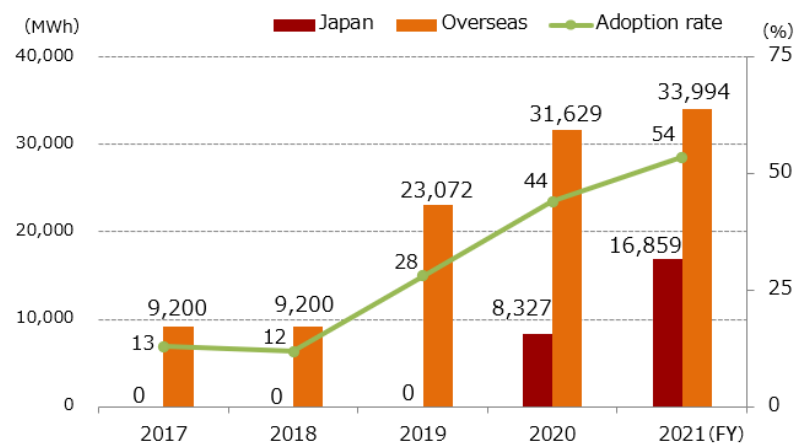
As for other overseas bases, we are investigating the status of renewable energy deployment in each country and promoting measures to enable the use of renewable energy as soon as relevant regulatory systems are made available for its adoption.

CO₂ emissions over time (Scope 1+2)



- * The figures have been retroactively corrected by updating the emission factors, etc.
- * Please refer to the [ESG Data](#) for third-party assurance of domestic and overseas CO₂ emissions in FY2021.
- * GHG emissions due to non-energy related activities are included in the figures for FY2018 and after.
- * Until FY2018, CO₂ emissions from company vehicles were disclosed separately and excluded from the total emissions under Scope 1. Since FY2019, these emissions have been retroactively included in the total emissions under Scope 1 for disclosure purposes.

Transition to green electricity



- * These values are a tally of amount of renewable energy purchased and amount of tradable green certificate purchases.
- * Please refer to the [ESG Data](#) for third-party assurance of domestic and overseas Green Electricity in FY2021.

Climate change initiatives at our domestic locations

The Gunma Factory switched to renewable energy sources for all electricity use in April 2021

The Gunma Factory has switched to renewable energy sources for all its electricity use. Generated by the hydroelectricity facilities on the factory premises, this CO₂-emissions-free renewable energy is produced and consumed locally. The electricity fees for the environmental added value (the increase in fees) will be utilized in future creation initiatives by Gunma Prefecture. The total amount of electricity switched over at the Gunma Factory was approximately 11.8 million kWh per year, and this initiative is projected to reduce annual CO₂ emissions by approximately 5,000 tons. This is equivalent to the amount of CO₂ absorbed by approximately 360,000 cedar trees.



(A cedar tree absorbs approximately 14 kg of CO₂ according to data from the Ministry of Agriculture, Forestry, and Fisheries.)

To date, we achieved 100% renewable energy usage at both our Advantest America, Inc. (AAI) San Jose and Advantest Europe GmbH (AEG) Munich offices. With this power switchover, the renewable energy introduction rate for the entire group is expected to increase from 28% in 2019 to more than 50% in 2021.

We aim to achieve a renewable energy introduction rate of 60% or more by FY2030 and strive to build a carbon-free society. In addition to promoting the introduction of solar power systems and the deployment and expansion of renewable energy at our domestic business sites, we will encourage the introduction of renewable energy while considering its availability in each of the regions in our Asian bases. Furthermore, we plan to work together to reduce CO₂ emissions in the supply chain as well.

Climate change initiatives at our overseas locations

Offices that utilize 100% renewable energy

Advantest America, Inc. (AAI) has committed to using renewable energy since 2012, and 2021 marks a decade of this commitment. In an effort to reduce environmental impacts associated with electricity use, AAI has purchased a Green Electricity Certificate for wind power generation. In FY2020, the office sourced over 100% of its electricity from renewable energy sources. Furthermore, in 2013, AAI joined the Green Power Partnership of the United States Environmental Protection Agency (EPA), which is an initiative



Tradable Green Certificate (United States)

to purchase renewable energy promoted by the EPA, and has thus contributed to the spread of green electricity.

Advantest Europe Since 2019, Advantest Europe GmbH (AEG) has been purchasing renewable energy generated from hydroelectric power, etc. at the Böblingen Office, Amerang Office, and Munich Office. Similarly, 100% of the electricity used at these three offices in Germany comes from renewable energy sources.



Tradable Green Certificate (Germany)

Initiatives to install EV charging stations

Advantest America, Inc. (AAI) has installed ten charging stations for electric vehicles (EVs) at the San Jose Office, and its employees enjoy complimentary access to them. Currently, approximately 15% of its employees make use of these stands, reducing CO₂ emissions by approximately 72 tons per year.



Charging station (United States)

In 2019, the Amerang Plant in Germany also installed a new charging station for two electric vehicles to support employees switching from gasoline-powered vehicles to electric vehicles.



Charging station (Germany)

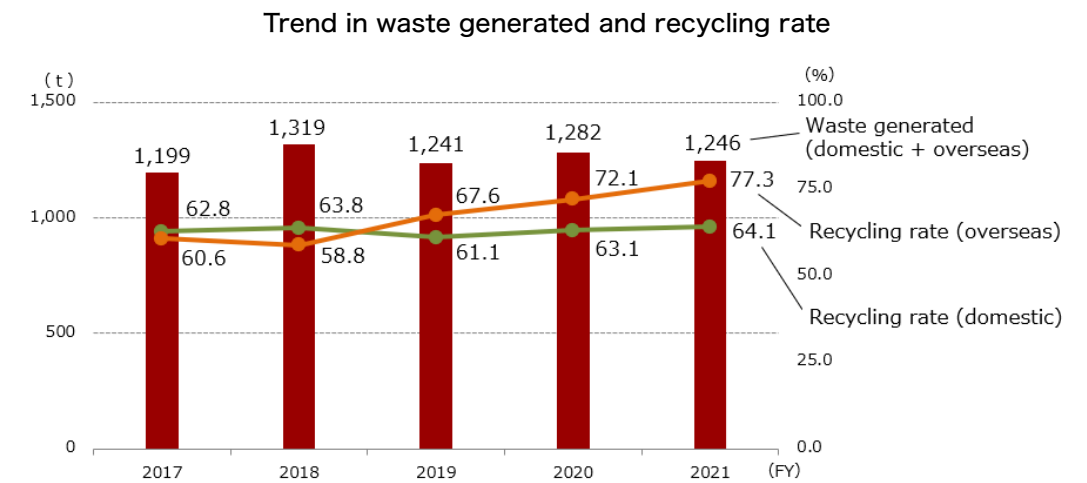
Recycling Resources

The Advantest Group pursues operations encompassing the "3Rs" (reduce, reuse, and recycle) with the aim of realizing a recycling society.

Waste recycle initiatives

The Advantest Group is committed to converting waste into valuables by reinforcing the initiative we launched in FY2009 to separate components. We ensure strict compliance in these activities.

In disposing of waste (including packaging materials) generated in our business activities, we clearly indicate to our outsourcing contractors the disposal method for each classification as per the relevant laws (including local laws and regulations) to ensure proper disposal and recycling by material type.

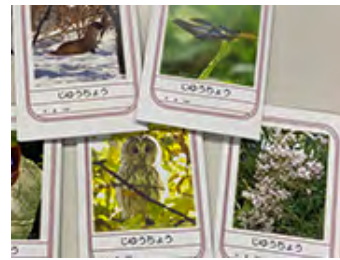


Data range for tabulation: Advantest Group data

- * The amount of waste generated, and the amount of waste recycled in Japan were calculated excluding valuable materials.
- * We found, through an inquiry to a waste disposal contractor, that some generated waste which had been allocated to the recycled quantity was not in fact recycled. We have recalculated and restated the past figures accordingly.
- * Due to the difficulty of totaling a single overseas office, we excluded it from the calculation of the waste generated and the amount waste recycled from FY2021, and recalculated it retroactively.

Realizing a New Circulation Cycle with the Introduction of a Recycling Equipment

Advantest has installed a recycled paper manufacturing machine from 2020, which can produce new paper from used paper such as rejected documents. With this machine, most of the confidential documents to be disposed, which were hitherto collected and sent to a contractor for disposal, will be processed in-house, and given "new life" by being recycled into paper and made use for various purposes, such as business cards.



Notebooks made from recycled paper



Operating the recycled paper manufacturing machine

We also made notebooks using recycled paper and gave them as gifts to local elementary school students who visited our biotope for nature observation events, as well as to special-needs school students and teachers who paid a visit during our company tours. These help in view of our social contributions by providing teaching materials for learning applications.

The equipment is operated by our employees with disabilities. It will also create more opportunities for people with disabilities to play an active role in the company. Once they embark upon their careers and showcasing their active roles as members of the Advantest Group will prove to be a way to repay their alma mater. With the introduction of the new paper manufacturing machines, Advantest has realized a new circulation cycle through various aspects such as environmental commitment, employment of people with disabilities, and educational support.

For more information on employment of the disabled, please refer to ["Employment and Diversity"](#).

Proper Disposal of Waste Plastics and Material Recycling

Advantest has been recycling all waste plastics at business locations in Japan.

At its Gunma Factory, trays and magazines, which are used as parts containers, are disposed of as waste plastics.

Individual employees check the recycling identification mark on each container to sort containers containing PVC.

This allows waste plastics to turn into the main raw material for RPF (Refuse Paper & Plastic Fuel), which is a high-quality solid fuel.

Waste plastics containing PVC are crushed, incinerated, and recycled as molten slag, which is used mainly as roadbed material.



Proper Disposal of Equipment Containing PCB

Advantest owned three capacitors, fluorescent lights, and stabilizers that contained polychlorinated biphenyls (PCBs), but all pieces of the equipment that contained PCBs were properly disposed of during FY2017.

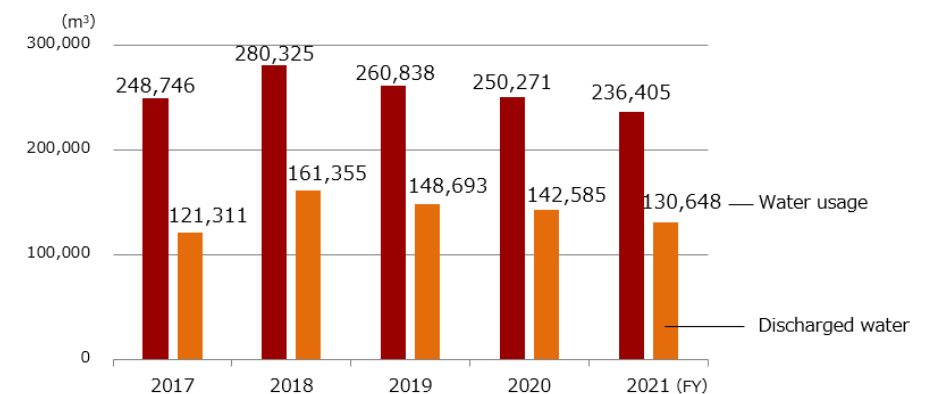
Effective Use of Water Resources

Advantest's main usage applications of its water resources are the operation of air conditioners, kitchen use, toilet cleaning, and drinking. At our main bases, we use water for industrial use efficiently. In addition to using this water for cleaning the toilets, we also use it with roof-mounted sprinklers to improve cooling in the summer. Advantest is also filtering drinking water and using ultra-pure water at some business establishments. It should be noted that approximately 90% of the discharged water produced by Advantest Group is classed as domestic sewage. Currently, domestic sewage and rain water cannot be recycled.

Advantest's development and manufacturing sites in Japan are located in Gunma Prefecture and Saitama Prefecture and use water resources from the Tonegawa River. In order to protect the Tonegawa River's water resources, we carry out forest protection activities in [the national forest in Gunma Prefecture, the source of the river](#).

Of course, every member of our staff takes care not to waste water, and strives to make effective use of our water resources.

Trend in water usage/discharged water



Data range for tabulation: Advantest Group data

Initiatives on Environmental Risk Management

This page introduces our various initiatives for ensuring legal compliance in all our business activities, reducing their environmental impact, and so forth.

Management of Legal Compliance Regarding Environmental Impacts

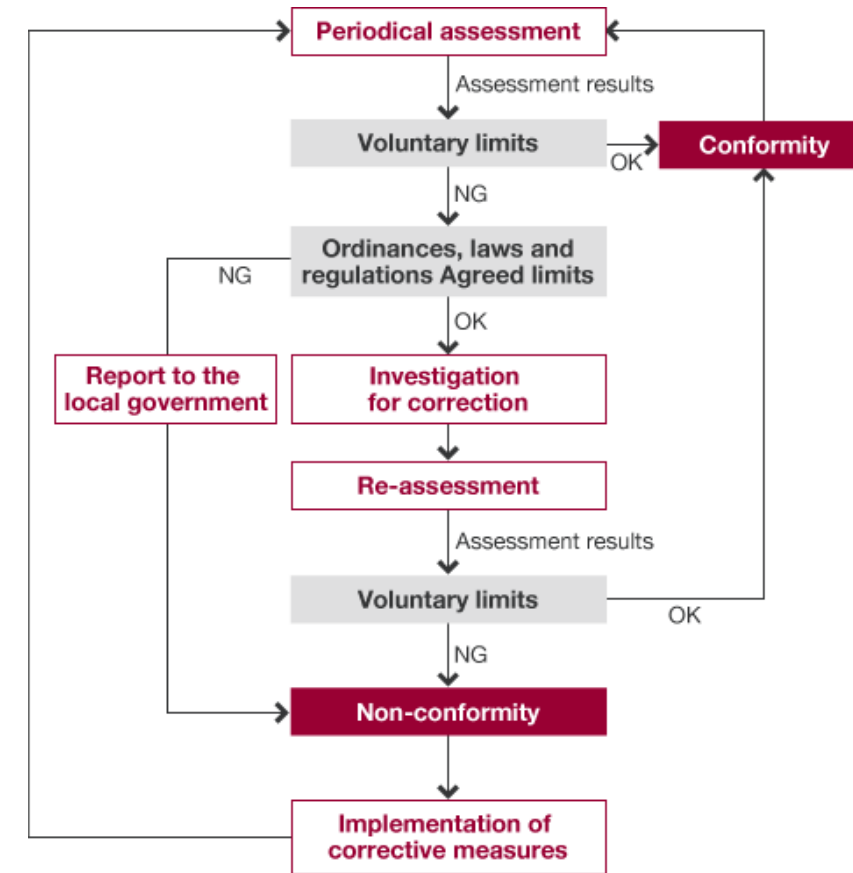
Basic Policy for Environmental Risk Management

The Advantest Group sets voluntary standards more stringent than prevailing environmental laws and regulations, and implements such standards in the course of operating equipment that could potentially impact the environment, and in monitoring and assessing those operations.

Furthermore, to ensure that we can respond without hesitation should an environment-related incident occur, we have established rules for addressing such risks, stipulated in documented operating procedures and chemical substance emergency-response procedures and other such guidelines, and have put management systems in place related to those rules.

Moreover, our employees and contractors handling particularly high-risk operations regularly take part in specialized training and emergency drills, which are conducted to ensure that they are able to act swiftly in the event of an emergency.

Compliance management at business sites



There were no cases which exceed our voluntary standards for air and water quality in fiscal 2021.

Items	Boundary	FY2017	FY2018	FY2019	FY2020	FY2021
Emissions into the atmosphere	Japan	0	0	0	0	0
Waste water to water area	Japan	0	0	0	0	0

Management of Chemical Substances

Basic Policy for Chemical Substance Management

We are working to ensure safety management and compliance with laws and regulations in the use and storage of chemical substances used at Advantest Group business locations.

To this end, we have adopted a chemical substance management system. This system facilitates chemical substance registration, safety reviews, input/output control, and the calculation of data required by relevant laws and regulations, as well as making the safety data sheets (SDS) that are necessary for the safe handling of chemical substances available at any time.

In addition, in order to realize strengthened risk management and chemicals substance management, we are constructing a safety training system, and are conducting audits and providing guidance through the corporate chemical management division to ensure the safety of stored chemical substances, so as to further enhance our safety control system.

Improving Chemical Substance Management: "Aiming for More Precise Management"

At Advantest Group, we manage the chemical substances that we use by container through our chemical substance management system. Based on the chemical substances management level specified under the PRTR Law, the Poisonous and Deleterious Substances Control Law, the Industrial Safety and Health Law and other laws and regulations, we have established a classification system of management ranks and set the management method according to each rank, with the aim of having a flexible system.

Furthermore, in response to the revision of laws and regulations, Advantest built and executed a system for the risk management of chemical substances which had become a requirement as of June 2016.



Strict chemical controls

Adopting the High-precision Management Methods in Line with the Different Level of Risks Posed by Different Chemical Substances

We implement training in chemical substance handling for Advantest Group employees, ensuring that employees understand how to handle particular types of chemical substances and are aware of the key points to note regarding their use. Management procedures are simplified for chemical substances that are less hazardous, and autonomous management is implemented with respect to commercially-available sprays, adhesives, etc.



Controls applied to each and every container

Chemical substance control ranks

Rank	Conditions for application	Locked storage	Dispensary control	Inventory checks
4	Some chemical substances are extremely toxic or have a profound social impact, so registration with the government, etc., is necessary to handle them. Examples: narcotics, stimulants, etc.	Yes	Yes	As required by law
3	Some chemical substances are highly toxic, so any loss must be reported. Examples: poisons, deleterious substances, etc.	Yes	Yes	Twice annually
2	Some chemical substances are inflammable, corrosive, or poisonous with prolonged exposure. Examples: organic solvents, acids, alkalis, etc.	Yes	Yes	Twice annually
1	Some chemical substances are not very harmful, but since a large amount is used, control is necessary. Examples: solder paste, PFAS, etc.	-	Yes	Twice annually
0	Some chemical substances are not very harmful and do not warrant special control. Examples: some adhesives, grease, lubricants, paint, lead-free solder, wire solder, bar solder, sprays (spray oil, cooling spray), etc.	-	-	-

In line with this management approach, proper after-use treatment will be followed, such as making a request to a waste treatment company.

Efforts to Eliminate PFAS Coolant

Advantest has set the "development of products that are free from polluting substances" as one of the goals of the ESG Action Plan. We upheld the total abolition of PFAS coolant by fiscal 2030 as our KPI, and instead adopt water as the coolant to be used in next-generation testers. In fiscal 2021, we developed cooling pipes, cooling plates, and coolers as indirect cooling technology using water.

We are working cross-sectionally throughout the organization to address the recent challenges of material supply by implementing the following measures simultaneously.

- Evaluation of alternatives to PFAS currently in use
- Procurement risk measures by the Production Group

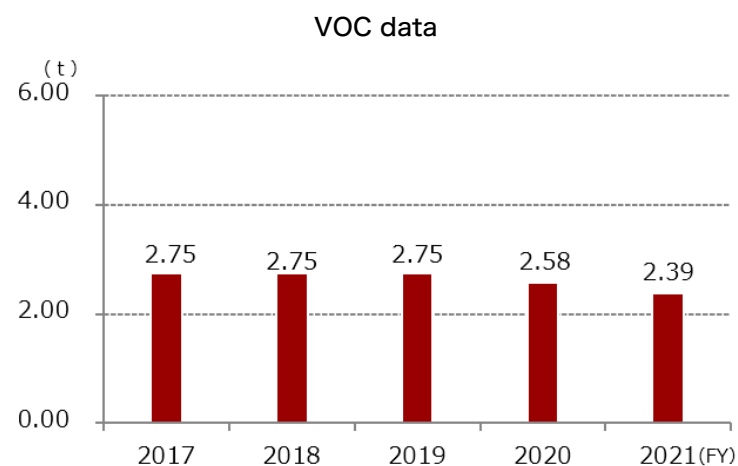
* PFAS is not a name of a specific chemical substance, but an acronym for "Per- and PolyFluoroAlkyl Substances".

Efforts to Reduce VOC (Volatile Organic Compounds) Emissions

VOC substances are considered as substances that produce photochemical oxidants and suspended particulates. Facilities using a large amount of VOC are obligated by Article 17-13 of the Air Pollution Control Act to monitor VOC emissions into the atmosphere that are attributable to their business activities and take the measures that are necessary to reduce the emissions.

VOC is not used much in the electrical and electronic industry. However, the Ministry of Economy, Trade and Industry has requested companies to take voluntary measures to reduce VOC emissions, as we also cooperated in the survey from 2005 to 2020 representing the four electrical and electronic industry groups (JEMA, CIAJ, JEITA, and JBMIA).

These surveys cover 20 substances that are often used in the electrical and electronic industry. Advantest does not use them in large quantities, but has been conducting surveys on the consumption of these substances and report it as required.

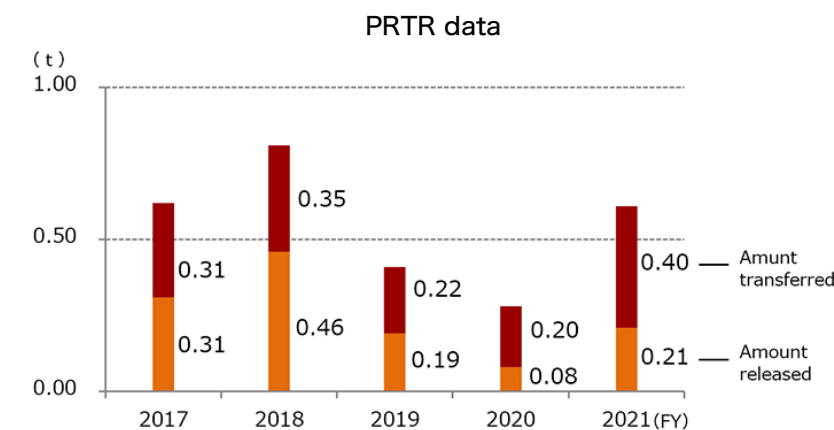


Data range for tabulation: Advantest Group (Japan) data

* Substances tabulated here are VOCs subject to surveys by Japan 4EE.

PRTR Report

According to the Law Concerning Pollutant Release and Transfer Register, Advantest has been submitting reports to the government under the Pollutant Release and Transfer Register (PRTR) system.



Data range for tabulation: Advantest Group (Japan) data

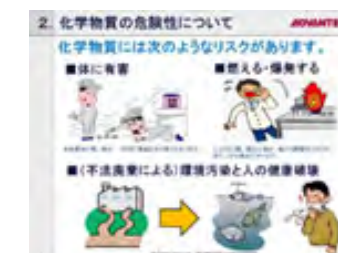
* The table includes PRTR controlled substances whose annual amount of use was below the amount required to be reported.

Implementation of General and Specialist Chemical Substance e-learning Education

Used inappropriately, even familiar chemical substances may cause unexpected accidents and environmental pollution. We provide the general chemical substance education program to all our domestic employees in order to help them understand how to reduce such risks.

The specialist chemical substance education program is provided to employees who use chemical substances in their daily work. The purpose of this annual e-learning program is to raise awareness of the dangers and harmfulness of chemical substances as well as to promote the safe handling thereof through practical learning content.

In this program we explain things simply, using examples of accidents, regarding chemical substances regulated under the main laws such as poisons, deleterious substances, organic solvents, specific chemical substances, hazardous materials covered by the Fire Services Law, etc.



Materials used in training on chemical substances

In fiscal 2021 we conducted general education for all new employees in Japan and specialist training for 711 employees who handle chemical substances.

<Content>

- The danger of chemical substances (effects on the human body)
- The importance of safety training for chemical handlers
- The importance of wearing personal protective equipment (gloves, goggles, masks, etc.)
- Points to be observed according to the requirements of the law
Special medical diagnosis, selection of a work leader, environmental measurement, inspection of ventilation equipment, notification of designated hazardous materials specified under the Fire Services Law, etc.

Involving Our Business Partners

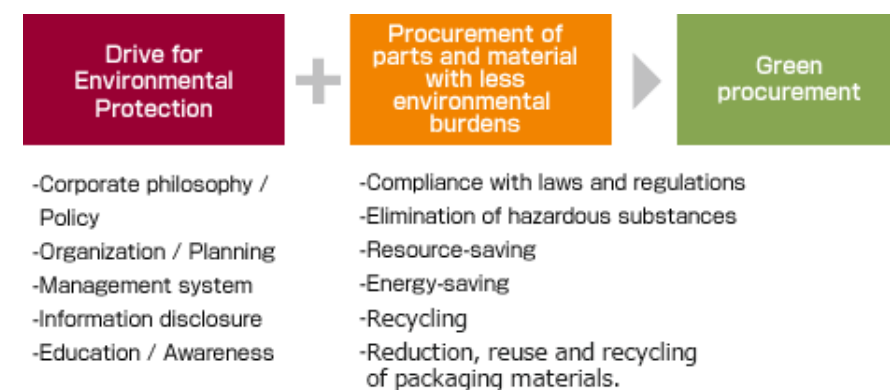
Green Procurement/Initiatives Related to Regulations for Chemical Substances Contained in Product

At Advantest we are striving to eliminate hazardous substances across our manufacturing activities including suppliers of components and assembly and processing partner companies, and wish to connect this to the development of green products. We engage in communication with our business partners, and formulated the Advantest Green Procurement Guidelines in fiscal 2002 to facilitate this process. We operate according to these guidelines in order to give consideration to the environmental aspects in addition to quality, cost, and delivery throughout the whole process of production, including the purchasing of components and materials that are used for our products. In fiscal 2021 we distributed the Guidelines to all business partners, including new accounts, and requested their cooperation.

We have created a database from the environmental information we received from our suppliers, and are utilizing it to promote eco-friendly product manufacturing, along with the implementation of product environmental assessments.

Advantest has also concluded the General Specification for the Environment(GSE) with our suppliers as a contract for the same measures even at overseas bases to eliminate the chemical substances contained in products.

The Principles of the Green Procurement



[Advantest Green Procurement Guidelines \(PDF 169KB\)](#)

Component Registration in Green Procurement

Regarding component registration, we are conducting environmental surveys for procured components using our environmental survey questionnaire with cooperation from our suppliers, based on the operation standard for chemical substances used in Advantest products. We investigate the components to find out if they contain chemical substances that can burden the environment, and promote green procurement initiatives to reduce environmental impact.

Banned and Restricted Substances

We have established the aforementioned operation standard for chemical substances used in Advantest products based on IEC62474* and use it in surveys on the use of hazardous substances in components used and to determine whether or not to adopt the components.

* IEC62474: Material Declaration for Products of and for the Electrotechnical Industry
(See : <http://std.iec.ch/iec62474>)

Survey of Suppliers on Hazardous Substances

Starting with the RoHS Directive, there have recently been additions and revisions of electrical and electronic regulations. On November 1, 2019, Advantest, in line with the revised IEC62474, revised its questionnaire on hazardous substances and informed our business partners.

Compliance with the Laws and Regulations in Each Country

In complying with environmental laws and regulations, the Advantest Group is working towards eliminating the use of hazardous materials while also pursuing environmental conservation efforts that involve reducing the consumption of energy and resources.

More specifically, we have been working with our suppliers since the autumn 2003 on initiatives to investigate and eliminate the use of restricted hazardous materials.

We are in compliance with the European RoHS Directive*.

Collaboration with Overseas Subsidiaries

Advantest has organized a global team among those overseas bases that have R&D departments (Japan, Germany, USA) since the middle of 2020, and has built a system to work on compliance with laws and regulations related to environment, quality, and safety of our products.

Currently, we hold regular global meetings to agree to and unify our recognition as an Advantest Group. Based on this understanding, each subsidiaries promotes the drafting and implementation of environmental law education materials for local engineers according to the product groups.

The EU-RoHS Directive

Advantest's semiconductor Test system, Test handler are classified as Large-Scale Stationary Industrial Tools (LSSIT) under the EU-RoHS directive, and as such are exempt from the directive's provisions. Nevertheless, on the basis of our commitment to environmental conservation, we will continue to work towards continuing elimination of hazardous substances from these product lines.

*The European RoHS Directive and its revision stipulate ((EU) 2015/863) restrictions on the use of specified hazardous substances contained in electric and electrical devices in Europe; inclusion of the following substances (10 such substances are used for our products as of July 22, 2021) in excess of the maximum allowed limits is prohibited, except for exempted purposes.

- Lead (Pb)
- Hexavalent chromium (Cr VI)
- Mercury (Hg)
- Polybrominated biphenyl (PBB)
- Cadmium (Cd)
- Polybrominated diphenyl ether (PBDE)
- Bis phthalate (2-ethylhexyl) (DEHP)
- Dibutyl phthalate (DBP)
- Butyl benzyl phthalate (BBP)
- Diisobutyl phthalate (DIBP)

The Chinese RoHS Directive

The China RoHS directive outlines the following items for selling products, which contain the same 6 substances set out in the first EU RoHS directive, within China: (1) identification marks (on the product) of whether or not it contains specified hazardous substances; (2) indication of environment-friendly use period (on the product); (3) description of the type, region, and amount of hazardous substances contained (in the product manual); (4) labeling of packaging materials (on the packaging materials themselves); and (5) year and month of production.

Advantest has established a system to assure that these labels are reliably displayed in products to be shipped for China.

Chemical Substances Contained in Product

SVHC of the REACH Regulation

REACH is a regulation of the European Union, which stands for Registration, Evaluation, Authorization and Restriction of Chemicals. REACH places the burden of proof on companies, where they are obliged to register, submit documents, and report on the linked to the substances they manufacture or import in the EU with a total amount of 1 ton or more per year to the European Chemicals Agency. Advantest's products or "molded articles" are exempt from REACH's provisions as said; however, hazardous substances contained, its doses, and candidates for substances of very high concern (SVHC) must be reported upon request.

Advantest products may contain the following SVHC:

- Diarsenic pentoxide
- Diarsenic trioxide
- Boric acid
- Hexavalent chromium compound
- Disodium tetraborate, anhydrous
- Lead chromate
- Bis (2-ethylhexyl) phthalate (DEHP)
- Dibutyl phthalate (DBP)
- Butyl benzyl phthalate (BBP)
- Diisobutyl phthalate (DIBP)
- Trixylyl phosphate (2-chloroethyl) (TCEP)
- 4- (1,1,3,3-tetramethylbutyl) phenol
- Bis (2-ethylhexyl) phthalate (DEHP)
- Sulfurous acid, lead salt, dibasic
- 1,2-dimethoxyethane; ethylene glycol dimethyl ether (EGDME)
- Pentalead tetraoxide sulphate
- Boric anhydride
- N,N-dimethylformamide
- Diisopentyl phthalate (DIPP)
- N-pentyl-isipentyl phthalate
- Lead titanate, lead titanium trioxide

- Lead titanate zirconate
- Lead oxide sulfate
- (Phthalato (2-))dioxotrilead
- Di-n-hexyl phthalate (DnHP)
- Methylhexahydrophthalic anhydride
- Cadmium
- Cadmium oxide
- Dipentyl phthalate (DPP)
- 4-Nonylphenol, branched and linear, ethoxylated
- Cadmium sulfide
- Imidazolidine-2-thione, 2-imidazoline-2-thiol
- 1,2-benzenedicarboxylic acid, di-C6-10-alkyl esters, mixed decyl and hexyl and octyl diesters
- Dicyclohexyl phthalate (DCHP)
- 4,4'-isopropylidenediphenol (BPA)
- 1,6,7,8,9,14,15,16,17,17,18,18Dodecachloropentacyclo[12.2.1.16,9.02,13.05,10]octadeca-7,15-diene ("Dechlorane Plus"™)
- Octamethylcyclotetrasiloxane (D4)
- Decamethylcyclopentasiloxane (D5)
- Dodecamethylcyclohexasiloxane (D6)
- Lead

Perchlorates

Businesses who manufacture, distribute, sell, use, dispose of perchlorate materials (containing 6 ppb perchlorate or more) for resale or use in California, and when exporting to California need to ensure that these perchlorate materials are properly labeled on their individual packaging boxes and carrier boxes (for shipping packaging). The majority of perchlorate materials are lithium-ion batteries, which are already labeled on our products.

< The following label or mark is necessary >

Perchlorate Material - special handling may apply, See www.dtsc.ca.gov/hazardouswaste/perchlorate.

The following Advantest products may also contain perchlorate.

Test System	T Series, B Series, and H series
Test Handler	M Series
E-Beam Lithography and SEM Metrology/Review	F Series and E Series
Terahertz Analysis System	TAS7 Series and TS Series
Leading Edge Product	WM Series (AirLogger) and HA Series

Proposition 65

Proposition 65 is a law that protects the citizens of California from serious exposure to chemical substances that are known to trigger cancer, congenital anomalies or reproductive disorders.

The law requires companies and people conducting business in California to provide clear and reasonable warnings before knowingly and purposely exposing California's citizens to chemical substances on the Proposition 65 list.

Although Advantest products may contain chemical substances that are included in the Proposition 65 list, there is no risk of human exposure through skin contact, ingestion or inhalation if the products are used according to Advantest recommendations.

For this reason, Advantest has deemed that a warning label stating that a product contains chemical substances listed in Proposition 65 is unnecessary.

Based on customer requests, we can offer information on chemical substances included in Advantest products that are listed in Proposition 65.

Furthermore, as there is a risk of exposure to the chemical substances listed in Proposition 65 when handling Advantest products in a way that is not recommended by us, such as destroying or shattering the products, we recommend taking measures such as wearing dust masks, protective gloves, and ventilating to alleviate and reduce any risk of exposure.

Environmental Communication

This page introduces our environmental contributions and activities for biological diversity conservation.

Environmental Initiatives

Basic Policy on Environmental Information Disclosure

The Advantest Group discloses information on environmental burdens and environmental protection activities by including such information in our reports and website, holding exhibitions, and so forth.

We believe it is important to share environmental information with our stakeholders and to reflect such information in our environmental management in order to continuously grow as a company without compromising our integrity.

We also engage in communication with local communities through various environmental protection activities.

Number of environmental compliance initiatives

	FY2017	FY2018	FY2019	FY2020	FY2021
Complaints from stakeholders	0	0	0	0	0
Serious violations of environmental laws	0	0	0	0	0

* Aggregation scope: Advantest Group

Environmental Information Disclosure

[Publication of the Sustainability Data Book](#)

Environmental Contribution Activities

We endeavor to foster communication with a variety of stakeholders through environmental contribution activities.

Food recycling

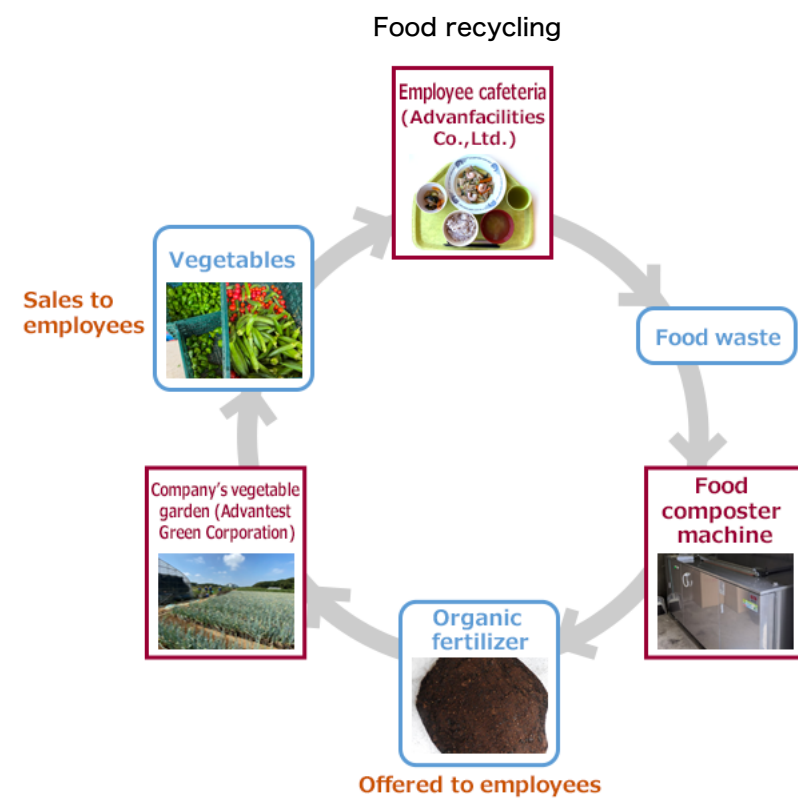
Having updated the food composter machines in September 2020, the Gunma R&D Center engages in food recycling by utilizing kitchen waste from the employee cafeterias of three facilities in Gunma and Saitama prefectures. Processed garbage is converted into compost, which is provided to interested employees free of charge. After the



Our farm on the premises of the Gunma R&D Center

compost matures, it is used to grow vegetables on our farm, which stretches over approximately 2,000m² of the premises of the Gunma R&D Center. On our farm, employees of Advantest Green grow pesticide-free vegetables throughout the year, and harvested vegetables are used in dishes served at the cafeterias run by Advanfacilities. We also make these vegetables available to our employees to purchase.

Advantest thus promotes employee health while reducing food waste and implementing food recycling in collaboration with affiliated companies.



MSC/ASC Certified Sustainable Seafood Served at Employee Cafeterias

In February 2021, Advantest joined a group which acquired Marine Stewardship Council (MSC) / Aquaculture Stewardship Council (ASC) Chain of Custody (CoC) certification for using MSC/ASC sustainable seafood at four of our bases: Advanfacilities Office, Gunma R&D Center, Gunma Factory, and Saitama R&D Center.

Currently, the employee cafeterias at our three offices in Gunma and Saitama regularly offer menus using sustainable seafood, contributing to the sustainability of fishery resources. In fiscal 2021, a total number of over 1,000 employees ate sustainable seafood being offered. Being accustomed to sustainable seafood in the employee cafeteria has led our employees to make SDGs-conscious choices, such as purchasing marine products with the MSC / ASC certification label at supermarkets in our daily lives.



An example of a sustainable seafood menu



Forest conservation activity at the national forests of Mt. Akagi "Advantest Reiwa Woods"

Every year since 2007, Advantest has been conducting forest conservation activities. In 2019, Advantest concluded an agreement with the Gunma District Forest Office to use an area in Mt. Akagi for conducting its activities and named the area "Advantest Reiwa Woods". Conservation activities include pruning unnecessary branches with saws to bring in more light into the forest, and installing nets on trees to prevent deer from eating tree barks. The activities for FY2021 were cancelled due to the COVID-19 pandemic.



Setting up nets

Environmental Impact Assessment

Advantest records and assesses the environmental burden on the area surrounding its business establishments, such as office waste water, in accordance with ordinances and pollution control agreements. In addition, we are managing plants and cultivating biotope at our business establishments while considering biodiversity.

[Advantest's biotope](#)

Initiatives for Biodiversity

The Advantest Group's Guidelines of Action for Biodiversity

To show our gratitude for the gift of nature created by biodiversity, and to recognize the significance of biodiversity in supporting the prosperity and the wellness of our society, the Advantest Group will carry out initiatives in conserving biodiversity and in contributing to the sustainable use of biological resources.

1. Understanding Environmental Impact

We identify, evaluate and share information on any aspect that may have a significant impact on biodiversity in the entire lifecycle of our business activities.

2. Understanding Biodiversity

We increase awareness and understanding of biodiversity among all employees so that they are able to engage in activities that give consideration to biodiversity in their business activities and daily lives.

3. Reduction of Environmental Impact

By seeking highly effective measures, and by carrying them out continuously, we reduce the impact of our business activities on biodiversity.

4. Cooperation with Stakeholders

We cooperate with a variety of stakeholders such as the government, educational organizations, NPOs, local residents and our business partners to promote activities related to the conservation of biodiversity.

Participation in the "30by30 Alliance for Biodiversity"

Advantest joined the "30by30 Alliance for Biodiversity" in April 2022. Advantest will continue to contribute to the conservation of biodiversity through proper management of the biotope and nature protection to secure a nature-positive world.

* 30by30 Alliance for Biodiversity: A coalition of volunteers established by 17 industry, private, and government organizations including the Ministry of the Environment to domestically achieve the "30by30" target, an outline of an international commitment and necessary actions which aims to conserve or protect at least 30% of land and sea areas by 2030.



Biotope

Reflecting our commitment to living in harmony with nature, Advantest established a biotope in Gunma R&D Center in 2001 with the aim of helping to recreate the original, natural landscape of the Kanto Plain, a landscape that is being lost to development. This biotope, with a total area of 17,000 m², is the largest of its kind established by any private company in Japan.



Front side of biotope



Biotope seen from the sky

Advantest's biotope provides a venue in which Advantest employees can learn about the importance of protecting the global environment; the biotope is also used as a way to foster communication with local residents. 21 years have passed since the establishment, and the biotope now has an optimal environment for preserving the local ecological system and is playing a great role in protecting and growing threatened species. In addition, Advantest's biotope provides an ideal environment for achieving an SDG target, "Goal 15: LIFE ON LAND".

* Biotope: This word combines the Greek words "Bio", which means life, and "Tope", which means a place.

[Advantest's biotope](#)

Place for the protection and cultivation of valuable plants

Since its establishment in 2001, our biotope has been dedicated to research on, protection of, and cultivation of the animals and plants that live there as well as the extermination of alien species under the guidance of Gunma University.

We also utilize our biotope in our efforts to protect and cultivate *Eupatorium japonicum* and floating heart, which are national near-threatened species and Gunma prefectural IA endangered species.

With regard to *Eupatorium japonicum*, there are only five places where it grows naturally in Gunma Prefecture, one of which is Advantest's biotope. Advantest has been continuing these protection and cultivation activities for many years, which have led to the creation of an environment that enables the stable natural cultivation of the native plant.

With regard to floating heart, there is only one place where it grows naturally in Gunma Prefecture, and Advantest's biotope has been used as an evacuation shelter since 2012, where floating hearts grow steadily.

Moreover, from fiscal 2019, Advantest implemented emergency protection measures for native *Amsonia elliptica*, which were specified as a threatened species (IA) in Gunma Prefecture, and started protection and cultivation activities for them.





Eupatorium japonicum



Floating hearts

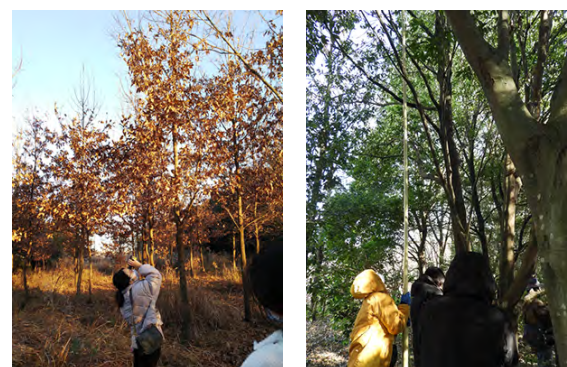


Amsonia elliptica

Began calculation of the biotope's CO₂ fixation speed

In fiscal 2020, we resumed our initiative to calculate the CO₂ accumulation amount and fixation speed in our biotope's forest. This initiative is part of the collaborative research with Gunma University and will continue for the next three years.

In fiscal 2021, in addition to measuring the weight of fallen leaves, we conducted a tree survey. We measured the height and breast height diameter of about 600 trees in the forest using a laser tree height measuring device and a measuring rod (a pole for measuring tree height). The CO₂ accumulation amount will then be calculated from that value.



Measuring the height of trees in the biotope

We will compare the results of the previous survey conducted 10 years ago with the results of this survey and report on the amount of CO₂ accumulated in the biotope's forest over the past decade and how it has changed.

Amounts of accumulated and released CO₂ are estimated based on the weight of fallen leaves and tree volume

CO₂ that has been absorbed by trees through photosynthesis is accumulated inside the trees as carbohydrate (carbon fixation). As the trees grow, the amount of carbohydrate accumulated inside them also increases, thus increasing the volume of the trees. These trees also produce leaves, which die and fall to the ground after one to three years. Therefore, by measuring the volume of the trees and the weight of the fallen leaves at specific intervals, one can estimate how much CO₂ the trees have fixated (the amount of carbon fixation) over a given period of time. Meanwhile, the fallen leaves are decomposed by microorganisms living in the soil, which releases the accumulated carbohydrate into the air as CO₂, thus reducing the weight of the leaves. Therefore, by measuring the weight of fallen leaves atop the soil at specific intervals, one can estimate the weight



Catching fallen leaves in a special net

reduction of the fallen leaves (estimate the amount of CO₂ released into the air based on the decomposed amount).

Special nets have been installed at several locations in our biotope in order to measure the weight and decomposed amount of fallen leaves. The volume of each tree is calculated based on its diameter and height. Based on this data, the amount of CO₂ accumulated in the trees and fallen leaves as well as the amount of CO₂ released from the fallen leaves in the biotope are estimated in order to calculate the total amount of CO₂ accumulated throughout the forest. The CO₂ fixation speed of the biotope's entire forest is calculated by comparing the current amount of accumulated CO₂ with the level from the previous study conducted a decade ago.

A message from Professor Shin-ichi Ishikawa, Faculty of Informatics, Gunma University

Biotores generally play an important role in the conservation of biodiversity, particularly in terms of restoration of regional natural environment, acting as a place for environmental education and a sanctuary for endangered species. Advantest's biotope is surrounded by a rich environment such as vast paddy fields with species-rich ecosystems, making it one of the ideal places for sustainable growth of endangered species such as Eupatorium japonicum and Salvia plebeian.

The floral monitoring performed in fiscal 2021 revealed that 111 native plant species, including "satoyama" (semirural area) plants and 34 exotic species were growing there. As such, Advantest's biotope is playing an important role in the conservation of regional biodiversity.

From fiscal 2020, we have restarted another project for calculating CO₂ fixation rate of the forest in the biotope, aiming to mitigate global warming. We expect that Advantest's biotope will continue to play more important roles in the restoration of regional biodiversity and mitigation of global warming by conserving the native plant species and fixing more CO₂.

Biotope



In accordance with our theme of coexistence with nature, Advantest established one of the largest biotopes to be created by a company in Japan, at our Gunma R&D Center in 2001, aiming to bring back to life the traditional rural landscape of the Kanto Plain.

Focusing on ponds, wetlands and streams, we have planted aquatic plants and trees that blend with the surrounding natural environment, aiming to form a network with that environment. It has grown into an ecosystem supporting diverse species of insects, birds and so forth.

The Advantest biotope is used for environmental education, enabling employees to learn about the importance of the global environment, and also as a place for communication with the local community.

* Biotope: This word combines the Greek words "Bio", which means life, and "Tope", which means a place.

Biotope Quarterly

We share seasonal observations of flowers and organisms that live in the biotope through videos and photos. For the latest information, please refer to the Biotope Quarterly.

[Biotope Quarterly](#)

Biotope description

Location	336-1, Ohwa, Meiwa-machi, Ora-gun, Gunma Within the Gunma R&D Center site
Area	17,000m ² (100m × 170m)
Vegetation	<ul style="list-style-type: none"> ▷ Tall trees: 30 species including kinds of oak (kunugi, konara, kashi) ▷ Medium-sized trees: 5 species including camellia, Japanese privet, etc. ▷ Shrubs: 15 species including kurume azalea, Japanese laurel, etc. ▷ Aquatic plants: 10 species including common reed, cattail, Japanese parsley, calamus, etc. ▷ Landscape: Composed of ponds, streams, ecotones*, meadows, woodland

* Ecotone: An environmental transition zone bordering on a different environment, such as the water's edge, grasslands, woodlands etc.

Artificial insect habitats

We have put in place artificial insect habitats* within the biotope area, to support a variety of living creatures, and have kept track of how they are being used.

* Artificial insect habitats: piles of logs, stones etc.

Wooden artificial insect habitat

The surface is dry but it is moist inside, so reptiles and insects live and lay eggs there.

<Species observed>

Reptiles: snakes (eggs), Japanese grass lizard etc.

Insects: small stag beetle (larvae), assassin bug, seven-spotted lady beetle, etc.



Bamboo artificial insect habitat

Bundles of cut bamboo sticks were put on the ground and above ground. Insects live in the bamboo and in the gap between the bundles.

<Species observed>

Insects: a kind of wasp (Isodontia nigella), solitary wasp (Anterhynchium flavomarginatum micado), type of earwig (Carcinophora marginalis), etc.



Stone artificial insect habitat

A house in which large and small stones are arranged in a pile. Insects live under and in the gaps between the stones.

<Species observed>

Insects: Enma cricket, Loxoblemmus campestris, Panagaeus japonicus Chaudoir, etc.



Advantest's Biotope Certified as a "Kanto Water & Greenery Network Stronghold"

In October 2015, Advantest's biotope was certified as one of the 100 "Kanto Water & Greenery Network Strongholds" curated by the Kanto Regional Management Service Association and the Ecosystem Conservation Society of Japan.

The two groups select and support important locations in the Kanto region that contribute to preserving and restoring biodiversity. Our biotope was chosen for inclusion based on our success in establishing a stable ecosystem, the scale of the project, our management structure, and the high level of academic knowledge that goes into the biotope's maintenance.



Presentation Ceremony

[More about the 100 Kanto Water & Greenery Network Strongholds](#)

Society

Employment and Diversity	45
Supporting Diverse Working Styles	51
Initiatives for Work-Life Balance	51
Creating a Workplace with Higher Job Satisfaction	54
Employee Engagement	55
Human Resources Development, Fair Evaluation and Treatment	57
Efforts to Develop Human Resources	57
Fair Evaluation and Treatment	60
Employee Health and Safety	62
Promotion of Health and Productivity Management	62
Promotion of Occupational Safety and Health	64
Respecting and Protecting Human Rights	66
Community Activities	68
Taking Responsibility for Our Products	72
Supporting Product Safety and Quality	72
Initiative Towards Customer Satisfaction	75
Innovation Initiatives	77
Intellectual Property Protection	79
Supply Chain Management	80

Employment and Diversity

The second "I" of our core value INTEGRITY stands for inclusion and diversity. We believe that inclusion and diversity can make us even stronger.

Human Resources Basic Philosophy

Advantest respects employees, who are valuable assets to the company, and evaluates them fairly. Advantest is supporting the diverse lifestyles of employees as well as the growth of individual employees so that they grow together with the Company. Advantest established the human resources basic philosophy in September 2000 to protect these valuable assets and enhance their value, and is implementing various human resources measures, such as ensuring fairness and consent and actively supporting human resources development.

Advantest also supports the United Nations Global Compact 10 Principles, Universal Declaration of Human Rights, and Guiding Principles on Business and Human Rights, and is paying adequate attention to these principles of human rights and labor in its business activities.

Advantest's Human Resources Basic Philosophy

Regarding its employees as valuable management resources (assets), Advantest has formulated the following policies for implementing various human resources measures and has been making continuous efforts to achieve them.

1. Performance-based personnel system
Advantest will promote a personnel system where employees who overcome difficulties and achieve innovative results by challenging themselves are highly evaluated and fairly treated.
2. Fairness and consent
Advantest will ensure that all its policies and systems are objectively fair and gain consent from employees, so that the maximum and optimal results can be achieved with these policies and systems.
3. Active support for human resources development
Advantest will actively support employees who make continuous efforts to refine their skills, acquire greater expertise, and broaden their knowledge.

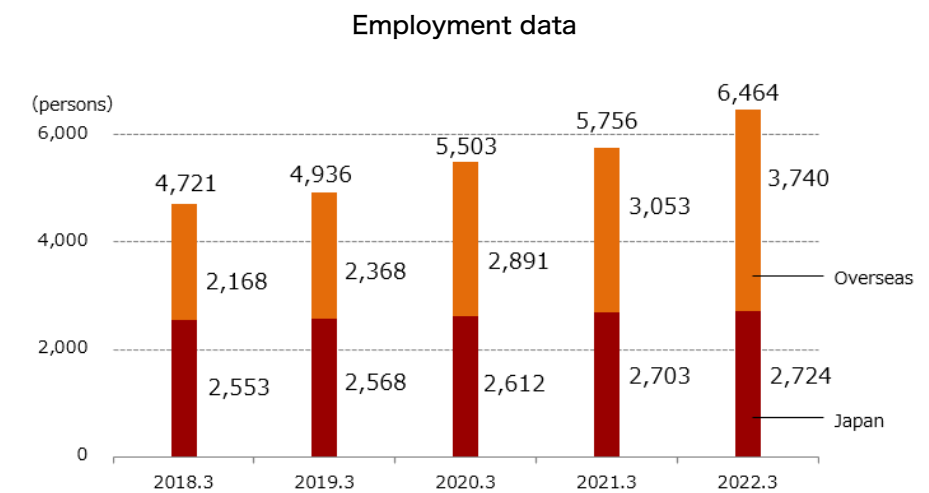
Diversity Management

Active participation of each employee is crucial for a company's sustainable growth. Thus, Advantest has "INCLUSION AND DIVERSITY" as one of its core values. We believe that creating a comfortable and inclusive workplace environment and instilling working practices that maximizes employee capabilities while balancing work and home is imperative to a company. Under this philosophy, Advantest actively works to create a workplace and corporate culture that allows each employee to maximize their capabilities and individuality, and continue to work with great enthusiasm.

Employment Data

Advantest Group has formulated a basic policy to promise that it respects the human rights of individual employees, eliminate discrimination based on race, gender, age, nationality, religion, social status, disability, disease, sexual orientation, and so on. Advantest is also eliminating discrimination in employment and promotion and actively employing, developing, and promoting personnel who can play a leading role in global situations.

The graph below shows the trends in the number of employees.



Number of employees by region

		FY2019			FY2020			FY2021			Percentage of female employees	Percentage by region
		Male	Female	Total	Male	Female	Total	Male	Female	Total		
Japan	Japan	2,146	466	2,612	2,213	490	2,703	2,220	504	2,724	18.5%	42.1%
Overseas	Asia	836	273	1,109	905	290	1,195	959	321	1,280	25.1%	19.8%
	Europe	676	143	819	720	153	873	763	157	920	17.1%	14.2%
	North America	764	199	963	756	229	985	1,178	362	1,540	23.5%	23.8%
	Overseas total	2,276	615	2,891	2,381	672	3,053	2,900	840	3,740	22.5%	57.9%
Total		4,422	1,081	5,503	4,594	1,162	5,756	5,120	1,344	6,464	20.8%	

*Boundary of data: Advantest Group

Number of managers by region

		FY2019			FY2020			FY2021			Percentage of female employees	Percentage by region	Number of locally recruited employees	Promotion rate of locally recruited employees
		Male	Female	Total	Male	Female	Total	Male	Female	Total				
Japan	Japan	483	13	496	486	15	501	465	18	483	3.7%	38.0%	483	100.0%
Overseas	Asia	218	40	258	226	43	269	225	45	270	16.7%	21.2%	257	95.2%
	Europe	183	17	200	200	19	219	214	23	237	9.7%	18.6%	232	97.9%
	North America	204	21	225	198	24	222	246	36	282	12.8%	22.2%	276	97.9%
	Overseas total	605	78	683	624	86	710	685	104	789	13.2%	62.0%	765	97.0%
Total		1,088	91	1,179	1,110	101	1,211	1,150	122	1,272	9.6%		1,248	98.1%

* Boundary of data: Advantest Group

* Definition of managers: Level 7 or higher in the 10-level qualification system. In this 10-level qualification system, Job Levels 1 to 6 are applied to general employees and Job Levels 7 to 10 to managers.

Number of employees by type

	FY2019			FY2020			FY2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time employees	4,108	940	5,048	4,242	1,019	5,261	4,739	1,202	5,941
Non-full-time employees	314	141	455	352	143	495	381	142	523
Total	4,422	1,081	5,503	4,594	1,162	5,756	5,120	1,344	6,464

*Boundary of data: Advantest Group

Number of employees by age

	FY2019			FY2020			FY2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age -29	380	156	536	443	156	599	627	215	842
Age 30-39	752	225	977	793	258	1,051	969	291	1,260
Age 40-49	1,394	318	1,712	1,347	334	1,681	1,328	356	1,684
Age 50-59	1,355	208	1,563	1,415	228	1,643	1,519	289	1,808
Age 60-	227	33	260	244	43	287	296	51	347
Total	4,108	940	5,048	4,242	1,019	5,261	4,739	1,202	5,941

*Boundary of data: Advantest Group (full-time employees only)

Number of new employees

		FY2019			FY2020			FY2021			Percentage of female employees	Percentage by region
		Male	Female	Total	Male	Female	Total	Male	Female	Total		
Japan	Japan	43	14	57	41	15	56	49	18	67	26.9%	6.2%
Overseas	Asia	97	47	144	110	30	140	147	45	192	23.4%	17.7%
	Europe	62	18	80	58	17	75	67	12	79	15.2%	7.3%
	North America	223	84	307	77	33	110	563	181	744	24.3%	68.8%
	Overseas total	382	149	531	245	80	325	777	238	1,015	23.4%	93.8%
Total		425	163	588	286	95	381	826	256	1,082	23.7%	

*Boundary of data: Advantest Group (full-time employees only)

Employee turnover

		FY2019			FY2020			FY2021			Percentage of female employees	Percentage by region
		Male	Female	Total	Male	Female	Total	Male	Female	Total		
Japan	Japan	32	12	44	13	2	15	21	4	25	16.0%	7.3%
Overseas	Asia	34	11	45	37	16	53	89	15	104	14.4%	30.2%
	Europe	18	1	19	9	4	13	17	6	23	26.1%	6.7%
	North America	29	8	37	84	9	93	144	48	192	25.0%	55.8%
	Overseas total	81	20	101	130	29	159	250	69	319	21.6%	92.7%
Total		113	32	145	143	31	174	271	73	344	21.2%	
Turnover rate		2.95%	3.99%	3.13%	3.48%	3.30%	3.45%	6.39%	7.16%	6.54%		

* Boundary of data: Advantest Group (full-time employees only)

* From December 2019, the method of aggregating the number of employee turnover has been changed from including month-end employee turnover in the number of employee turnover on that month to including them on the next month.

Employment and Utilization of Global Human Resources

In order to further expand its business globally, Advantest has been recruiting personnel who have deep cross-cultural understanding and communication skills and can work in a global arena, and in response to the increasingly borderless business environment, Advantest has also been committed to building systems and hiring, nurturing, and assigning personnel through a global perspective to promote the globalization of human resources development and organizations through personnel exchange among group companies. For instance, Advantest will continue personnel exchange among group companies so that employees can experience working in a global environment, and share their skills and know-how through routine work and training in each organization so that individual employees can acquire more advanced skills, including skills to adapt to various business environments.

In order to make personnel exchange easier, Advantest has been globally implementing the "Global Transfer Policy," a system that offers fair treatment and enables personnel exchange on a global level, regardless of job type.

As of July 2022, 11 out of 24 executive officers, who are management personnel, have foreign nationalities, and employees from 10 countries are currently working for Advantest Corporation. Advantest will give fair opportunities to talented personnel, regardless of their nationality, and promote global personnel development and organizational globalization through borderless personnel recruitment and exchange.

Promotion and Utilization of Female Employees

Advantest always accepts diverse values and is promoting the creation of a corporate culture where everyone can work regardless of race, gender, age, and nationality.

As of March 2022, the percentage of female employees to total employees is 20.8% (20.2% in the previous fiscal year), and the percentage of female managers to total managers is 9.6% (8.3% in the previous fiscal year). For Advantest Corporation (non-consolidated), the percentage of female employees is 16.5% (16.3% in the previous fiscal year), and the percentage of female managers is 3.4% (2.8% in the previous fiscal year). Although improvements can be seen in both cases from the previous fiscal year, increasing the number of female employees and managers still remains an urgent task.

Advantest has been recruiting students with a technical background, which has not motivated female students to take entrance exams for Advantest in recruitment activities. In light of these circumstances, Advantest has been strengthening public relations activities for women with a focus on conveying the attraction of Advantest to female students, particularly those with a technical background. Information on active female employees in the workforce has been disseminated through corporate websites and recruitment brochures, and at recruitment events, Advantest has explained about programs and career plans for women and introduced how our female employees are working at Advantest.

In fiscal 2021, Advantest participated in a roundtable discussion titled "Listening to Young Employees in the Semiconductor Industry", a joint project between SEMICON JAPAN and the manufacturing YouTuber

"Monozukuri Taro" and asked one of our female technical employees to share her experiences working at Advantest. This video of a female employee freely offering her opinions on the content of her work creates an opportunity, especially for young people, especially women, to take an interest in the semiconductor device materials industry, including Advantest.

From FY2018, Advantest Corporation (non-consolidated) has set numerical targets to boost the ratio of women in management positions to meet or exceed the industry average based on the Act on Promotion of Women's Participation and Advancement in the Workplace, and has been making efforts toward this goal. In November 2020, we acquired "Certification level 2 (two stars)" of the 'Eruboshi' certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace. We give consideration to the various changes in female employees' life stages, with a focus on providing support to enable good work-life balance through flexible working styles that correspond to each individual's circumstances.

Advantest will move forward with initiatives to raise the female employee ratio and establish systems for long-term employment toward increasing the ratio of female employees in management positions.

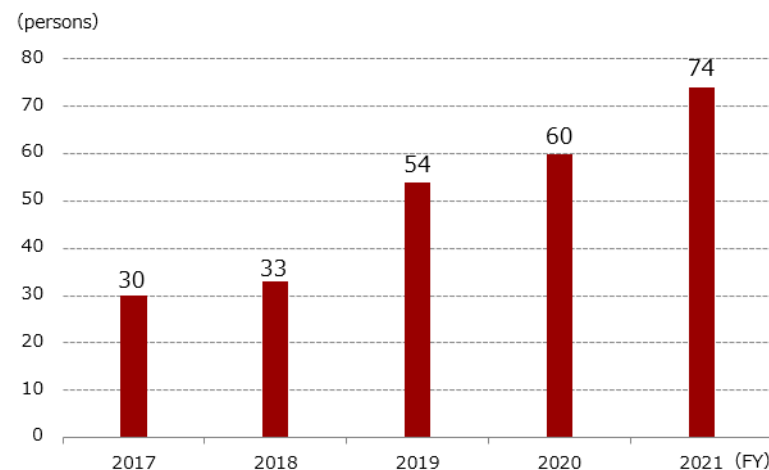


Active Utilization of Senior Employees (Japan)

Following the amendments to the Act on Stabilization of Employment of Elderly Persons in April 2013 and the increase in the minimum age for pension eligibility by the government, Advantest has revised its re-employment program for utilizing employees who retire at the age of 60. Advantest is actively utilizing the skills and know-how of experienced employees by employing senior personnel steadily and treating and assigning them to jobs with consideration towards their past experience and assigned positions during their working years. In addition, Advantest has established a system to reflect each individual's achievements in their wages to motivate senior personnel and expect them to produce results that match their wages. Furthermore, in FY2018, Advantest introduced a system where employees are allowed to reduce their working hours or days as desired and have a second job on non-working days.

In FY2021, of the 74 individuals who started with our re-employment program, two employees are working shorter hours and eight are working shorter days. Advantest believes that this system will allow senior personnel to work more flexibly according to their lifestyles, contributing to further enhancing work-life balance.

Trends in the number of employees who use the re-employment program



* Boundary of data: Advantest Corporation (non-consolidated)

Advantest is tallying the number of employees who have started using the re-employment program. (These numbers do not include those who have been using the program since the previous year.)

Employment of the Disabled

In order to promote the employment of the disabled, Advantest established a special subsidiary company, Advantest Green Corporation, in September 2004. Since its establishment, this company has been working to promote stable employment of the disabled under the slogan of "Independence of individuals and growth of society."

Its core business includes landscaping, cleaning, front gate reception work, delivery, baking and sale of bread, and recycling promotion. Advantest Green is providing workplaces where its employees can work comfortably, and is also actively collaborating with local communities and relevant organizations to develop workplaces where disabled and non-disabled people can work together.

Currently, 13 highly motivated disabled employees are working at overseas affiliated companies.

As of June 2021, Advantest's employment rate of the disabled is 2.83%, which exceeds the mandatory employment rate. However, Advantest will continue to actively promote the employment of the disabled to address future amendments to the mandatory employment rate.

Efforts to Explore New Occupational Fields

Advantest promotes initiatives such as standardization of work procedures and work visualization to create a work environment in which employees with disabilities will be able to work to their full potential, and also refer our workplace as one in which people with various disabilities can actively participate to outlets such as special-needs schools. We also actively accept training and visitation requests for employment as well as consider new job categories and more.

Advantest introduced a paper-making machine, which produces new paper from used paper such as rejected documents, in order to launch a business that manufactures and provides items such as copy paper, business cards, and calendars made from recycled paper. We continue to support initiatives that promote employment and contribute to environmental improvement.

For more information on recycling using paper machines, please refer to "Recycling Resources" on the Environment page.

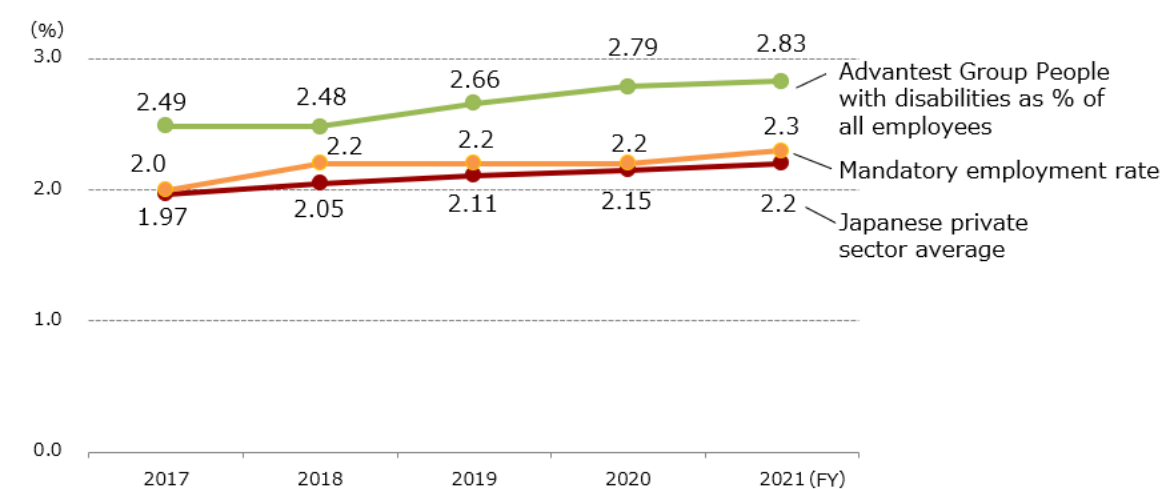
Efforts to Enhance Job Satisfaction

We also foster a culture of mutual respect and recognition by actively implementing initiatives through a goal or commendation system to enhance their motivation, such as "meaningfulness" and "job satisfaction," and established a "Monthly MVP" award system that involves evaluation and praise by others.

Additionally, Advantest assigns qualified staff including job coaches, counselors for the disabled, and career consultants at each workplace, along with conducting regular four-way meetings with support organizations, the company, and family members for early detection and information sharing on issues, in order to offer workplace support catered to the characteristics of employee disabilities.

In FY2021, these initiatives and the many efforts made by our employees over the years were recognized by Saitama Prefecture, and two Advantest Green employees received the President's Award from the Saitama Prefecture Employment Development Association as excellent workers with disabilities.

Trends in the percentage of disabled employees



* Boundary of data: Advantest Corporation (non-consolidated) + Advanfacilities Co., Ltd. + Advantest Green Corporation

Supporting Diverse Working Styles

We create a work environment that facilitates the achievement of a good work-life balance in order to support our employees' diverse lifestyles and individual development.

Initiatives for Work-Life Balance

Advantest believes that the realization of a good work-life balance will ultimately contribute to the improvement of corporate value. We believe that a well-balanced work style is necessary to allow employees to maximize their capabilities while balancing their private life with work, and to maintain their motivation. Based on this philosophy, Advantest has continued to create good working environments that offer flexible working systems.

In Japan, Advantest has been promoting active use of existing systems, such as days to leave the workplace at the appointed time, use of annual paid leave, and flextime (for all employees). The ratio of employees using annual paid leave usage (23 days a year (22 days for employees with less than 10 years of continuous service)) has maintained a high standard at around 70% each year, marking 73.7% in fiscal 2021.

In April 2020, a working from home system for all employee and a new home office working system were newly established. In fiscal 2021, we introduced a paid leave system for child nursing caused by the temporary closure of the child's school due to spread of COVID-19. Advantest aims to expand systems in which many employees will be able to conduct flexible and efficient work according to their tasks, work styles, and lifestyles.

Remote Working System

The Advantest Group in Japan has introduced the remote working system since April 2020. We withdrew the restrictions on the maximum number of days that remote work is possible. We provide an environment in which most of the tasks can be done remotely in accordance with the basic information security policies.

The expansion of new workstyles not only prevents business suspension due to the spread of COVID-19 infections, but has also helped employees who are raising children or caregiving family members, to balance work and family caring.

Work-Life Balance Programs for Childcare and Caregiving

Advantest actively promotes support programs for balancing work and private life, providing flexible ways of working according to each individual's situation at various stages in employees' lives.

Examples of support programs in Japan

At Advantest, pregnant employees can receive 100% compensation during prenatal checkups and pregnancy complications leave, and are offered the choice to work shorter hours if instructed by a doctor. Advantest offers childcare leave and caregiving leave that exceeds legal standards. Childcare leave can be

taken until the child reaches the age of two years and three months, and caregiving leave can be taken for a maximum of three years. Other leave programs are also widely used, such as the accumulated holiday program, which can be taken for a variety of reasons, by fathers as well as mothers, including a spouse's childbirth, childcare, fertility treatment, and other caregiving responsibilities.

Furthermore, Advantest offers shorter work hours for employees who are raising children or looking after ill relations. Shorter working hours for childcare can be used until the employee's youngest child reaches the sixth grade, and is currently being used by many employees with children to balance work and childcare. There is no restriction on the period in which employees can work short hours in order to care for ill family members, so that employees can best balance their jobs with their home lives.

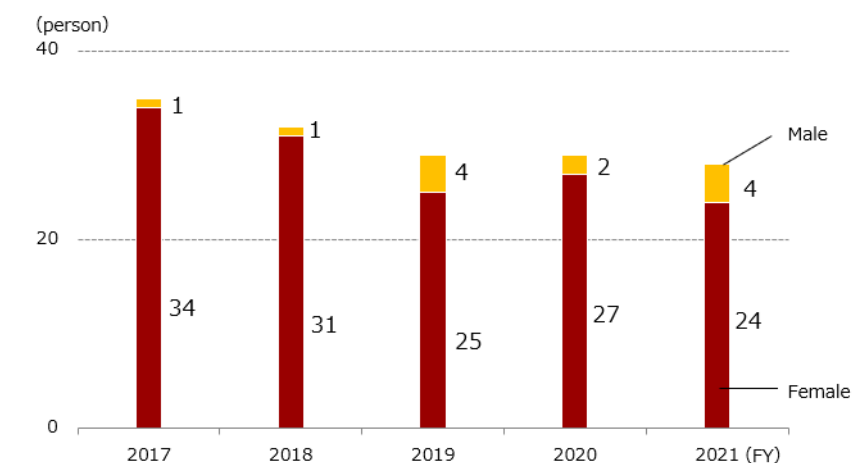
As there are cases in which employees resign their jobs during life transitions, such as marriage, childbirth, childcare, caregiving for the family, and spouse job relocation, Advantest has established a re-employment program for employees who meet a certain criterion.

We are also working on support for childcare participation for fathers, which includes the provision of personal consultations for male employees with children and their supervisors, guidance for childcare-related systems, and support for using childcare leave.

It should be noted that re-employment of female employees following childcare leave as a result of these efforts, was 100% in fiscal 2021, and the ratio of male employees taking childcare leave in fiscal 2021 was 16%.

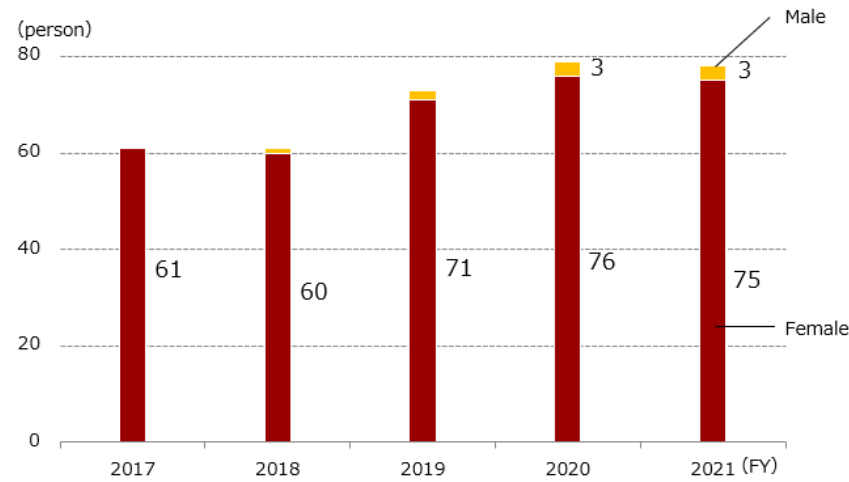
Advantest will continue to support fathers' participation in childcare by offering individual consultations for fathers raising children.

Number of employees using childcare leave



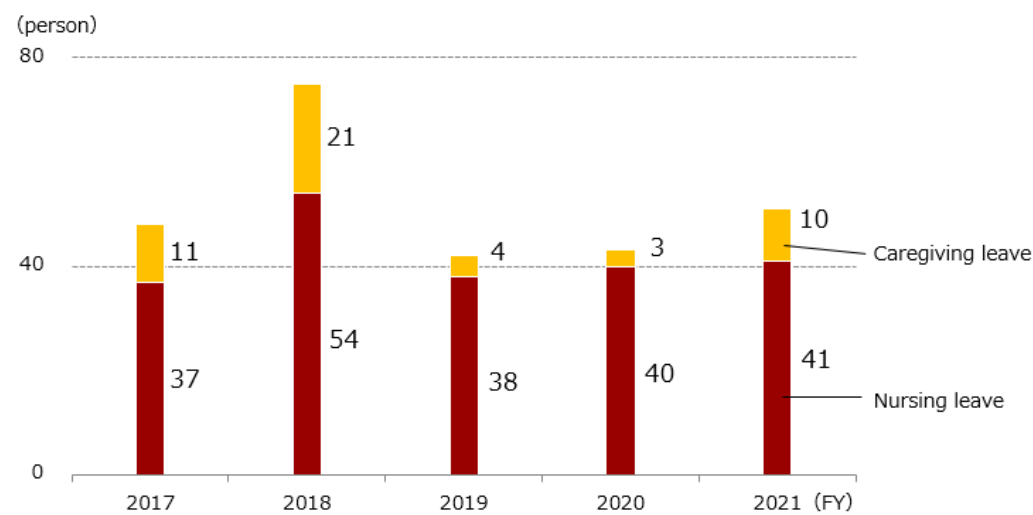
Boundary of data: Advantest Corporation (non-consolidated)

Number of employees using shorter working hours for childcare



Boundary of data: Advantest Corporation (non-consolidated)

Number of employees using caregiving and nursing leave



Boundary of data: Advantest Corporation (non-consolidated)

Evaluation of Activities Supporting Work-Life Balance

In Japan, based on the Act on Advancement of Measures to Support Raising Next-Generation Children, efforts were made (measures and initiatives to increase the ratio of fathers taking childcare leave and creating environments that support work-life balance, and initiatives to reduce overtime and promote the use of annual paid leave) in accordance with the action plan period from April 2020 until March 2023. These activities so far were recognized, and Advantest received the "Kurumin" certification in February 2021.

We will continue to focus on each employee's work-life balance and promote various initiatives toward creating work environments in which diverse human resources can play active roles.

Promotion of Work-Life Balance Programs

In Japan, Advantest launched the "Work-Life Balance Support Guide" website on the company intranet in 2007, offering information on work-life balance programs that can be used according to one's lifestyle, and raising awareness of the various programs that Advantest provides and encouraging utilization of the same. In recent years, Advantest has actively announced the work-life balance program, posted experiences of our male employees taking childcare leave, and also developed an environment that allows easier consultation, such as establishing a consultation service, to promote an environment in which employees can use work-life balance programs with peace of mind.

Reducing Overtime Hours

Advantest strives to ensure employees work appropriate hours to protect their health and achieve a work-life balance.

The Advantest Corporation (non-consolidated) has set the goals specified below and focused on increasing operational efficiency, encouraging a change in employee mindsets, and making the most of available work arrangements such as flextime and shift work while striving to reduce the amount of overtime.

Our overtime reduction goals

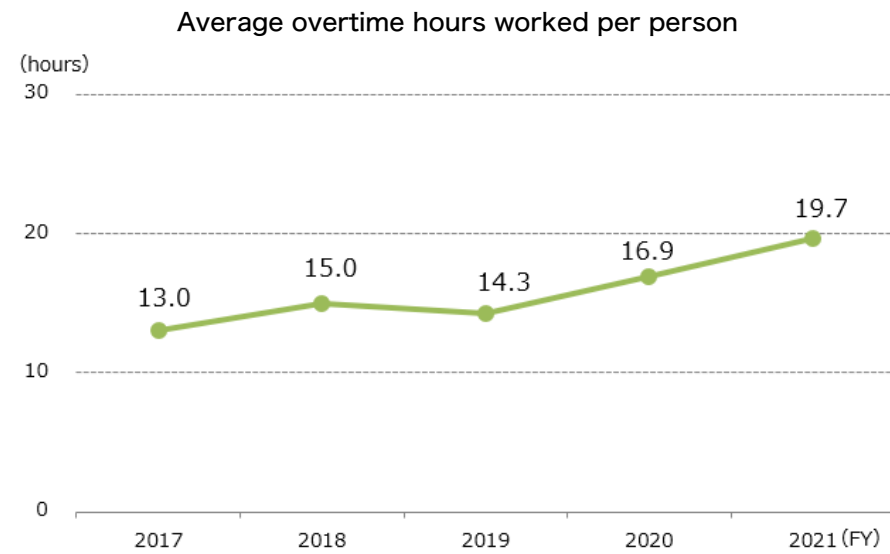
Number of employees with a monthly overtime of 80 hours or more	0
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From fiscal 2020 onwards, we will continue to adopt the reduction of overtime work into our action plan under the Act on Promotion of Women's Participation and Advancement in the Workplace. We will raise awareness via the company intranet and promote initiatives to achieve flexible work styles in order to further reduce the number of overtime hours.

Despite these initiatives, we were unable to achieve our company plan of zero employees working 80 hours or more of overtime per month for FY2021.

We were unable to achieve these goals due to keeping up with increased production and delivery support as well as dealing with unexpected problems.

The overtime hours per employee for FY2021 were an average of 20.6 hours (for Advantest Corporation (non-consolidated)) as of March 2022. We saw an increase in our overtime hours due to the impact of COVID-19 as with last year, as well as due to increased demand and efforts to meet short delivery deadlines.



* Boundary of data: Advantest Group (Japan, China, Korea)

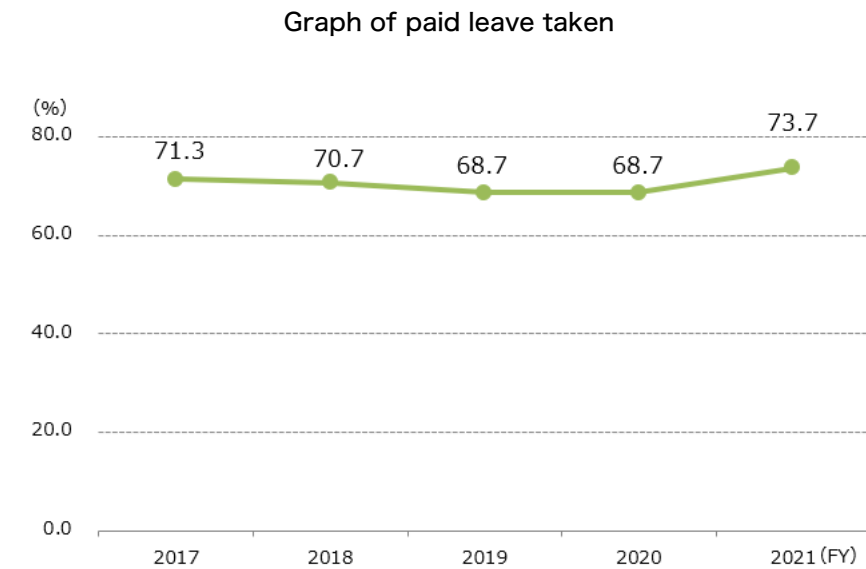
* Overtime hours are included for management positions with no subordinates (For Korea only).

Annual Paid Leave and Other Leave Systems

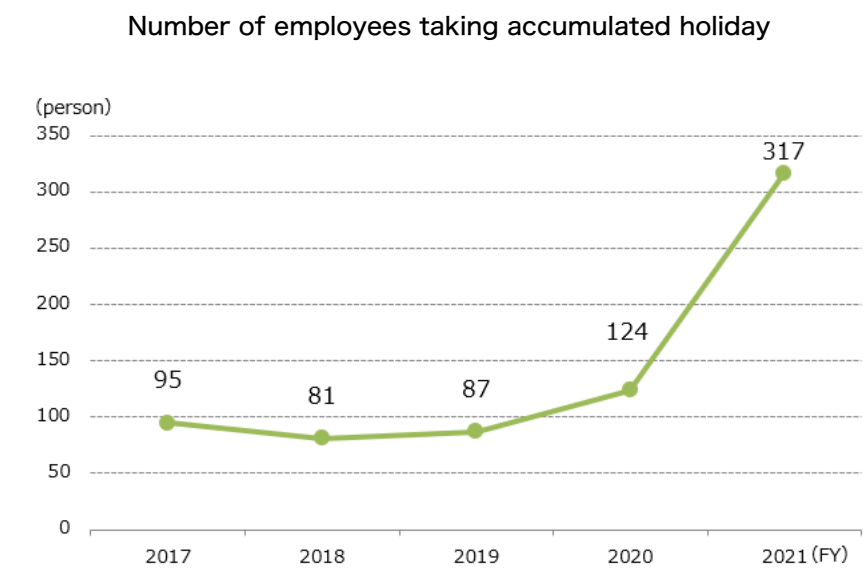
We encourage employees to take annual paid leave (up to 23 days per year) according to the job schedule of each person, work-life balance, and other work conditions to realize work-life balance at Advantest (non-consolidated). In addition to planned paid leave (6 to 12 days each year), we have also introduced multipurpose consecutive leave (3 days a year) and refresh leave (3, 5, and 8 days of leave given to employees after working continuously for 10, 20, and 30 years, respectively). Furthermore, annual paid leave that will be lost can be carried over as cumulative paid leave for 5 days a year up to a maximum of 30 days to use for reasons that include injury to the employees themselves or the need to take care of a child or family member as well as volunteering, self-development, infertility treatments, or to help with donor activities, and due to disasters.

As a response to COVID-19, Advantest also allows employees who are not able to work from home to take accumulated leave in the event that they are confirmed to have been in close contact with someone who has been found to be infected with COVID-19, or if they do not feel well after undergoing COVID-19 vaccination, etc.

Regarding COVID vaccinations, we have introduced a vaccination leave system in addition to the existing accumulated leave. This allows our employees to take a leave of one day per vaccination on the day to be vaccinated or the next day of the vaccination if s/he suffers from side effects of the vaccination.



Boundary of data: Advantest Corporation (non-consolidated)



Boundary of data: Advantest Corporation (non-consolidated)

Creating a Workplace with Higher Job Satisfaction

Advantest has been striving to realize good work-life balance for all employees and to create a work environment in which each and every employee can work with higher job satisfaction.

With the spread of remote work and the progress of globalization and workstyle reforms due to the current COVID-19 situation, the working environment has changed drastically, forcing us to recognize a need for a more diverse form of office use. Under such circumstances, we have been unceasing in our exploration for the very existence of the office that ensures comfort, safety, and productivity, and have prompted improvements to further enhance the work environment by renovating the office.

Office Building Renovated to Support New Workstyles

Based on the new norm as our employees will remain working remotely, the Marunouchi head office has switched to a completely "free address" office that incorporates the ABW (Activity Based Working) concept, so that employees can freely select a seat from among various types of seats that best suit what activities they have to do.

During the design phase, we held a workshop consisting of 20 employees from each department at the head office, and discussed the concept of the new office, which came down to "EXCITING WORKPLACE" and "an office you want to come to, that makes you feel like a happy child every day". After many discussions about the kind of office we wanted to build, we completed our proposal for a new layout.

There are electric lift seats whose height can be changed, "intense focus" seats surrounded by sound-insulating partitions, seats in rows of four where you can collaborate while exchanging opinions with your neighbors, booth seats such as at a diner where you can have small face-to-face meetings, single-person web conference booths, personal chairs that can be switched around, and counter seats facing the window. It is an environment rich in variation. COVID-19 infection control measures include seat arrangements that ensure social distancing. Since the seats are not fixed, it is easier to communicate across departments and floors.

Efforts are also being made to improve operational efficiency and increased convenience of the office through IT, including attendance management and conference room reservation systems as well as through the introduction of next-generation Wi-Fi standard and large displays in meeting areas.

Office renovations incorporating the ABW concept have also been implemented at the Sendai office where Advantest Laboratories is located, and during the relocation of the Advantest (Singapore) Pte. Ltd. head office while we continue to improve and enhance workstyle reforms.

Promotion of Digital Workplace Activities #myADV

Advantest has been continuously promoting #myADV digital workplace activities (#myADV), which started in May 2020, in order to encourage global business development and diverse ways of working for employees.

#myADV is promoted by the Global IT Collaboration team and supports volunteer #myADV guides (over 200 guides as of the end of June 2022). Specifically, the Global IT Collaboration team conducts regular coaching sessions for #myADV guides, as well as organization-specific use case analysis and training for specific business entities to support company-wide dissemination and use of collaboration tools.

With the introduction of latest tools and technologies to facilitate global collaboration, we have integrated our new global intranet into Advantest's #myADV Digital Workplace. We also help establish a global work model on a company-wide, latest communication and collaboration platform.

Despite the COVID-19 pandemic, #myADV activities have been progressing well, adapting to the new hybrid work models. In addition, training for employees across the entire group will be implemented to boost the level of tool usage, along with the development of new tools and functions, aiming to maximize team collaboration using digital technology.

Awarded as a "Workplace with Excellent Job Satisfaction" (Germany Great Place to Work®)

Advantest Europe GmbH (Germany) has participated in the surveys of the international human resources consulting agency "Great Place to Work®" every other year since 2017, and has been recognized as a "Great Place to Work®" each time. Great Place to Work® evaluates companies of all sizes, industries, and regions, and annually releases a top 100 list of "Great Place to Work®" based on solid relationships of trust within the workplace and whether each employee can make the most of their potential. Awards are offered to companies that collaborate with their employees in a fair and sincere manner with a powerful sense of unity. In the anonymous benchmark tests related to corporate culture conducted by Great Place to Work® on Advantest's employees, the company obtained the highest marks in various categories.

In addition, workstyle reform is being tackled in each Group company in order to create workplaces where all employees can work while having a sense of worthwhile.

Advantest Test Solutions, Inc. (U.S.A.) Ranked Among "Top Workplaces" for 3rd Consecutive Year

Advantest Test Solutions, Inc. (ATS) is once again the recipient of the Top Workplaces award from the Orange County Register, a local newspaper publication in Southern California. This is the third year in a row that ATS received this award!

Qualifications are given after employees complete an independent, online confidential questionnaire regarding company culture, management, and leadership. Some general points and words shared by our employees were: Busy, Integrity, Focused, Trust, Teamwork, Professional, Innovation, Inclusion, Challenging, Dedication, Empowerment, Close-Knit. In particular, ATS rated highly in the following: "operates by strong values"; "encourages different points of view"; and "my manager cares about my concerns", which led to the award.

Employee Engagement

Advantest conducted our first Global Employee Engagement Survey in 2018. Though the implementation of the survey was postponed due to the outbreak of COVID-19, three years later, in the fall of 2021, we repeated the Gallup survey.

Purpose of the Survey

Advantest continuously pursues a culture in which all employees are appreciated, respected, and work together to achieve common goals. The purpose of this survey is to provide employees with opportunities to share their thoughts on our company or organization. It stimulates dialog between the manager and the team, which ultimately leads to creating ideas for improving our company or organization from every level. The survey results provide a clue to knowing what the employees think of their work or work environment and how the company can support its employees. The survey makes it possible to identify the company's strengths and the fields that require improvement through open feedback from employees. In addition, we will take actions for improvements so as to raise the level of employee engagement in work and workplace environments, with the aim of improving the performance of the company as a whole as well as the performance of individual employees. Advantest believes that individual and organizational strengths are the two "wheels" that not only drive employee engagement but are needed to enhance the comprehensive strength of human capital.

Engagement and its Basics

Employee engagement refers to the emotional commitment of employees to their organization or its goals. An employee who is engaged in work does not only do what is minimally required, but goes about his/her work enthusiastically and energetically, with an effort to output more than what is required. According to a survey conducted by Gallup, Inc., engagement among employees worldwide is only 15%. In addition, it has become clear that there is a connection between employee engagement and the following indexes.

- Profitability, customer ratings, and productivity (in direct proportion)
- Turnover, absenteeism, safety incidents, and quality defects (in inverse proportion)

Implementation of the Survey and Future Plans

The survey during fiscal 2021 was conducted from October 12th to 26th for all employees of the Advantest Group who had been employed for three months or longer at that point. The response rate was 90%. The survey was conducted using the platform of Gallup, Inc., in an online format in which anonymity is ensured.

Results

The results showed significant improvements over 2018, including an increase in scores for all items in Q12 (12 questions for engagement measurement derived from the findings of Gallup, Inc.). The overall average score was 3.64, an increase of 0.16 points from the previous survey. This is by far the biggest improvement among companies who consecutively completed the Gallup survey. We also saw an improvement in

awareness and opportunities related to the category of Recognition (the need to know that efforts are recognized and valued) and Development that were highlighted during the previous survey, marking 26% for the ratio of Engaged (diligent) employees, a 6-point increase from the previous score. This survey confirmed that the engagement level of Advantest Group companies is considerably higher than the standard for each country. These are clear indications of each of our employees' efforts to understand the importance of engagement, and shows how they have embraced and implemented our corporate reforms such as "INTEGRITY" and "Leading with INTEGRITY," yielding measurable results.

Our overall score is not high, when compared to other companies participating in Gallup's survey, and there is still room for improvement. After sharing information with each department, where department leaders discussed the factors that may have led to these results, we drew up action plans to address each issue.

Future plans

A third Gallup survey is scheduled to be conducted in 2023. This survey plays a meaningful role not only in confirming activity results in numerical terms, but also in terms of instilling an awareness of engagement as part of our corporate culture. Engagement varies considerably depending on the customs and cultures of each country. While localized efforts are necessary, our INTEGRITY Core Values, which are the foundation of our corporate philosophy, The Advantest Way, are shared globally. We believe that it is essential to enhance engagement by executing action plans that address the characteristics and challenges of each department, sharing information about activities across the entire Group, and promoting investment in human and economic resources aiming to foster our corporate culture.

Company-wide Activities to Further Boost Engagement

The results of the 2018 Gallup employee engagement survey provided us an opportunity to reflect on our attitudes and mentality towards work.

Since 2019, we have held multiple workshops to deepen all employees' understanding of INTEGRITY Core Values, and since FY2021, we encouraged all our managers to participate in the Leading with INTEGRITY workshops. In addition, the "INTEGRITY Award" was also introduced, enabling Advantest employees to recognize and express their appreciation for colleagues who have demonstrated our corporate culture in exceptional ways.



In response to the results of the second Gallup survey conducted in the fall of 2021, we were urged to take initiatives to improve departmental engagement. Some departments were puzzled by the fact that the company did not lay out a concrete approach to the challenge. However, spun by active two-way communication during the workshops on manager level, it made it easier for employees to share their efforts of each department. While various departments adopted spontaneous approaches to workshop improvement after the initial survey, a favorable circle of influence has extended beyond their own department, evolving into various activities aimed at achieving the team's vision.

| The INTEGRITY Awardees

"Cross 1on1" is a little different from the conventional 1on1, referring to a place where mentors (advisers) and mentees (those who are advised) can talk one-on-one across organizational boundaries. Mentees are able to gain insights that cannot be obtained from their own department or daily work alone, and foster their potential. Mentors also have the opportunity to improve their coaching skills, which is one of the most important elements of the leadership model.

The number of participants in this activity, which started in 2020 at the ATE Business Group (Japan), has increased each time, from ten at the beginning to nearly 90 in the sixth round. Efforts to appreciate and live by the EMPOWERMENT element of INTEGRITY and the expanding circle of its implementation were highly evaluated, inasmuch that it was selected as one of the President's Award of The INTEGRITY Award in FY2021.

| Examples of Visualization Tools

From April 2021, the ATE Business Group (Japan) has incorporated an engagement visualization tool to survey the team, followed by team discussion and improvement activities every three months. These initiatives are managed by survey feedback activity promotion members who are volunteers from inside and outside the department, and their participation is optional, decided upon a consensus of the team. This platform of communication includes regularly inviting external lecturers who hold webinars and creating opportunities to share examples of each team's activities. These efforts have drawn interest among our young engineers who reported that work has become easier, requesting for more involvement in these activities. The promotion members also felt a strong response, and are trying to expand the scope of activities so that they can call teams within the department to participate along with developing activities that transcends divisional frameworks.

From FY2019, the Production Group (Japan) has incorporated survey tools monthly in which employees are able to report their work conditions, human relationships, and health conditions to their respective managers. This enables them to grasp organizational and individual issues in a timely manner, and these efforts are supported by interviews, etc. In FY2021, more than half of the departments used it. We are implementing measures to improve engagement in line with each department as there are various types of jobs and organizational forms.

Furthermore, amidst the COVID-19 pandemic, in which employees have been taking measures to prevent infection such as telecommuting, restrictions on face-to-face opportunities have made two-way

communication difficult. Given this, initiatives such as the monthly online distribution of messages from the Executive Vice President and initiatives shared by each department, as well as surveys of employee opinions have been actively implemented.

| FS Global Coffee Talk Offered to Foster Solidarity

The FS Global Coffee Talk^{*1}, which has been held by the Field Service Group (FS) ever since its launch in July 2020, commemorates its second year of operation in July 2022. During this period, eight FS INTEGRITY Awards^{*2} were awarded, including collaborators from other departments excluding FS were also commended. By recognizing and expressing appreciation for colleagues who have exceptionally demonstrated the core value TEAMWORK, straddled across countries and departments, it has been used as an opportunity to boost our employees' motivation who develop businesses both globally and locally.

From July 2022, in addition to the FS INTEGRITY Award, we established the FS INTEGRITY MVP Award to spotlight and commend not only the team's activities recognized by the FS INTEGRITY Awards but also the outstanding activities and achievements of individual employees (Single Contributors). Service delivery managers in each country and leaders of each functional team recommend employees who exemplified our core values of INTEGRITY in exceptional ways, who, they believe, are indispensable for transforming the corporate culture, achieving business success, and practicing operational excellence, while the award is bestowed by the Executive Vice President. The awardees share their excellent know-how and the challenges they experience in achieving their goals, in hopes that these insights will help those who may be facing the same issues in other departments and countries.

FS Global Coffee Talk has created a new platform for communication between employees who have never met or heard of each other, which has in due course contributed to an even stronger sense of department solidarity.

*1 FS Global Coffee Talk offers two-way communication platform, enabling all team members to access the thoughts of the Executive Vice President and status reports of the top managers in each region, which is held online every quarter.

*2 FS INTEGRITY Award: A system in which the entire team is recommended by the manager of each functional unit. Participants may apply for this award by clearly indicating which aspect of the core value of "INTEGRITY" was the focus of their activities.

Human Resources Development, Fair Evaluation and Treatment

We develop professional employees with global-level skills. In addition, we actively support employees who diligently strive to undertake self-directed study.

Efforts to Develop Human Resources

Triggered by the employee engagement survey, which was conducted in 2018, we have launched our INTEGRITY Core Values, as a means to listen deeply to our employees' stories, and instilled them in everyone's hearts as a set of values that unite us. From the summer of 2019, we offered interactive INTEGRITY workshops for all our employees. This training, which incorporates the theme of the core values into daily work and encourages changes in the corporate culture, lasted until the end of FY2020 while avoiding the spread of COVID-19. Build upon a firm springboard, there were positive effects on internal communication and also offered a place where leaders thrive, and ideas prosper. In FY2021, as a next phase of our cultural evolution, we worked on cultivating "leaders" who will drive the organization, and human resource development with a focus on the growth of individual employees.

The Leading with INTEGRITY Program

In an era of high uncertainty and unpredictability, leaders must understand and make decisions about how to effectively demonstrate their skills and expertise in various circumstances. A new Advantest Leadership Model was created for our leaders worldwide to further develop skills and expertise in the four key areas – LEADER, MANAGER, COACH and EXPERT, and Leading with INTEGRITY workshops were held. Over 1,200 Advantest leaders have participated in this learning opportunity. In this training, leaders from various organizations, transcending national borders or organizations, participate in the same workshop, form a group of two ("learning buddies"), and spend about five months together discussing their progress toward their skill development goals and their concerns. These workshops not only play a role in mutually inspiring our colleagues but also provides insight on diversity.

Four areas of the new Advantest Leadership Model

- Leader :** The core purpose is to set vision, mission, and direction, which requires visionary thinking and the ability to inspire others.
- Manager :** The core purpose is to organize and direct teams to achieve business objectives and ensure compliance, which requires the ability to orchestrate work in teams and excellent people and project management skills.
- Coach :** The core purpose is to enable others to perform at the highest level possible, which requires leaders to enable learning opportunities and encouraging others.
- Expert :** The core purpose is to provide domain expertise, which requires the education, teaching and mentoring of others.

Activities for Succession

In order to pool human resources and retain the best talent in the industry who will be our future leaders of the company, we implemented a "talent management program" for nine months, including a curriculum in management, finance, and liberal arts, for members selected from among our managers.

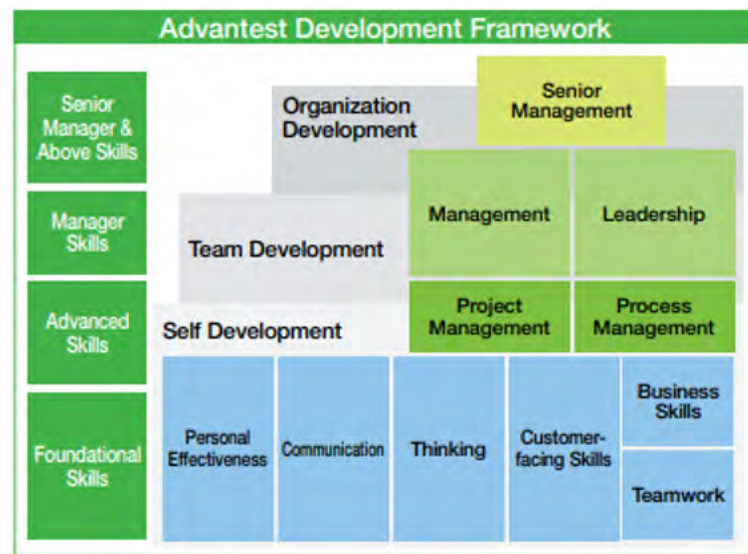
Through group work activities, in which participants were asked to consider Advantest's challenges and its countermeasures propose them to the management, the participants were able to form strong connections with the management and members outside of their own departments. These training activities also helps Advantest to become a "learning organization"—one of our long-term goals.

Visualization of Skills Expected for Employees and Support Systems

In order to improve corporate value over the long term, each employee must clearly understand the roles they play and improve their individual capabilities. In addition, we are required to combine these individual strengths and fully demonstrate them as an organizational strength in the global business playing field. With this in mind, Advantest has established the Advantest Development Framework which defines the foundational skills, advanced skills, manager skills, and senior management skills that Advantest seeks for in all levels of our employees, and shared it among all employees globally. In conjunction with the development framework introduction, we also introduced two new online learning platforms which are intended to provide all employee's and manager's access to training classes to further enhance the skills for their career advancement. Since some of these should be adapted to local customs and rules, the HR in each country decides the details of operation.

Advantest promises to actively support our employees who constantly strive to better themselves and seek to acquire advanced expertise and broad education.

Advantest Development Framework



Introduction of a Peer-to-Peer Program: The INTEGRITY Award

To further foster the corporate culture introduced during the 2019 reform, the INTEGRITY Award, a peer-to-peer program that offers Advantest employees worldwide a platform to recognize and express appreciation for colleagues who have exemplified excellence at work by adopting INTEGRITY as our company values, was introduced.

In FY2021, the award was received by a team of employees who worked together to carry our "Training Day" for employees at Advantest (China) Co., Ltd. The team has held these trainings and seminars by internal trainers for the past seven years, and has an award system to evaluate them. These training activities has also helped Advantest to realize a "learning organization".

Education and Training System and Implementation Status

Advantest has prepared a training program that anyone can participate in, and where a wide range of topics can be learned, from basic knowledge up to the latest technology trends. In addition, we will continue to make improvements to adapt the training program to the changing environment, providing industry-leading superior human resource training, and attracting the best talent in the industry through this program, in cooperation with Advantest Academy, which specializes in employee education.

To adapt to the business environment that is drastically changing due to globalization, we are strengthening the human resources development training system in line with our mid/long-term management policy. To make this training even more effective, we are forging and implementing new programs, including the expansion of 1-on-1 communication trainings. New programs will also be delivered by specialists to make them more effective, and we will selectively use in-house or external lecturers depending on the program content.

At each Group company, we will also provide a wide range of education to increase the skills and expertise of individuals based on the needs in each country and region in addition to education through day-to-day operations.

For example, Advantest Europe GmbH (AEG) hosted the AEG Application Days, an event where over 100 participants, including all AEG application engineers, as well as employees from other areas such as sales were invited to join to learn about new solutions. The event not only allowed our employees to share application relevant information, exchange ideas, and learn about new market trends and new solutions, but also allowed them to grow and improve their daily work. We aim to develop and instill a system that boosts the level of the entire Advantest Group by sharing information on these efforts between Group companies.

Training in Japan

In FY2021, we continued to offer events that integrated both virtual and in-person as a flexible hybrid program due to restrictions by COVID-19 issue. We incorporated web conferencing systems to provide opportunities to learn despite the pandemic, offering environments for training that did not require coming in to work. By increasing online group work activities, which proved to be effective in boosting employee motivation, we were able to promote mutual awareness building across departments and expand connections regardless of work location.

In terms of language education, we focused on strengthening in-house marketing by introducing courses to employees and holding pre-learning sessions to solicit a wide range of participants. While spending most of the time at home due to the COVID-19 pandemic, we introduced micro-learning, allowing employees to effectively use their spare time, making it easier for learners to secure time to study. A total of 890 employees participated in language education, about 300 more than last year, and worked to improve their language skills.

As part of our leadership development initiatives, we introduced a liberal arts educational program to cultivate a sense of culture and have newly appointed managers obtain the "power to think" by themselves. As we enter a new post-pandemic era, this initiative develops the big picture of what is necessary for leaders from wide perspectives that include religion and philosophy as we enter a new era post-pandemic. While programs were offered virtually to avoid the spread of COVID-19, two seminars were held during the three training sessions, allowing our group members to deepen their awareness of issues through active interaction and exchanged opinions in preparation for the final presentation of results.

Training Time

At the Advantest Corporation (non-consolidated) in FY2021, a total of 5,436 employees received training of some kind, and the average number of training hours per employee was seven hours for 40,116 hours of total lesson time. A total of 7,863 people took part in e-learning globally, including Japan, and the average number of training hours per employee was approximately five hours for 39,870 hours of total lesson time. In total, the average training hours per employee was approximately 12 hours.

Training category	Target	Number of trainees	Lesson time (hours)
Business Training (human resource management, etc.)	Managers, General	726	6,158
Technical Training (technology)	Managers, General	1,045	2,454
e-learning (human resource management, etc.)	Managers, General	2,573	1,573
New Employee Training (by job level)	General	44	17,019
Language/TOEIC (global)	Managers, General	890	9,641
Outside seminars (e.g., on business skills, etc.)	Managers, General	158	3,271
Total		5,436	40,116

* Data range for tabulation: Advantest Corporation (non-consolidated) data

Development of Engineers (Japan)

We place particular emphasis on educating engineers, with the aim of ensuring that our products continue to underpin leading-edge technologies.

We have created a training program accessible to every employee of the Group and covering a wide range of subjects, from basic knowledge to the latest technologies.

In FY2021, 1,045 engineers participated in the various technology seminars and technical training that were provided.

Some of the programs include courses in which Advantest's senior engineers appear as internal trainers. For example, one of the seminars featured a lecture on design quality by an employee in charge of design, thereby shedding light on the basic technologies required to maintain and improve product quality based on the speaker's first-hand experiences. Courses are held by inviting instructors from outside the company based on themes requested by engineers or management-level personnel, so as to support them in adapting to a rapidly changing business environment.

The program acts as a means of imparting not only technical knowledge but also Advantest's corporate DNA to future generations.

Software-Related Education

We have been conducting software engineering forums six times a year for the past 30 years. In these forums, cutting-edge information on topics such as agile, continuous integration (CI), Graphics Processing Unit (GPU), as well as security-related information and current affairs in the world are shared by internal and external instructors, from domestic and overseas. In October 2019, Advantest Engineering Friday was established as a place where employees can share their findings with each other on a continuous basis. Multiple subcommittees have been started from here, and they regularly meet up on Friday afternoons as a separate community from the organization where they can learn from each other. In FY2021, we enhanced exchanges with the SE and hardware development departments, and gained knowledge about the industry situation, including competitors, and hardware control, which gave our employees new perspectives on themselves and their work.

Other Courses on Advanced Technologies

We invite external instructors to provide course on themes and the latest trends that are of great interest to our employees, which also serve as a means to pass on technical know-how to the next generation.

In FY2021, we held an online lecture on open innovation and a study session on "learning organizations" which were presented by external lecturers. During the online lecture, we set aside time for a panel discussion after the lecture, where the lecturer and participants could actively interact on how to proceed with new businesses and innovation, ensuring that learning goes both ways.

We are planning to increase the number of participants not only by holding various trainings and lectures, but also by establishing an environment where participants can learn what they wish to learn (on-demand education), and encourage employees to learn independently.

New Employee Education and Training (Japan)

Advantest's training program for new employees starts with one month of basic business training covering the basics of working life. After that, the new recruits are put into one of two occupation-specific training regimes, depending on whether they have been hired for engineering or administrative job assignments.

Engineering employees first learn the basics of design, and then go on to learn the necessary skills as Advantest engineers through basic technology training to obtain the basic knowledge required, hardware training, software training, and device test training. New administrative employees receive basic training for administrative operations to learn the basics of administration and brush up on their administrative skills, while learning the contents of the Group's business and how the divisions are interrelated.

We review the training programs each year to ensure that they reflect the characteristics of new employees and the policies of the company as a way to cultivate the basic skills of junior employees.

Since the new employees in FY2021 joined the company during the COVID-19 pandemic, all training was offered virtually. Once being assigned, we conducted additional face-to-face team building training so that

they could communicate and bond together in a better manner.

By having new employees experience diverse types of training in this manner, we are able to ensure that they will clearly understand their own roles, and will recognize the importance of teamwork with other divisions. Our training period for new recruits acts as a key formative phase in their professional development as Advantest employees.

New employees training

	April	May	June	One year after assignment
Engineering roles	Combined group training	Basic engineering training ● Safety training ● Software training ● Quality assurance training ● Device test training, etc. ● Hardware training		OJT period Team building training
Administrative roles		Basic administrative training ● Microsoft training ● Manufacturing training, etc.		
Manufacturing roles, Others		Manufacturing training ● Screw tightening, Soldering, etc.		

Fair Evaluation and Treatment

Performance assessments and career development are conducted under a common global system. Goals are set at the beginning of the fiscal year, communication with superiors is conducted as necessary during the year, and an evaluation interview is conducted at the end of the fiscal year. This interview is conducted not only for full-time employees but also for some contract and temporary employees.

Advantest Resource Management System (ARMS)

With overseas sales ratio of over 90%, and more than 60% of our employees located in overseas affiliated companies, this allows Advantest to grow as a global company. Given this structure, we introduced the Advantest Resource Management System (ARMS), a unified human resources system, in April 2012. ARMS promotes cooperation among multiple bases around the world, as well as smooth personnel exchanges and transfers.

Global human resource system



Under ARMS, the unique job classification systems decided on by Group companies in each country have been replaced by a new 10-level job system that is common to all. In this system, job levels 1 to 6 are for general employees, while levels 7 to 10 are for management positions. There are two management paths in this system: one for "people managers," who manage budgets and deal with staff merit and labor issues, and one for "functional managers," who tend to business and ensure that operations are carried out properly. Line managers with subordinates are assigned to the first path, and all other specialists are assigned to the second. With these two lines for advancement, we ensure that our diverse personnel have opportunities to develop as managers.

We also apply common global rules to our pay scale, including basic pay and bonuses. Previously, for example, bonus payments in each country mainly reflected the performance of Advantest's subsidiary or affiliate in that country, but under the new system, bonus payments reflect the Company's consolidated earnings. Starting in fiscal 2012, we have applied a new system of evaluating employee performance. No matter where Advantest employees work, they can now be evaluated and rewarded according to the new common global system, with every employee receiving an evaluation/cultivation interview at least once a year.

Since the introduction of our global human resources system, during which efforts have been made to increase the number of employees seconded from Japan to overseas postings and the number of personnel exchanges with overseas affiliates; this system has contributed to invigorating the organization and improving corporate performance.

Global job level and title

Job Level	Job Title		Descriptions
1	Entry		Performs routine tasks of a repetitive nature in a...
2	Career		Duties and responsibilities focused on structured and...
3	Associate		Requires specific knowledge of a business function or...
4	Developing		Handles moderately complex assignments and works...
5	Senior		Provides specialist or technical recommendations to...
6	Expert		Requires ability to make tactical judgments that are...
7	(Sr.)Manager	(Sr.)Consulting Manager	Operational team leader or professional/technical advisor...
8	Director	Consulting Director	Sets goals and targets for a department or management team...
9	Sr. Director	Principal	Sets annual plans in accordance with the global or regional strategy...
10	VP (or SVP)	Fellow	Accountable for developing and establishing long-term plans in line with the Advantest Group strategy...

Meanwhile, the new human resources framework offers labor management flexibility in setting up working hours, telecommuting arrangements and other job specifics, so that managers can more aptly address such matters directly in accordance with the laws and regulations of their respective nations and in line with local

employment practices.

Starting from fiscal 2014, we have established a global personnel database, which is effectively utilized for project team composition and smooth personnel changes on a global scale. Beginning in fiscal 2015, we began using a new global personnel evaluation system to replace the existing personnel evaluations. In the future, we will be setting up human resource development schemes with a worldwide reach, promoting employee diversity through active efforts to hire and promote employees with different backgrounds, and taking decisive steps toward forging an employee recruitment strategy that is in accordance with the business strategies of our operations in diverse countries.

In the spirit of establishing ourselves as a truly global company going forward, Advantest will continue to work hard to create a professional business environment where every member of a diverse Advantest Group workforce can make the most of his or her individual capabilities.

Pension system

Domestically, Advantest has introduced a point system to determine retirement benefits. In addition, Advantest has introduced a fund-type defined benefit corporate pension system as part of the retirement benefit system, where the retirement benefit can be received as pension under certain conditions.

In fiscal 2018, Advantest incorporated a defined contribution corporate pension system as part of its defined benefit corporate pension system and started the defined contribution corporate pension system in addition to the point-based retirement benefit system.

As a result, retirement benefits will be divided into a retirement lump sum paid by the Company, the benefit from the fund which can be paid out as pension according to the years of service and the defined contribution.

Employee Health and Safety

Based on our belief that employee health as well as safety and health management are priority issues in all business operations, Advantest has committed to health management and safety as well as health activities.

Promotion of Health and Productivity Management

Thus far, Advantest has implemented various initiatives for employee health and productivity, including measures on lifestyle disease prevention, mental health, and abstinence from smoking. To further promote these initiatives, we have decided to incorporate Health and Productivity Management, and in September 2019, we formulated a Declaration of HPM Policy.



Since establishing the Declaration of HPM Policy, Advantest, our domestic Group companies, the health insurance association, and labor union have come together to promote health check-ups, boost the implementation rate of specified health guidance, and introduce a health portal site, along with various other activities that directly affect employee health. These activities include online dieting/smoking cessation programs, encouraging exercise using a mobile app-based health promotion, and health literacy training.

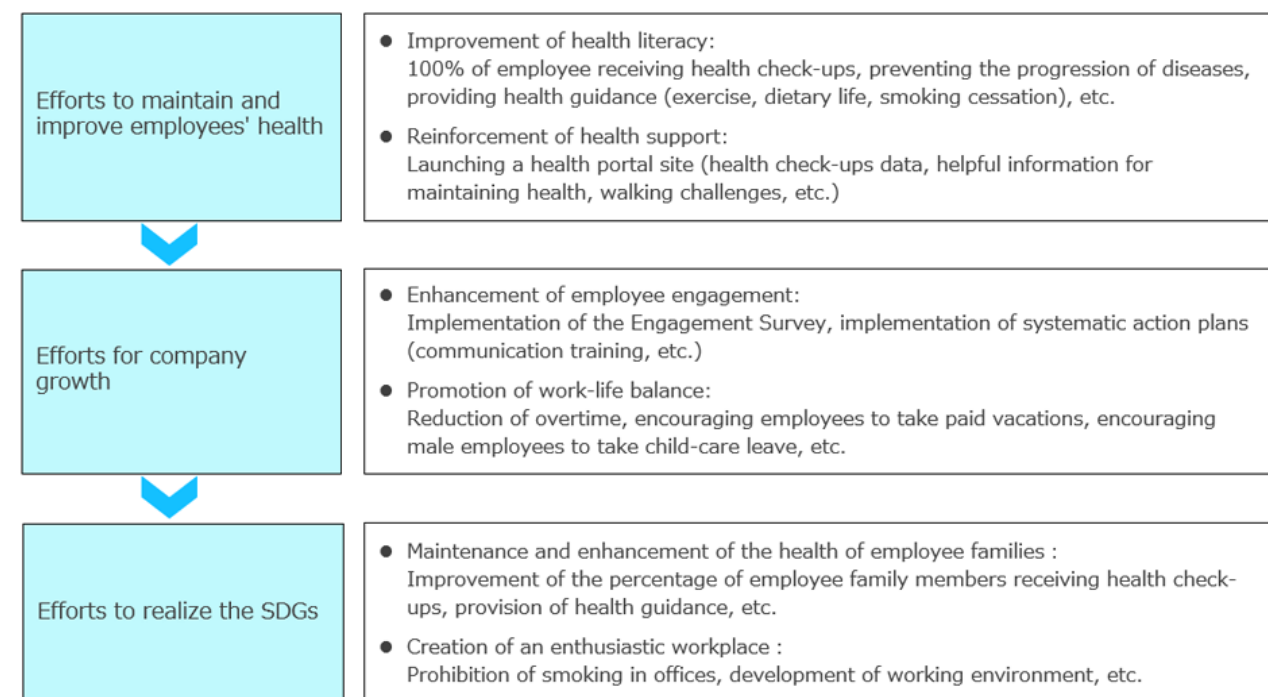
We have also actively made efforts to encourage work-life balance. In November 2020, Advantest obtained the "Eruboshi" certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace, and in February 2021, we obtained the "Kurumin" certification mark based on the Act on Advancement of Measures to Support Raising Next-Generation Children. Advanfacilities Co., Ltd. also obtained the "Eruboshi" certification in July 2022.

Furthermore, we have taken thorough measures to prevent the spread of COVID-19 infection, such as issuing notifications from top-level management to prioritize health, and thorough implementation of remote working. As a result of these efforts, Advantest has recently been selected for the first time as one of the brands in the 2022 Health & Productivity Stock Selection, which are jointly selected by Japan's Ministry of Economy, Trade, and Industry (METI) and the Tokyo Stock Exchange. At the same time, METI has certified Advantest as one of the "White 500" (large listed corporation section), the top 500 corporations certified under METI's 2022 Health and Productivity Management Awards, for the second consecutive year.

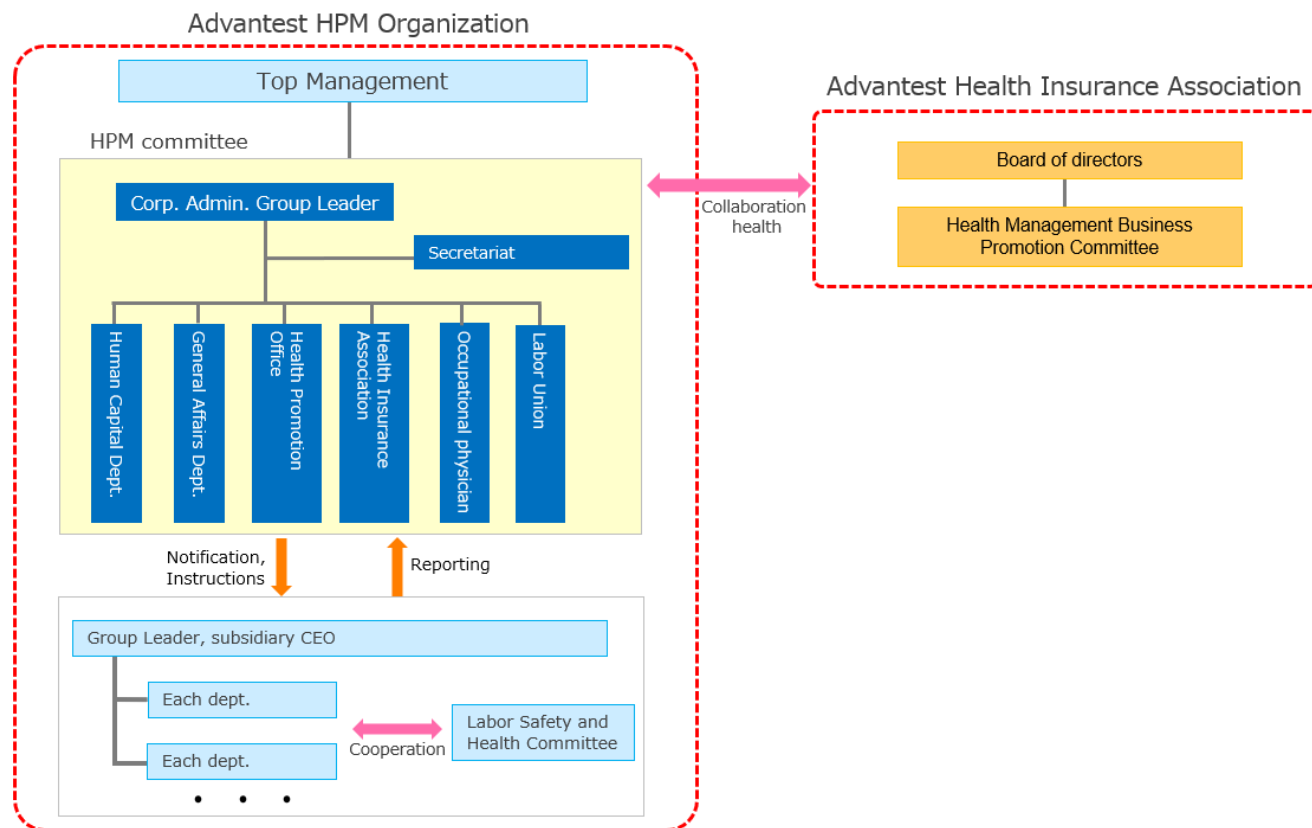
Declaration of Health and Productivity Management Policy

In order to realize Advantest's mission, we will strive to create a workplace where every employee can work in good health, both physically and mentally, to contribute to the achievement of a sustainable society as a corporate citizen.

Based on HPM policy, promote HPM from the following three viewpoints.



Organization



Our China Subsidiary Has Been Recognized as a Company Promoting Healthy Workplace Development

Advantest (China) Co., Ltd.(ATC) has been making efforts in an employee health project since 2019. This project assesses the physical and mental health of employees through online tools, providing direct interviews from medical experts to care for those who are assessed to be in a high-risk zone. This facilitates early detection of health risks for employees and the company as well as enables measures to be taken to address such risks.

This project has been recognized and in March 2020, the company received the Outstanding Practice Award at the "2020-2021 China Healthiest Work Place (美世卓越健康雇主)" held by Mercer China (美世咨询公司), the Chinese subsidiary of Mercer, a global human resource consulting company.

Mental Health

At Advantest we believe that a vigorous workforce makes for a vigorous workplace. Accordingly, our Health Promotion Office supports efforts to ensure both the mental and physical health of our workforce, so that we can provide a safe and comfortable workplace environment. We introduced stress checks in FY2012 before they became required by law because we consider preventative measures as the key to our mental health activities. By quantifying stress (thus making it visible), we promote stress awareness among everyone in our workforce, which is useful for self-care.

In the 2021 stress check, which achieved 85% response rate, 7.9% of the employees with the highest diagnosed stress levels were referred to mental health consultations, and 8.2% of them actually received consultations. We also held seminars (during FY2021, e-learning seminars were held) to reinforce self-care, and the participation rate was 72.9%.

Organizational analysis stated that high stress workplaces decreased from 17.2% in FY2017 to the 4% range (4.7% in FY2021). From fiscal 2019, this initiative was narrowed down to target only managers in high stress workplaces and offered more practical training for workplace environment improvement. We continuously work on improving stress levels by following up on the implementation situation to create a workplace that mitigates the occurrence of mental health disorders.

We have also formulated recovery plans with occupational physician from the latest reports as well as provide support for employees to return to the workplace after taking a leave of absence, enabling them to take time off without worry if their mental state worsens due to a variety of stress. In addition, an eight-step process (which includes status reports, consultation with occupational physician, return to work planning, and follow-up interviews after returning to work) has been set up to avoid overstressing people and the workplace.

Health Consultations

At Advantest's Health Promotion Office, a comprehensive range of health professionals (including occupational physician, clinical psychologists, public health nurses, nurses, and industrial counselors) provide counseling services for physical and mental problems of all kinds. Applications for counseling can be submitted easily by telephone or e-mail, or via the company's intranet. In fiscal 2021, counseling services were provided on 800 occasions.

Health Check-ups and Health Guidance

Advantest and its domestic Group companies provide regular health check-ups to maintain and improve the health of employees in addition to regular physicals through subsidies from the health insurance association. We provide health check-ups once or twice each year both in domestic and overseas bases, with an examination rate of 90% or higher. We have achieved a 100% health check-up ratio since FY2018 for domestic employees.

The Health Promotion Office provides health guidance, email support, and staff/occupational physician consultations for employees who have received a diagnosis through checkups. Furthermore, employees with a history of brain and heart disease are interviewed regardless of their health check-up results, and work restrictions are put into place to ensure their safety.

Examples of Advantest's Activities

Online Well-Being Carnival for all Advantest Group Employees

From October 2021 to January 2022, Advantest held the "Online Well-being Carnival", a health promotion event, at our eight locations worldwide to encourage the health and well-being of our employees on a global scale. This event was proposed by our Chinese employee in response to the considerable shift in our workstyles and living environment triggered by the impetus for working from home due to the COVID-19 pandemic, which was held after discussion among Global ESG Team from eight locations worldwide.



Announcement
Poster of Online
Well-Being Carnival



Employees enjoying
basketball

During the event, employees were asked to take small actions to construct a more well-being working culture such as participating in in-house health activities, managing their weight with an application, placing plants on their desks, and taking up new sports, and shared them on our in-house social media network, "My LIFE. ON.". As a result, many activities and posts such as "I'm doing my best in sports" were received from various locations, helping to promote the mental and physical health of our employees.

Olympic at Home (Advantest Taiwan)

Employee care as the main goal of Employee Welfare Committee (EWC), Advantest Taiwan Inc. (ATI) has been concerned about our employees' mental and physical health. Since the outbreak of COVID-19 in May 2021, WFH has been mandated in ATI. Concerned that our employees may be gaining weight in the duration of WFH, with not only Ct value out of control but also BMI value in alarm, EWC held an event called Olympic at Home. The event urged everyone to stick to exercise and win game machines as rewards.

In this vibrant activity, firstly, ATI EWC distributed packs of health products to all employees' homes, and then all the employees could share their home exercises with everyone else by posting photos or videos on the Facebook ATI EWC group. Even though our employees could not meet each other during WFH period, with everyone's passionate participation in this event as well as social media sharing, they got to connect each other with lots of encouragement in such a unique time.

Promotion of Occupational Safety and Health

Advantest Group Health and Safety Policy

Advantest Group recognizes that Health and Safety (H&S) is one of the important aspects of our business operation. This policy is set forth to ensure every Advantest employee's Health and Safety.

1. Health and Safety First
We will make H&S as the first priority for employees in all Advantest operation groups.
2. Compliance with Laws and Regulations
Aim to achieve compliance with legal requirements through good occupational health and safety performance.
3. Regular Review of Health and Safety Compliance
To support this policy, we will provide employees with an annual activity plan which will address every business location's H&S regulations through management support.
4. Education and Training
Ensure that employees receive appropriate training, and are competent to carry out their designated responsibilities.
5. Disclosure of Health and Safety
To raise awareness, we will announce our H&S information to all employees publicly.

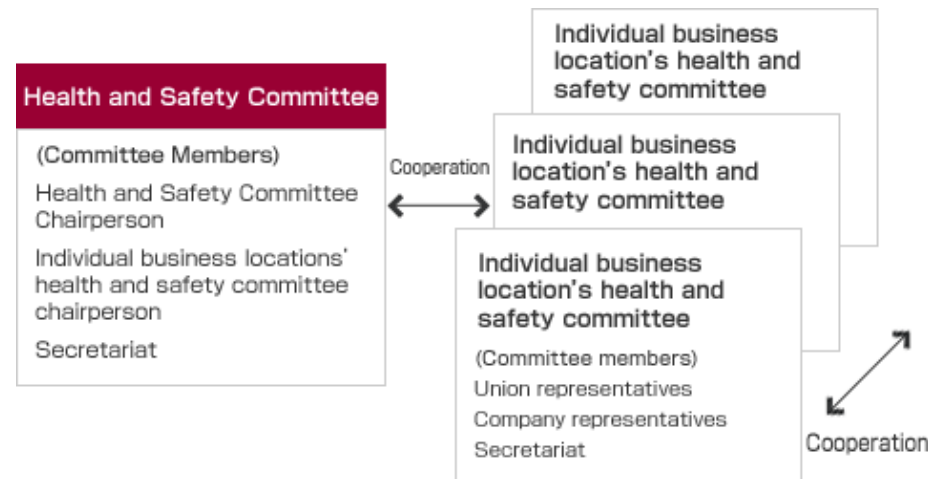
Promotional System

At Advantest, every year we convene the "Health and Safety Committee Meeting" which decides the health and safety direction and policy for the whole group. The approach to health and safety is based on the main activity themes decided on at this meeting, upon which the health and safety committees at each location set their annual targets and plans.

We also regularly hold health and safety committee secretariat meetings throughout the company, and strengthen each location's health and safety activities through this sharing of information about relevant activities.

Japan's company-wide Health and Safety Committee is made up of the heads of the Health and Safety Committees at each business location, which are officers and presidents of domestic Group companies. Furthermore, the Health and Safety Committees at each business location are composed mostly of representatives of both the company and union employed at the business location.

Organization of Health and Safety Management (Japan)



Implementation of Occupational Health and Safety Activities

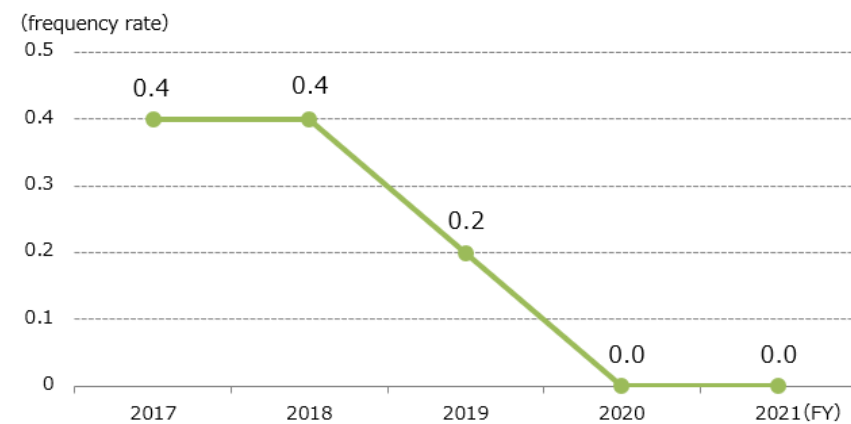
Fiscal 2021

In FY2021, we achieved the frequency rate of zero accidents, as we did in FY2020. Safety assessments for our domestic business sites were also conducted by external organizations, which contributed to the reduction of our hazard risks.

Fiscal 2022

For FY2022, we will continue our safety awareness initiatives with a greater focus on safety. We will establish an occupational safety and health management system at the Gunma Factory aiming to acquire the ISO 45001 certification.

Occupational accident rate in Japan (frequency rate*)



* Frequency rate: Number of injuries or deaths due to labor accidents per one million of actual total working hours

* Boundary of data: Advantest Group (non-consolidated)

* From FY2019, the data includes temporary employees.

There have been no fatalities in operations in the last five years.

In addition, the rate of occupational accidents (frequency) was 0.4 for FY2021 when including both domestic and overseas Group companies.

Implementation of fire extinguisher training at overseas bases

Advantest Test Solutions, Inc. invited the local fire department staff where we received instructions and hands on training on how to properly operate a fire extinguisher in case of a fire as well as guidance on fire prevention. Disaster prevention drills are conducted every year at each business site in Japan pursuant to laws and regulations, upon notification to the local fire departments.

Occupational Health and Safety Education

The Advantest Group regularly conducts occupational health and safety education and strives to build a safe workplace where everyone can work with peace of mind by preventing occupational accidents before they happen and raising awareness about occupational health and safety. E-learning has been incorporated to some areas of Advantest's unique health and safety education. We will strive towards further participation from employees.

Occupational health and safety results achieved in fiscal 2021

Education category	Target employees	Number of trainees (Total)	Hours of education
General education	Managers, General employees	4,870	2,600
Specialized education	Managers, General employees	1,136	3,167

Respecting and Protecting Human Rights

Under "The Advantest Group Declaration of Human Rights," we believe that the rights of our employees, who are a valuable resource to the company, should be protected along with the rights of all individuals affected by our business activities.

Advantest Group Human Rights Policy

The Advantest Group contributes to humanity's safe, secure and comfortable existence by "Enabling Leading-edge Technologies." We recognize that the human rights of all the people we touch must be protected in our global business activities. This is stipulated in "The Advantest Way," the Advantest Group's code of ethics, and this Advantest Group Human Rights Policy (hereinafter "this policy") expresses the Advantest Group's responsibility to respect human rights, based on "The Advantest Way."

(1) Respect for international norms

We support and respect international human rights standards such as the Universal Declaration of Human Rights, the 10 Principles of the United Nations Global Compact, the International Code of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. We promote respect for human rights based on the UN's Guiding Principles on Business and Human Rights.

(2) Responsibility to respect human rights

We will implement appropriate measures to prevent / mitigate any negative impacts on human rights from our business activities, or implement remedies should it become clear that we have contributed to negative impacts. We will fulfill our responsibility to respect human rights.

(3) Scope of application

This policy applies to Advantest Group officers and all employees (including full-time employees, contract employees, and dispatched employees). In addition, if a negative impact on human rights caused by a supplier, employees of an outsourcing partner, other business partners, or related parties, is directly linked to the business activities of the Advantest Group, we will take measures to prevent infringement of human rights based on dialogue and consultation with the other party.

(4) Compliance with applicable laws and regulations

The Advantest Group complies with the laws and regulations of the countries or regions in which we operate. In countries and regions where there are discrepancies between laws and international norms, we consider local laws and regulations insofar as possible. We promote efforts to respect international norms regarding human rights.

(5) Human rights due diligence

We will continue to build and implement due diligence mechanisms for human rights to address any apparent or potential negative impact of our business activities on human rights.

(6) Education

We continuously promote appropriate education to raise awareness of human rights among officers and all employees so that this policy and our human rights due diligence are understood and effectively

implemented throughout our business activities.

(7) Disclosure of information

We report on the status of our human rights activities and impact on our corporate website and in our Integrated Annual Report, based on this policy.

(8) Dialogue / discussion

We will appropriately implement top-priority issues related to human rights as the separately defined "Advantest Group Priority Issues Related to Human Rights," based on this policy. We understand that these priority issues need to be reviewed as appropriate to reflect changes in social and business trends.

July 1, 2021

Yoshiaki Yoshida

Representative Director, President & CEO

 [Advantest Group Priority Issue Related to Human Rights \(PDF 63KB\)](#)

System to Promote the Respect and Protection of Human Rights

Focused around the Corporate Ethics Office and the Human Rights Protection and Personnel Mediation Committee, Advantest strives to promote and set policies on human rights issues and deal with complaints about discriminatory treatment.

We share the Advantest Supply Chain CSR Promotion Guidebook with our suppliers, and endeavor to ensure that they are fully aware of the need to respect human rights (including the prohibition on forced labor, child labor, and discrimination).

Creating a Workplace that Respects Human Rights

Advantest believes considerations to human rights are a vital element in expanding businesses globally. We support international standards related to human rights such as the Universal Declaration of Human Rights while complying with the laws and regulations in each country and region.

In addition, we have signed the United Nations Global Compact (UNGC), a global sustainability initiative, and participated in Global Compact Network Japan, a local network in Japan. We support the "Ten Principles of the UN Global Compact," which are universal principles covering human rights, labor, the environment, and anti-corruption that companies should abide by, and promote efforts in each of these fields.

The Advantest Way incorporates a pledge that we will respect human rights without discriminating on the basis of race, gender, age, nationality, religion, social origin, physical disabilities, disease, sexual orientation or any other factors. We have established a manual for human rights and discrimination and prevention guidelines for harassment as well as promoted the protection and respect for human rights.

In FY2013, we launched an e-learning program on the Advantest Way for all Group employees. In FY2021, this training was completed by all employees in the Advantest Group, both in Japan and overseas.

Harassment Prevention

In July 1999, Advantest created a manual to prevent harassment, and has since made efforts to prevent all forms of harassment. This manual has been revised and expanded following amendments to laws and regulations to include pregnancy, childbirth, and parental leave. The manual is published on the intranet to offer easy access to employees.

The key points are as follows.

1. Recent harassment trends
2. Sexual harassment in the workplace
3. Workplace bullying in the workplace
4. Workplace pregnancy, childbirth and parental leave harassment
5. Impact of harassment
6. Harassment from a legal and regulatory perspective

7. Harassment prevention measures

8. Dealing with harassment

We are working to devise methods for self-checking that can be conducted in response to the issues above.

To boost employee understanding of harassment prevention, every year starting from April 2006, training for new employees and new managers has incorporated training on harassment prevention as well as human rights education. Furthermore, training on the topic of harassment was conducted for all management personnel from FY2019 to FY2020.

Labor-Management Dialog

Advantest respects the basic human rights of freedom of association and collective bargaining. In countries and regions permitting the formation of labor unions, Advantest recognizes the right of a union to organize, the right for collective bargaining and the right to hold strikes through labor agreements. Even in countries and regions which do not permit the formation of unions due to laws and regulations or labor practices, we strive to build sound relationships and solve problems through dialogs between labor and management with the goal of fostering freedom of association and collective bargaining.

Organizations include the Advantest Labor Union at Advantest and its domestic subsidiaries. All unions engage in discussions on labor and management.

Furthermore, safety, health, and settlement of grievances are described in the labor agreement with the Advantest Labor Union, and both sides cooperate to respond to issues such as Health and Safety Committee operations, human rights issues, and personnel grievance settlements at each business base.

Reporting and Consultation Framework (Whistleblower Office) for Human Rights Issues

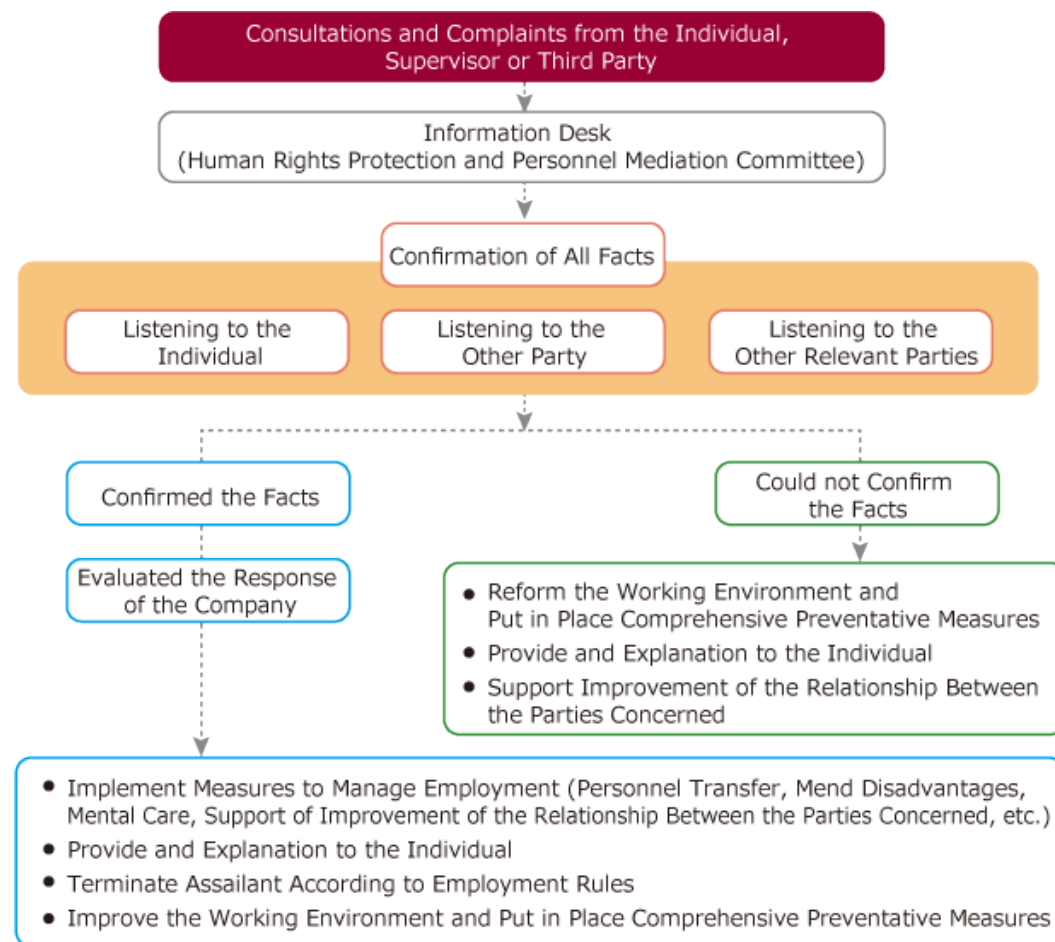
Advantest has set up a Corporate Ethics Helpline to address human rights issues and concerns that are not readily resolvable in the workplace, designed so that those facing such issues can report to and consult with our Corporate Ethics Office. Reports and consultations are overseen mainly by the Corporate Ethics Office, and every precaution is taken to prevent those employees seeking help from suffering any disadvantage or retribution, through measures such as protecting their anonymity. Additionally, we have established an external law firm (lawyer) as a contact point in order to make it easier for our employees to consult with or report to the helpline. The helplines and contact point can also be used from overseas and in English, and links are available on the Global Intranet page.

Moreover, in Japan, we have established a Human Rights Protection and Personnel Mediation Committee together with the labor union to oversee consultations about domestic human rights issues. There were two harassment-related consultations received by the Helpline and Human Rights Protection and Personnel Mediation Committee in FY2021 (already resolved). The Human Rights Protection and Personnel Mediation Committee properly responds to all incidents to seek a rapid resolution while giving due consideration to

the privacy of the employees concerned.

Through this activity, Advantest aims to foster a workplace environment in which employees can work with peace of mind while respecting each other's human rights.

Flow of response to consultations and complaints



Community Activities

We bear in mind our responsibility as a member of civil society, and work to actively contribute to regional communities.

Efforts Toward Social Contribution Activities

The social contribution activities of the Advantest Group focus on "preserving the global environment," "developing the next generation," and "contributing to local communities" under our basic policy of "We will respect our stakeholders, promote harmony with society, and contribute to the SDGs in order to achieve a sustainable society" within the "ESG for Sustainability" established in July 2019.

In addition, we use our business activities to meet the needs of our stakeholders and of society, and to fulfill our social responsibilities as a group throughout the world.

Academic Support and Next-generation Development Support

Enabling Leading-Edge Technologies: the business activities of Advantest are supported by the skills of many engineers from around the world and the understanding of the communities in which we operate. With this, Advantest supports academia and science education, mainly in regions that host our research and development sites, to contribute toward the development of human resources for science and technology. For example, in Japan, we have established "The Advantest D2T Research Division" at the Tokyo University Systems Design Lab (d.lab), to provide students in Japan studying design technology of very large scale integration (VLSI) with an integrated education environment from VLSI design to testing, with the aim of developing specialist in test design and supporting research activities for SoC (System on Chip) design. Advantest also makes efforts to promote mutual understanding and exchange between international students and Japanese society, etc. through supporting (by making donations to) the Foundation of Corporate Friendship Network for Foreign Students with the aim of supporting students from around the world studying in Japan. We also are continuing our community-based activities while under the limitations due to the COVID-19 pandemic, such as holding science craft classes for children in elementary schools near our Japan business bases, and hosting "Girl's Day" workplace experiences by inviting German female students interested in electronics to our offices.

Humanitarian Support—Efforts During the COVID-19 Pandemic

Advantest has been involved with many social support and charitable activities around the world for many years, rooted in "The Advantest Way."

This was especially true in the year 2020, when the COVID-19 pandemic spread across the world. Advantest increased its donation budget across the group to support medical assistance and socially vulnerable citizens in need in Japan, the U.S., Germany, and Singapore, through donations to organizations such as medical and nursing associations, medical institutions, Red Cross Societies, and NPO organizations. Direct support to enhance virus detection capabilities in society was also made through donations of our nanoSCOUTER™ particle counter to research institutions.

Along with support activities related to the pandemic, Advantest also supports victims of major disasters. Furthermore, Advantest employees around the world continue to engage in charitable activities along with their business activities in order to support disabled people, refugees, and people facing economic hardships.

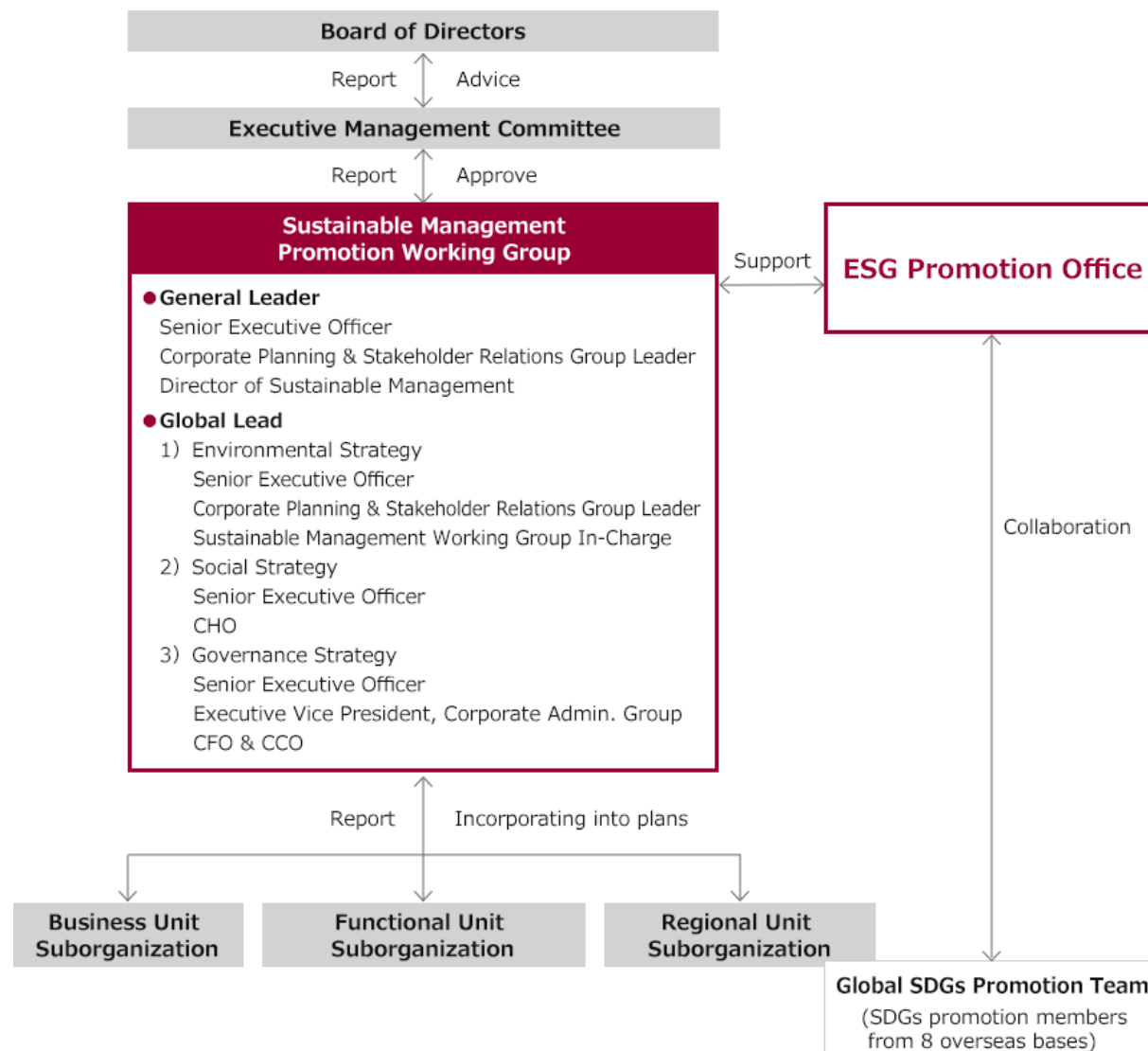
Promotional Structure

Advantest has promoted CSR and environmental initiatives in every country and region. However, the importance for more global CSR and environmental initiatives is increasing as a company that contributes by itself or through its supply chain to a broader range of societies. We continue contributing to global societies through our CSR and environmental initiatives.

Framework to promote employee participation

The Advantest Group actively advocates for employee participation in volunteer activities. Volunteer activities for giving back to society recruit participants through systems such as an intranet message board. Reports on activities in each region are also published in our internal newsletter and social media (My LIFE. ON.), which contributes to attracting new participants. Employees can save up their unused paid holidays that would otherwise not be carried over to the next year and use them for volunteer activities.

For details on My LIFE. ON., please refer to ["Global Educational Activities on Our Internal Social Networking Platform "My LIFE. ON." \(Environmental Education page\)](#).



Examples of Social Contribution Activities in Fiscal 2021

The Advantest Group implements various social contribution activities at its bases around the world. In fiscal 2021, a total of 50 or more activities were implemented during the year. The following are examples of our activities.

Community Contribution

Japan

At the Gunma R&D Center, we held quarterly events to pick up trash around the surrounding areas. A total of 111 employees, including our executives and managers, participated and collected a total of 77.7 kg of garbage, including PET bottles and cigarette butts, during the year. We have been doing the trash pick up activities for more than ten years.



Collecting trash

United States

Our volunteers partnered with Open Space Authority to help clean up one of San Jose's largest remaining wetlands called Spreckles Hill. 22 employees and family attended and by the end of the event we had removed roughly 70 bags, weighing 1.3 tons of Stinkwort weed.



Weed removal in the wetland area

Poverty Relief

Japan

We participated in the "10,000 Pencils Campaign by High School Students", which supports children in Afghanistan by donating school supplies, and donated 120 pencils collected from our employees to the project. We also participated in the "SAKURA" project, which donates Japanese elementary school backpacks or *randoseru* to children in Afghanistan, and donated 20 school bags collected from our employees to the project.



Donated pencils and school backpacks

Taiwan

During the Chinese New Year, the Taiwan office held a Spring Couplets Charity Bazaar, and donated NTD 57,135 from the proceeds of the bazaar to welfare organizations. 110 employees from Taiwan participated in this activity.



Snapshot from the Charity Bazaar

Support for People with Disabilities

Singapore

Advantest Singapore's CSR Committee encouraged their fellow colleagues to make donations via online payment platform, and contributed a total of SGD 4,525 and an additional SGD 4,525 from a dollar-to-dollar match from Advantest Singapore itself and donated them to the Singapore Association of the Visually Handicapped.

Taiwan

The Taiwan office collaborated with Association for the Deaf and Hard of Hearing Welfare, a non-profit organization for helping families who have members suffering from hearing impairment and initiated mock interviews for students with hearing loss. The program, which consisted of four parts: "Finding Differences from the Videos", "Interviewee Skill Sharing", "Mock Interview", and "Experience Sharing", helped students to gain soft power. A total of 23 employees and students participated in this program.



Snapshot from the mock interview program

South Korea

Our Korean office donated KRW 7,200,000 to Chungcheongnam-do Rehabilitation Center for the Blind, an organization supporting the visually impaired.

Medical Assistance

Germany

Our German office held our annual raffle of obsolete IT equipment, in which a total of EUR 3,515 was collected and has been divided amongst 2 charities picked by the local team: Förderverein für krebskranke Kinder Tübingen e.V. (Support association for children with cancer Tübingen) and "Ambulanter Kinder- und Jugendhospizdienst in Holzgerlingen" (Ambulant hospice service for children & youth in Holzgerlingen).



China

Advantest China hosted flea-market charity activity on Children's Day among the four cities of Shanghai, Xian, Beijing, and Suzhou, where approximately 200 employees and their families participated. The total earnings of RMB 4,900 were donated to the Shanghai Baby Home Health Care Center, a non-profit organization which takes care of orphans with serious diseases and supports them with medical care and supplies.



Disaster Relief

Germany

We donated EUR 100,000 to the humanitarian organization, Aktion Deutschland Hilft e.V., to help the German flood victims of summer, 2021.

Support for Ukraine

We donated a total of JPY 90 million to the Japanese Red Cross Society, Médecins Sans Frontières (Japan, U.S.A., Germany), International Rescue Committee (U.S.A.), and Aktion Deutschland Hilft e.V. to provide victims suffering from of the Ukrainian crisis a humanitarian assistance and an ongoing relief.

Developing the Next Generation

Japan

A total of 101 children participated in speaker-making science workshops held at two elementary schools in Gunma Prefecture (February 2022). In addition, 18 children participated in an online toy-making event using the principles of a hovercraft (July 2021). These Advantest-sponsored science workshops have been held since 2005 and 2021 marks our 16th year since its launch.



Our volunteers who made it happen



At the special science class

The Sendai Office received a letter of appreciation from the Sendai City Board of Education regarding the special science class "Connect with light, save energy with light—Let's experience optical communication" held at two elementary schools in Sendai city.

The Japanese government has proposed an IP creation education* to enhance society by having children and students understand and enjoy "creating something new" and "respecting what has been created". Schools and communities need to work together to create educational materials in order to promote IP creation education with consideration for their development stage.

Advantest has decided to hold classes and workshops based on the concept of invention and great

inventions in the history of Japan, starting with elementary schools near the Gunma R&D Center. In 2021, 101 children participated in these workshops. The children learned that people's lives have been enriched by inventions, garnering positive feedback from their schools. We will continue our activities so that more children can receive IP creation education.



Scenes from workshops held at elementary schools and workshop slides

*For details of IP creation education, please refer to the materials on IP creation education of the Cabinet Office.

<https://www.kantei.go.jp/jp/singi/titeki2/tizaikyouiku/pdf/s-1.pdf>

We installed an interactive globe at Advantest's Gunma R&D Center, displaying real-time Earth data, for use in environmental education for stakeholders such as our employees and children who, we believe, are the generations that will bear the responsibility of shaping the world's future. This tool not only allows us to learn about global atmospheric temperature changes, but also about the past, present, and future of the Earth. We have already demonstrated this tool during our new employee training for fiscal 2022, and we will continue make effective use of this innovative tool to help future generations learn about the environment we live in.



"SPHERE", an interactive digital globe

In addition to science classes for elementary school students, Advantest has also participated in the "EduTown SDGs Alliance" (produced by Nikkei Business Publications and TREE / operated by Tokyo Shoseki) project since fiscal 2021, which provides education on the SDGs to elementary and junior high school students.

The "EduTown SDGs Alliance" is a project that supports the development of creators of a sustainable society, and has created and operates the educational website "EduTown SDGs" as well as freely distributes supplementary materials (booklet).

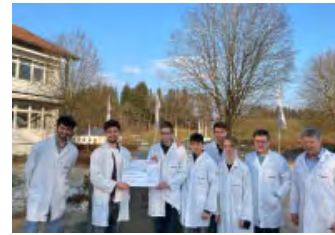


[Advantest's page on the EduTown SDGs website](#)

[Advantest's page on the EduTown Ashitane website](#)

Germany

Our German office donated EUR 500 to high school students for their participation in the CanSat (a mini "satellite" in the size of a soda can) competition. The donation is used to cover the material costs of the satellite. Moreover, Advantest invited the students to join a company tour in Amerang.



China

With the rapid development of semiconductor industry in China, the country is facing the shortages of the IC test engineers. Advantest (China) Co., Ltd. has actively engaged with the universities and institutes globally to develop the talents of semiconductor testing and related industry since 2017.

Training materials for our customers were too difficult and took hours to learn, making them unsuitable for university classes, alongside the IC test systems being too expensive to afford. In order to address these challenges, Advantest decided to leverage our collaboration experience of CloudTesting Service™ to optimize the cost issue, and offered a redesigned course with materials that easily match the university classes.

We also developed an online certification system on the most popular social platform in China from fiscal 2021. Despite the big challenges due to COVID-19 pandemic, we successfully held the courses six times at four universities, providing trainings for 123 learners and granted 89 qualified certificates. This has not only set a good foundation for the future talent pool but also served as a good learning opportunity for those who served as the instructors.



Taking Responsibility for Our Products

We constantly aim for improvement in customer satisfaction in various areas such as design, manufacturing, sales, and service.

Supporting Product Safety and Quality

Initiatives to Secure Product Safety and Quality

Aiming to meet the increasingly high product safety standards seen as important by modern society, we adopted the Advantest Product Safety Charter in May 1995.

To achieve the above, we formulated the "Product Safety Promotion Regulations" and established a company-wide committee as an organization to promote advances in product safety. From May 1995 to the present, this committee has continued to actively take part in product safety improvement initiatives.

In FY2021, we commissioned external specialists to undertake inspections of the safety and durability of 14 major Advantest products.

The results indicated that there was no need for further revision of improvement of Advantest's safety specifications.

It should be noted that, in fiscal 2021 there was one case in which the standards specified in Advantest's Product Safety Promotion Regulations were violated. This case has been rectified by changing the product design in order to comply with the relevant regulations.

Advantest operates a 10 m Radio Anechoic Chamber (EMC Center) that complies with the EMC Act required for the sale of products worldwide.

Europe (CE Marking) and South Korea (KC Marking) in particular have strict EMC laws and regulations.

Even in The United States, Advantest takes measures to comply with American EMC laws and regulations (FCC) due to a risk of litigation caused by noise in the surrounding environment when operating products as well as due to customer requirements.

The EMC Center is run by staff who have acquired the ISO17025 international standards regulating the operation of test facilities, in addition to EMC engineers who have been certified under the International Association for Radio, Telecommunications and Electromagnetics (iNARTE), which allow internationally recognized in-house EMC certified testing.

The facilities of the EMC center also put in place an environment that is capable of testing large industrial machinery that is only available in a few places in Japan thanks to equipment that include a turntable with an 8-meter diameter to equip with products, a 3-phase power supply able to supply a total of 148 KVA power capacity that can withstand 10 t, and equipment that can provide water cooling.

It is necessary to keep an eye on the latest legislative trends for each country of origin particularly for EMC laws and regulations. Advantest collects information about EMC laws and regulations by participating in

the KEC Electronic Industry Development Center (KEC) working group. We also provide EMC regulatory information to the semiconductor manufacturing industry through the Semiconductor Equipment Association of Japan (SEAJ).

Advantest Group Quality Policy

"Customer Satisfaction" is the fundamental basis of all our activity.

- (1) Provide technology, products and services that will satisfy our customers worldwide in a timely manner.
- (2) Promote quality creation, from early in the design process, and overall optimization of the process.
- (3) Compliance to applicable statutes and regulations.
- (4) Properly administer and implement continual improvements of the quality management system.

Quality Management System

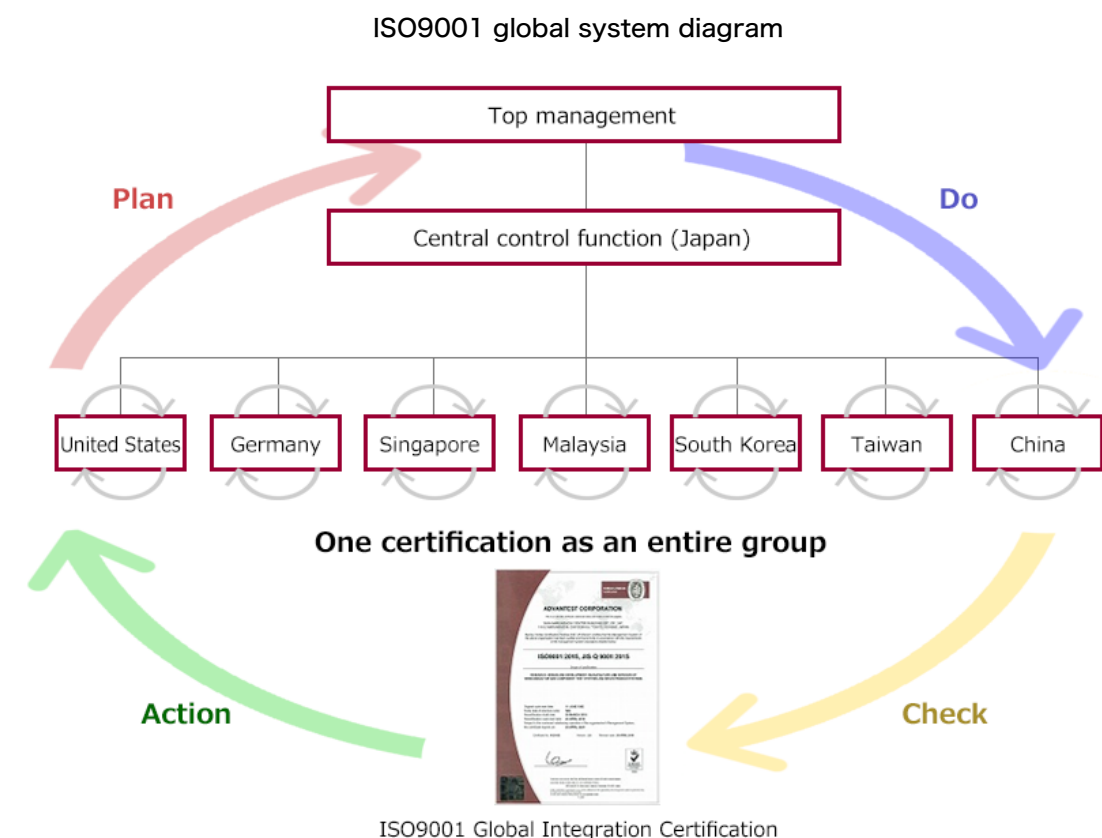
In keeping with our product quality plan where customer satisfaction is the fundamental basis of all our activity, we have designed our quality management system to comply with the international quality assurance standard ISO9001 throughout the Company.

We have established an organization to promote the system within the company-wide framework, led by the Quality Assurance Manager under the supervision of the executive management, which maintains and improves quality systems, with the goal of raising customer satisfaction. We have also constructed our own internal audit framework, and we maintain and improve our systems through regular internal audits.

Furthermore, the entire Group (eight countries and 21 sites) is advancing system integration and has acquired the ISO9001 Global Integration Certification as of April 25, 2018 to strengthen global quality management systems.

The number of product recalls in FY2021 was zero with the help of this quality control system.

In the future, we aim to strengthen and expand quality control while maintaining this framework.



Design Review System Aimed at Improving Quality

Customers constantly require functionality, performance, and quality in Advantest products. In response, our circuitry has become increasingly larger and complex. Meanwhile, we are also responding to demands for shorter development lead times, a challenge we feel is best addressed by instilling quality at the upstream design phase so that we can detect potential issues early on. Accordingly, we introduced a new design review system in 2008 as a framework for achieving these goals.

- Our design review system was amended to ensure that the project leader establishes a design review plan when product development begins, so that reviews are conducted regularly.
- We changed the system so that the relevant staff and the project leader, as well as the quality assurance group, carry out monitoring to prevent follow-up omissions, by enabling the visual identification of issues raised.
- We also adopted the Design Review Meister System, which involves forming groups of in-house experts for each technical area to participate in the related design reviews. This system increases the rate of problem detection in design reviews, encourages the succession of technologies, and facilitates in-house education. Many positive results have been achieved through these activities.

For instance, the rate of defect detection during the design phase has recently improved, leading to a decrease in setbacks and minimizing development delays. The new design review system has resulted in

improvements in design quality and a reduction in development lead times. However, it has also revealed some cases in which problems that should have been detected by the designer ultimately found their way into the design review or the post process.

Advantest regularly collects analysis and feedback on issues that have gone undetected and makes improvements to the review framework as necessary. Moreover, going forward we will implement further improvements to the design process involving thorough checking prior to design reviews to achieve better design quality.

Activities to Improve Component Quality (SQE Activities)

We are committed to the belief that individual components underpin overall product quality, and therefore the quality of each and every component has to be exceptional. Based on this belief, the Advantest Group engages in SQE (Supplier Quality Engineering) initiatives beginning at the component adoption phase, drawing on the support of our supplier network. SQE initiatives are undertaken with the aim of enlisting a team of experts to bring about improvements to component quality. Accordingly, it is critical that we engage in practices to ensure component quality, particularly given that the number of parts used in our products is roughly equivalent to the 200,000 to 3,000,000 parts that make up an aircraft.

Our SQE initiatives involve the following three practices.

- Careful selection of components: When given the choice of multiple components with similar performance specifications, we select the best item through a process involving in-house quality analysis and evaluation.
- Quality improvement through PDCA: We apply PDCA-cycle practices from the component design phase to manufacturing to achieve improvements prior to high-volume production and thereafter.
- Ensuring that tolerances are maintained in component design: We aim for component design benchmarks determined on the basis of tolerances rather than standard specifications.

In this way, by running SQE activities from the product development stage, we can reduce problems with components in the manufacturing process and the risk of component problems reaching the marketplace, which contributes to greatly reducing the risk of losses. The results of this approach can be seen in the smooth running of our end users' processes and in the increased security that our clients enjoy when using our products.

In addition, by decreasing the number of rejected parts, we decrease the need for their exchange and disposal, and thus contribute to reducing the environmental impact.

Availability

Advantest is committed to helping its customers achieve higher levels of productivity by offering them products that guarantee high availability – meaning that they are unlikely to malfunction, and will recover immediately should failure occur. More specifically, availability refers to the ratio of time that a system is operational over a given time, and as such constitutes one of the benchmarks of product integrity. The

Advantest Group delivers high availability by working hard to improve MTBF¹ so that systems will operate without malfunction over longer duration of use, while also reducing MTTR² so that systems will be more readily serviceable when a malfunction does occur.

*1 MTBF: Mean Time Between Failure

*2 MTTR: Mean Time To Repair

Initiatives Aimed at Improving Software Quality

Advantest continues to implement initiatives aimed at improving software quality. Software for test systems, handlers and other such systems shipped by Advantest first goes through a process that involves quality verification by the Quality Assurance Group. The specification sheet, a parallel product of development, is examined by the Quality Assurance Group in real time and feedback is given, which helps to ensure quality at upstream stages of development. The examination is implemented before development is completed, and after it has been confirmed that quality standards have been met, products are shipped.

Advantest promotes the incorporation of Automotive SPICE¹ into the development process in order to ensure the quality of embedded automotive software. In 2021, we obtained Automotive SPICE Level 1 certification for the V93000 system software SmarTest. We are also working to obtain Automotive SPICE Level 2 certification for T2000 system software. These initiatives help to bring about the timely delivery of even better products.

*1 : Stands for "Automotive Software Process Improvement and Capability Determination", which is an automotive industry standard software development process model

Initiative Towards Customer Satisfaction

In recent years, capital investment has been accelerating in semiconductor-related markets, driven by factors such as the advancement and sales of smartphones, progress in automobile electrification, and investments related to data centers. There has also been a marked evolution in semiconductor technology to correspond to digital innovations, primarily including IoT, cutting-edge driver assistance systems, and AI. Advantest places the foremost priority on proactive, speedy provision of products and services to respond to these market changes and the development of competitive next-generation technologies.

Basic Policy for Improving Customer Satisfaction

Customer satisfaction is the most fundamental principle underpinning Advantest's business.

- (1) Provide technology, products and services that will satisfy our customers worldwide in a timely manner.
- (2) Promote quality creation, from early in the design process, and overall optimization of the process.
- (3) Compliance to applicable statutes and regulations.
- (4) Properly administer and implement continual improvements of the quality management system.

By sharing the above product quality policy throughout the Group, we strive to offer products that provide not only superior performance but also superior environmental friendliness and safety. We are committed to keeping our customers satisfied at every stage, from design and manufacturing to sales and service, by providing an ever higher level of guaranteed quality, top-notch service, and support on a global scale.

Sales and Marketing Practices to Ensure Higher Customer Satisfaction

Advantest prioritizes the important challenge of proactively providing products and services quickly in order to respond to market fluctuations and technological evolution. As one measure responding to this issue, we integrated our business units' marketing into our sales headquarters in December 2016 before integrating system solutions in June 2017. By integrating sales with marketing, more efficient product development and delivery to customers has become possible due to accurate, timely understanding of market and customer needs, which are collected directly by the sales units for sharing with the marketing units. These are in turn then provided as feedback to business divisions. Integration of system solutions has also led to more robust technical support for customers.

The sales and marketing units within the sales headquarters were integrated in March 2020.

We aim to further improve customer satisfaction by taking measures in accordance with these changes.

Sales and Marketing Activities to Improve Customer Satisfaction

Not only do we provide test solutions, but also demonstrate leadership within the industry by organizing events to share the latest technology and product information with our customers, and continuously communicate information related to technology and markets so as to stay committed in supporting

our customers' technical innovations. However, due to the COVID-19 pandemic, we were forced to hold our conventional face-to-face exhibitions and customer events online. While taking vigilant measures to prevent the spread of infection under these circumstances, we held the VOICE 2022 Advantest Developer Conference, a long-awaited face-to-face event, in Scottsdale, Arizona, in May 2022. VOICE is run by a committee made up of Advantest and voluntary customers, serving as an international community where users and strategic partners related to our product portfolio (V93000, T2000 SoC test platform, memory tester, handler, test cell solution, etc.) gather and grow together. The conference is also a place for participants to deepen their insights and build lasting relationships by discussing the efficiency and productivity of semiconductor testing and learning about the latest technology trends and applications. We will continue to keep pace with the "new normal" while globally expanding our activities to enhance communications based on our customer support improvement initiative.

Promoting Customer Support

The Advantest Group has established its basic policy for customer support with the aim of realizing the globally-oriented restructuring of the Group's service businesses.

Our basic policy is outlined as follows.

Basic policy for customer support

- We will propose total solutions in the form of support packages designed to deliver maximum efficiency to our customers in their device measurement operations.
- We will propose unified service support matching the customer's business model from development to the mass production environment.
- We will respond to customer demands by proposing service support packages that encompass total solutions.
- We will always take the customer's point of view and draw on our global organization in offering solutions.
- Our premium services and customer support will not only be efficient, but will also take the environment and safety into consideration.
- We will offer high-value-added professional services.
- We will strive to maintain our zero-accident record by thoroughly observing safety standards in field service provision and elsewhere.

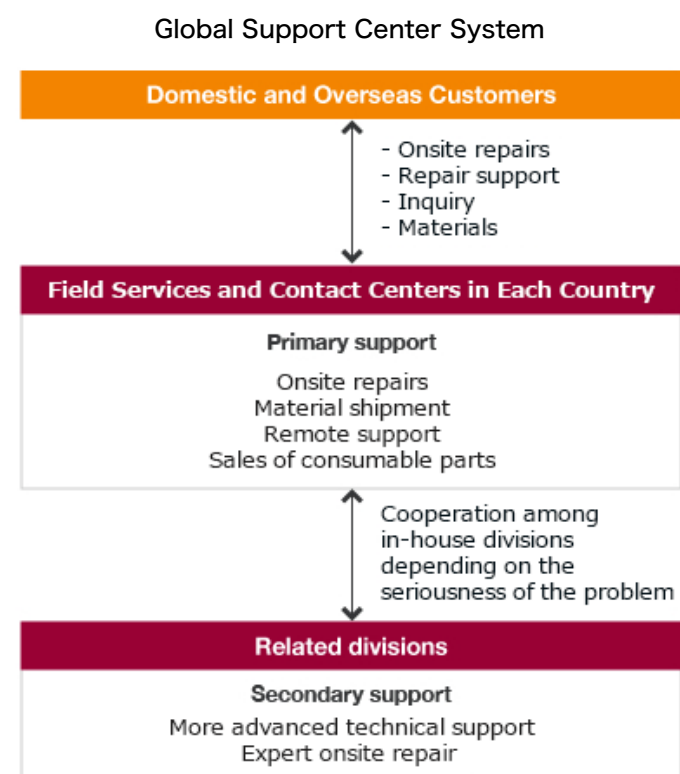
Better Customer Support with a Global Focus

Advantest is building a global support framework capable of responding effectively to service support requests and other inquiries from customers. While responding to everyday service support requests through contact centers in each country, as well as by telephone and e-mail, we are also implementing primary support consisting of technical service and onsite repairs by field engineers.

We place expert support teams in product development bases to carry out secondary support, allowing us to respond appropriately based on the content and difficulty of service requests.

We have developed a global supply-chain network covering customer operations ranging from their development bases to mass production facilities. Moreover, we also operate a supply-chain control mechanism through which replacement equipment and parts at service centers in each country are monitored to determine inventory needs at respective locations worldwide.

We continue to run an engineer exchange program between overseas subsidiaries and our secondary support division, which helps engineers improve their professional skills and raises the quality of our support. This two- to three-year program aims to sharpen engineers' technical skills, develop cross-cultural competencies, and raise foreign language and communication proficiencies. In the mass production facilities of customers, we offer on-request expert consulting and solutions regarding productivity issues. We also offer device measurement training to our customers, and provide professional advice in that regard.



Strengthening the Recycling and Remarketing Businesses

Advantest Finance Inc. (AFI) changed its name to Advantest Pre-Owned Solutions Co., Ltd. (APO) in January 2022. Therewith, the company marked its transition from its leasing/rental business and sale of pre-owned (used) Advantest equipment to one which focuses on business including after-sale services as a part of the Field Service BU (FS BU). This has enabled us not only to respond to long delivery times for new products but also to propose and provide purchase/resale services as a complete solution. Despite recycling being a

domestic Japan-only solution, we will continue to consider its global applications and expand our activities.

Advantest will contribute to our customer's test capacity management together with FS BU. One stop shopping, quick upgrade and End-to-End test cell integration expert support will be provided for all Advantest products.

*Remarketing business: Business that puts second-hand goods back on the market ("remarket")

[Product Recycling](#)

Advantest Named THE BEST Supplier of Chip Making Equipment and #1 ATE Supplier for 3rd Consecutive Year by TechInsights (formerly VLSIresearch)

Advantest aims to grasp customer needs accurately and strives to provide customers with high-performance, high-quality total test solutions in a timely manner.



We make efforts to gain a better understanding of our customers' needs through information that we acquire from our daily business activities, and also through yearly participation in the customer satisfaction survey conducted by TechInsights, a company renowned for its semiconductor market research.

In the 2022 Customer Satisfaction Survey, Advantest captured the No.1 spot of global semiconductor companies for the third consecutive year. The company has also been named on the 10 BEST Suppliers list of large suppliers of test equipment for the 34th consecutive year. Advantest also achieved superior customer ratings for Recommended Supplier, Trust in Supplier, Technical Leadership, Partnering, and Field Engineering Support and was once again the only ATE supplier to receive a TechInsights Five-Star designation.

<Some reviews from our customers>

- [Advantest Collaborates with Synopsys to Deliver Real-Time Data Analytics for Semiconductor Test](#)
- [Advantest Introduces Industry's First Flexible DUT Interface Enabling Increased Parallelism on V93000 EXA Scale Test Systems](#)
- [Advantest Rolls Out ACS Adaptive Probe Cleaning to Optimize Probe Card Cleaning Efficiency](#)
- [Advantest's TAS7500 Terahertz Spectroscopic Imaging System Wins Laser Industry Award for Excellent Product](#)

Innovation Initiatives

Advantest will further contribute to the semiconductor industry by enriching, expanding, and integrating our test and measurement solutions throughout the entire semiconductor value chain, as well as cultivate new businesses outside the semiconductor value chain. Providing value to society through measurement technology is Advantest's strengths, which we promise to continue refining.

At the Advantest Group, all products undergo a product environment assessment to ensure that all products that we develop are green products. In terms of the promotion of CO₂ reduction, we have set reduction targets in the ESG Action Plan 2021-2023 to achieve a better balance between the pursuit of technology and the realization of a sustainable society.

[Materialities and the ESG Action Plan](#)

ACS Nexus enables real-time test data analysis for highly efficient semiconductor manufacturing processes

Advantest has been promoting Advantest Cloud Solutions (ACS), which integrates data generated through customers' semiconductor manufacturing processes with semiconductor testing data, which is then analyzed to generate new value.

The newly developed ACS Nexus solution enables real-time data streaming for the analytics solutions of customers and third parties. The strategic collaboration between Synopsys, Inc., a world leader in electronic design automation (EDA) software for semiconductor design, and Advantest delivers real-time data analytics in Synopsys' SiliconDash with Advantest's new ACS Nexus.

Expanding the existing data logging capabilities will dramatically escalate the analytics capabilities of test results.

Advantest is committed to contributing to the sustainable development of society by improving the quality and reliability of semiconductors, which act as the infrastructures of a rapidly developing digital society, with its corporate mission of "Enabling Leading-Edge Technologies".

The ACS Nexus delivers a solution that quickly achieves the desired quality with the highest attainable yield. We will strive to help realize a decarbonized society and contribute to the development of a digital society through highly efficient semiconductor manufacturing processes.

[New Solution for Dynamic Parametric Test is First Integrated Product from Advantest and PDF Solutions Partnership](#)

High-speed detection of CMOS image sensor defects contributes to significant improvement in production efficiency

Advantest has developed the fourth generation of its high-speed image-processing engine, "IP Engine 4" (Image Processing Engine 4), to be integrated on the T2000 image sensor solution (ISS) platform to test CMOS image sensors (CIS) used in smart phones and automobiles cameras. The new T2000 IP Engine 4's high-speed detection of defects in the data output from today's most advanced, latest high-resolution CIS significantly improves the production efficiency of our customers' semiconductor test processes and contributes to expand the applications of CIS.



IP Engine 4

While the number of cameras in smart phones is increasing, so is the pixel count per camera. Currently available CIS devices within today's most advanced smart phones incorporate more than 100 million pixels to achieve high resolution. In addition, in order to enhance safety performance, many automobiles have adopted a large number of CIS devices, which serve as the eyes of the automobile that detects and helps avoiding hazardous situations.

The new T2000 IP Engine 4 handles huge volumes of imaging data while also reducing test times and the cost of test. Used along with Advantest's 4.8GICAP image capture module, the new tester can perform high-volume, at-speed testing of the most advanced mobile CIS devices.

Image-processing accelerators will also enable fast testing of high-resolution CIS with more than 200 million pixels, optimizing testing environment that cuts down both testing times and costs.

We aim to provide customers with highly efficient test solutions using IP Engine 4, contribute to the expansion of automotive applications for CIS, and to realizing a safe, secure, and comfortable society through semiconductor testing.

[Advantest Introduces Latest Image-Processing Engine for Testing CIS Devices Used in High-Resolution Smart Phones](#)

Leveraging new test methods with the Link Scale™

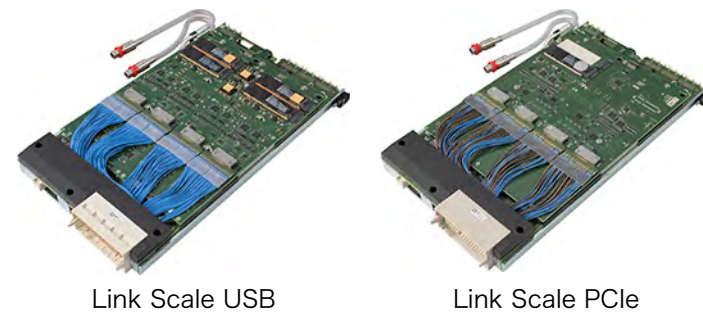
Many of today's complex high-performance computing (HPC) devices, graphics processors, and AI accelerators incorporate high-speed digital interfaces such as USB or PCIe.

The newly launched Link Scale™ family of digital channel cards for the V93000 platform, use these interfaces for very fast transfer of functional and scan test content, increasing test coverage and throughput simultaneously.

The high throughput of this approach keeps the test time under control, while the additional functional coverage helps to meet the stringent quality requirements of complex devices manufactured in the latest process nodes.

Pre-silicon functional tests can now be re-used, leveraging the Portable Test and Stimulus Standard (PSS), which is supported by major electronic design automation (EDA) tools and significantly increases test quality and shortens time to market.

Also, the new cards provide a customizable environment for host software to run on, which facilitates the exchange of test data among different environments, such as wafer sort, final test, and system-level test.



Link Scale USB

Link Scale PCIe

Link Scale™ offers complex high-end devices requiring large-scale testing designed to achieve an even more comfortable society and lifestyle.

[Advantest Launches New Channel Cards, Adding Software-Based Functional Test and HSIO SCAN Test to the V93000 Platform](#)

Achieving fully automated test cells based on Industry 4.0

Advantest has achieved automation of post-processing testing in collaboration with our clients. Through optimized operations that require less labor, we have improved the working rate of test cells, which in turn improves the energy efficiency per test and contributes toward reducing GHG emissions.

This system is comprised of two types of hardware, the Advantest SoC test system "T2000" and the "M4841" handler alongside software (created by our clients) that controls the hardware. Software-controlled, autonomous robots travel between device storage areas and handlers with trays. The software implements real-time communication with an Industry 4.0 tracking system, which manages the operation status of work in progress and equipment while monitoring and controlling the testers and handlers. Combining these test cells and software achieves a fully automated testing process, improving yields with machine learning and monitoring as well as boosting the efficiency of the overall process while reducing cost-of-ownership.

Advantest will continue to contribute to developing technologies that are useful to society towards our vision of "Adding Customer Value in an Evolving Semiconductor Value Chain."

Taking on a challenge in the life science field with nanoSCOUTER™

As part of our efforts toward the future, Advantest has been promoting development in fields that transcend semiconductors and telecommunications, using the nano-level semiconductor processing technologies, electron beam lithography technologies, three-dimensional length measurement technologies using the Scanning Electron Microscope,



nanoSCOUTER™

and precision electronic measurement technologies we have cultivated thus far.

The nanoSCOUTER™ utilizes a precise nanopore (nanometer-scale pore) sensor module made with semiconductor manufacturing processes and Advantest's ultra-minute current measurement technology, which we have honed since our establishment, as a particulate measuring device that swiftly and accurately measures the quantity and particle sizes of 100 nanometer particles such as viruses, exosomes, and liposomes. This degree of accuracy has been confirmed to be able to identify the COVID-19 virus quickly with high precision. These technologies are expected to be applied to the environment and industrial fields, as well as in the inspection of various microparticles related to living organisms, including new viruses.

[Results of Research on Identification of Covid-19 viruses Utilizing Advantest's nanoSCOUTER™ Fine Particle Measurement Instrument Published in Nature Communications](#)

Contribution to the development of society through the application of terahertz wave analysis technology

Terahertz waves generally refer to electromagnetic waves in the frequency range of 100 GHz to 10 THz (10,000 GHz). In this frequency range, we may observe characteristic interactions between electromagnetic waves and matter. It is expected that further applications for terahertz technology will be found in various fields such as non-destructive inspection, as it penetrates opaque resins, ceramics, and cloth. Additionally, the use of frequencies above 100 GHz is planned in the next generation of wireless communications Beyond 5G. In recent years, this frequency is also used in radio telescopes at astronomical observatories.



Left) TAS7500IM
Right) TAS7500SP

Advantest has been engaged in the research and development of terahertz wave analysis technology and the commercialization of applicable equipment. We have already commercialized the spectroscopic system TAS7500/7400 series that allows highly accurate, high-speed measurement of terahertz waves using our unique sampling method, which are used by research institutes such as universities and astronomical observatories in Japan and overseas. We also provide products with high frequency resolution suitable to evaluate the transmission characteristics and complex permittivity of various materials for next-generation wireless communications.

The TS9001 TDR system, which utilizes an ultra-short pulse signal processing technology, offers a non-destructive and highly accurate analysis of failures in cutting-edge semiconductor devices mounted in three dimensions, and it is supporting the advancement of semiconductors.

The utilization of terahertz waves will expand in various fields including wireless communication, semiconductors, ADAS (advanced driver assistance systems), non-destructive inspection of structures, pharmaceuticals, and medical care. Advantest will continue to contribute to the development of society through terahertz wave analysis technology.

- [Advantest Announces TAS7400TS High Frequency Resolution Option New Measurement Solution Enables Materials Characterization for Beyond 5G](#)
- [Advantest's New TS9001 Time Domain Reflectometry \(TDR\) System Employs Terahertz Technology to Provide High Resolution Analysis of Circuit Faults](#)
- [Advantest's TAS7500 Terahertz Spectroscopic Imaging System Wins Laser Industry Award for Excellent Product](#)

Intellectual Property Protection

The guiding principles underlying Advantest's intellectual property management emphasize compliance with intellectual property right laws and regulations and the need to respect the intellectual property rights of third parties.

Basic Stance Toward Intellectual Property

The basic principles of Advantest's intellectual property management are compliance with intellectual property laws and regulations and respect for the intellectual property of third parties.

Organization of Intellectual Property Management

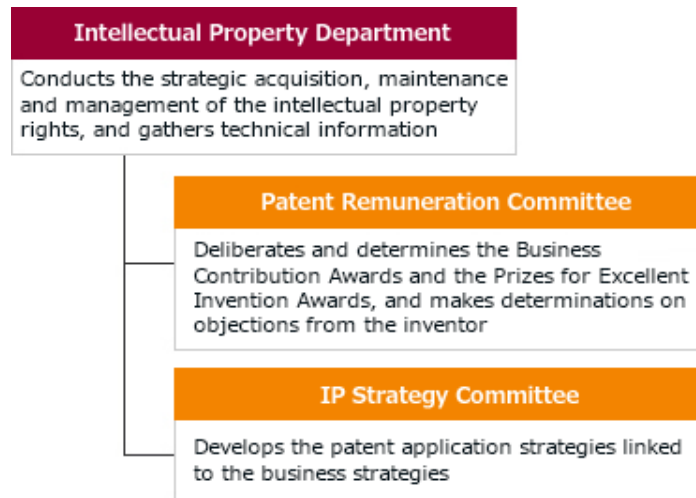
Advantest establish the intellectual property management systems seen below and we manage appropriately the intellectual property with cooperation of business units, Advantest laboratories and corporate planning department (cooperating organizations, universities, etc.) in Japan, Germany and the U.S., our major development bases.

The Intellectual Property Department conducts monthly online meetings with intellectual property managers in Germany, the U.S., Singapore and China, joining forces with the IP Strategic Committee in each area to promote intellectual property activities in accordance with business unit, research and management plans.

The Patent Remuneration Committee consists of members in Japan, Germany and the U.S., and the members meet together to determine the Business Contribution Awards and the Prizes for Excellent Invention Awards every year.

The IP Strategic Committee is selected from among the various business unit, laboratories and corporate planning department in Japan, Germany and the U.S., and develops the patent application strategies linked to the business strategies.

Organization of intellectual property management



Providing Information to the Management and the Business Units

The strength of Advantest is our state-of-the-art technological capabilities. Therefore, we believe protecting our intellectual property as the source of our competitiveness vital to persist as an enterprise. In recent years, Advantest has been working to protect and manage our intellectual property, as well as to leverage our and other companies' intellectual properties. For instance, Advantest promotes an IP landscape and provides information on intellectual property to the management and each business unit.

Intellectual Property Education

At Advantest, in order to improve awareness of intellectual property among all employees, we review the content and conduct training for new technical employees and e-learning for all Group employees every year.

In addition, since fiscal 2021, we have held intellectual property creation education for children.

Please refer to "Community Activities" for details.

Disputes and Litigation Relating to Intellectual Property

As of March 31, 2022 there were no such disputes.

Supply Chain Management

Cooperative relations with our business partners are the foundation of all our businesses. We value communication with our business partners, and maintain fair business dealings with them based on related laws and regulations.

In-house Initiatives for Supply Chain Management

Advantest upholds collaboration and cooperation with our suppliers in our ESG Initiatives Basic Policy. We place value on open communication with our business partners, which will ultimately lead to building trusting relationships and mutual development.

In order to maintain fair business relationships in accordance with relevant laws and regulations, we have established a Basic Procurement Policy, to which we have shared and sought cooperation from our suppliers. We have also prescribed the Supply Chain CSR Promotion Guidebook and Green Procurement Guidelines, and endeavor to build a supply chain with the need to respect human rights, occupational safety, and environmental considerations.

[Advantest Procurement Policy](#)

Supply Chain Management System

Advantest's Supply Chain Division and the Global SCM Center are responsible for formulating and implementing procurement, outsourcing, logistics strategies, and other additional services. Moreover, we procure parts, which have been certified by each global base, in a timely and appropriate manner based on globally standardized evaluation criteria for parts selection.

ESG Action Plan 2021-2023

Based on the Mid-Term Management Plan (MTP2), Advantest has established an ESG Initiatives Basic Policy, upon which the ESG Action Plan 2021-2023 has been set up in accordance with this policy. In the supply chain, we are working together with our business partners in order to promote CSR procurement, with the goal of realizing a sustainable society by promoting activities for climate change, respecting human rights, occupational safety, fair trade, and observing compliance.

[Our Activities in FY2021](#)

Education for Implementing Fair Trade

In FY2021, Advantest offered education on the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors for all employees of group companies in Japan, along with company-wide compliance education. As a result, we saw an upliftment of the levels of consciousness among all employees in Japan, irrespective of the department they belong to.

Going forward, we will continue to maintain fair trade through ongoing employee education and individual support.

Efforts to Address Our Supply Chain

Supply Chain CSR Questionnaire

Based on our ESG Action Plan 2021-2023, we conducted a CSR Questionnaire for business partners who account for 85% of the transaction value of all Advantest Group companies (Supply chain due diligence). The contents of the FY2021 questionnaire mainly referred to the "Supply Chain CSR Promotion Guidebook" in line with international norm and initiatives such as the RBA Code of Conduct along with reports on the introduction of renewable energy and limitation of greenhouse gas emissions with the goal of mitigating climate change. We also launched an initiative to share information with our business partners and offer exclusive support so that the entire supply chain could address social issues. We aim to enhance supplier engagement not only by providing materials summarizing the results of the questionnaire for each business partner, but also by supplying feedback on points that were highly evaluated as well as requests for improvement.

The 2021 questionnaire was conducted in March 2022, to which we were able to obtain responses from all of the companies that received the questionnaire. Among them were mentions of the difficulty of reporting greenhouse gas emissions, while others responded that their measures to mitigate climate change remained undecided. We plan to coordinate with our business partners with active communication for mutual recognition and understanding of these issues. In Japan, we also evaluate the QCD* of our business partners every quarter aimed to ensure the stable supply of products while maintaining and improving quality.

* RBA Code of Conduct: A code of conduct pertaining to social responsibility advocated by the Responsible Business Alliance.

* QCD: An acronym of Quality, Cost, and Delivery.

Establishment of a Contact/Reporting Window

We ask for reports to be made through the [contact window](#) on our webpage if there is any action by an Advantest employee, etc. that violates the code of conduct, business contracts, or laws and regulations, or any other action deemed to be suspicious. There were no complaints filed (no cases) in FY2021.

Note that Advantest will not subject the whistleblower, nor the whistleblower's company, to any disadvantage. If an investigation finds any issues, the relevant action shall be stopped and measures shall be taken to prevent recurrence.

Announcement of the Declaration of Partnership Building

Advantest and Advanfacilities Co., Ltd. have agreed to and endorsed the Declaration of Partnership Building and announced our framework on Declaration of Partnership Building* in the fall of 2021.

The Declaration of Partnership Building declares, in the name of the representative of the company, that it will build new partnerships by promoting further collaboration and prosperous coexistence with business partners in the supply chain and encourage businesses that create value. The following are few examples of matters to observe for the promotion of partnership building.

- Leveraging information technology to promote operational efficiency throughout the supply chain
- Working together with suppliers and vendors to improve quality and productivity, aiming for mutual development
- Working together towards the realization of a decarbonized society throughout the entire supply chain, including Advantest.

* The Declaration of Partnership Building was founded by the Council on Promoting Partnership Building for Cultivating the Future, which consists of representatives from business circles and labor organizations including the Chairman of Keidanren, the Chairman of the Japan Chamber of Commerce and Industry, and the Chairman of the Japanese Electrical Electronic & Information Union as well as related ministers (Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism).

Case for the Declaration of Partnership Building

In November 2021, Meisei Corporation, a partner company of Advantest, consulted Advantest about their business continuity plans and SDGs initiatives. We shared our initiatives and opinions regarding the global trends, with a particular emphasis on the promotion of initiatives that match the company's collective goal. After thorough discussion within Meisei Corporation, which stimulated their willingness to engage in contributions for the world, they drew out the following initiatives.

- Participate in the CoCoLo Project* to promote decarbonization and contribute to society by introducing solar power generation on factory roofs
- Disclose SDGs Declaration
- Promote female leader development education to for better tapping the high ratio of women

* CoCoLo Project: A project initiated by the West Group, which converts the environmental value created by companies into credits through the J-credit system* and utilizing them for various donation activities as efforts to promote the reduction of CO₂ emissions and regional revitalization.

* J-credit system: A system in which the government certifies the amount of CO₂ emissions reduced through the introduction of energy-saving equipment and the use of renewable energy, and the amount of CO₂ absorbed through appropriate forest management as credits.

Efforts for Procurement

Measures against procurement risks

In addition to the stagnation and confusion of logistics due to Russia's invasion of Ukraine and the prolonged lockdown in China, climate change and natural disasters are causing supply chain disruptions that has never been experienced before. On top of the ongoing visualization of the factory (visualization of processes and information from parts procurement to production and shipping), we have established a system to predict requirements in real time to enable prompt and appropriate response. Furthermore, at our global bases, executives are spearheading partnership agreements with our suppliers, exchanging information at the top level, and boosting cooperation with EMS.

Advantest promotes purchasing from multiple procurement sources as a general rule as a contingency for the procurement of components from the perspective of BCP.

We created a BCP map of our suppliers and manufacturing bases to speed up information collection and countermeasure examination in case of a disaster.

Response to Conflict Minerals

Although Advantest is not subject to Section 1502 of the US Dodd-Frank Wall Street Reform & Consumer Protection Act (Conflict Minerals Clause), we are voluntarily addressing the issue of conflict minerals. Since 2013, Advantest has been implementing an annual survey of our business partners using the Conflict Minerals Reporting Template (CMRT) tool developed by the Responsible Minerals Initiative (RMI). In FY2021, we conducted a survey of our business partners and verified the smelters/refiners listed on the CMRT with the information disclosed by the RMI. The results are as follows.

Survey (CMRT) collection rate	69%
• Total number of refineries/smelters	375
• Number of conformant certified refiners/smelters	238
• Number of refineries/smelters without conformant certification (including pending refineries/smelters)	137

In total, the ratio of conformant smelters was 63.4%.

The survey form collection rate fell below expectation, and we were unable to fully identify the elimination of substances (parts) provided by the Red List (nonconforming) smelters. We will continue to seek cooperation from our business partners who we are yet to confirm.

In FY2022, we will enhance our system so as to aim for 100% of our suppliers who are conflict-mineral-free.

* RMI: [Responsible Minerals Initiative](#)

Governance

Corporate Governance	84
Management Structure	84
Executive Compensation System	88
Internal Control System	89
Risk Management	90
Risk Management System	90
TCFD-based Climate Change-related Information Disclosure.....	91
Business Continuity Initiatives	93
Compliance	95
Initiatives to Promote Ethical Business Practices	95
Export Control	97
Tax Compliance	98
Information Security	99

Corporate Governance

We aim to achieve a sustainable level of business development and enhancement of our corporate value through transparency of management and proactive disclosure of relevant information.

Management Structure

Our Basic Policy of Corporate Governance

Advantest's corporate mission is "Enabling Leading-Edge Technologies." Advantest constantly strives to improve so that we can offer products and services that will satisfy customers around the world, and contribute to the future of society through the development of the most advanced technologies.

In accordance with the corporate mission described in the preceding paragraph, Advantest emphasizes open, honest and respectful dialogue with all stakeholders at all times, to achieve a sustainable level of business development for the Advantest Group and to enhance corporate value over the medium/long-term. To that end, the Advantest Group will establish a fair and efficient and transparent governance system. Above is a basic view on the Advantest Group's corporate governance.

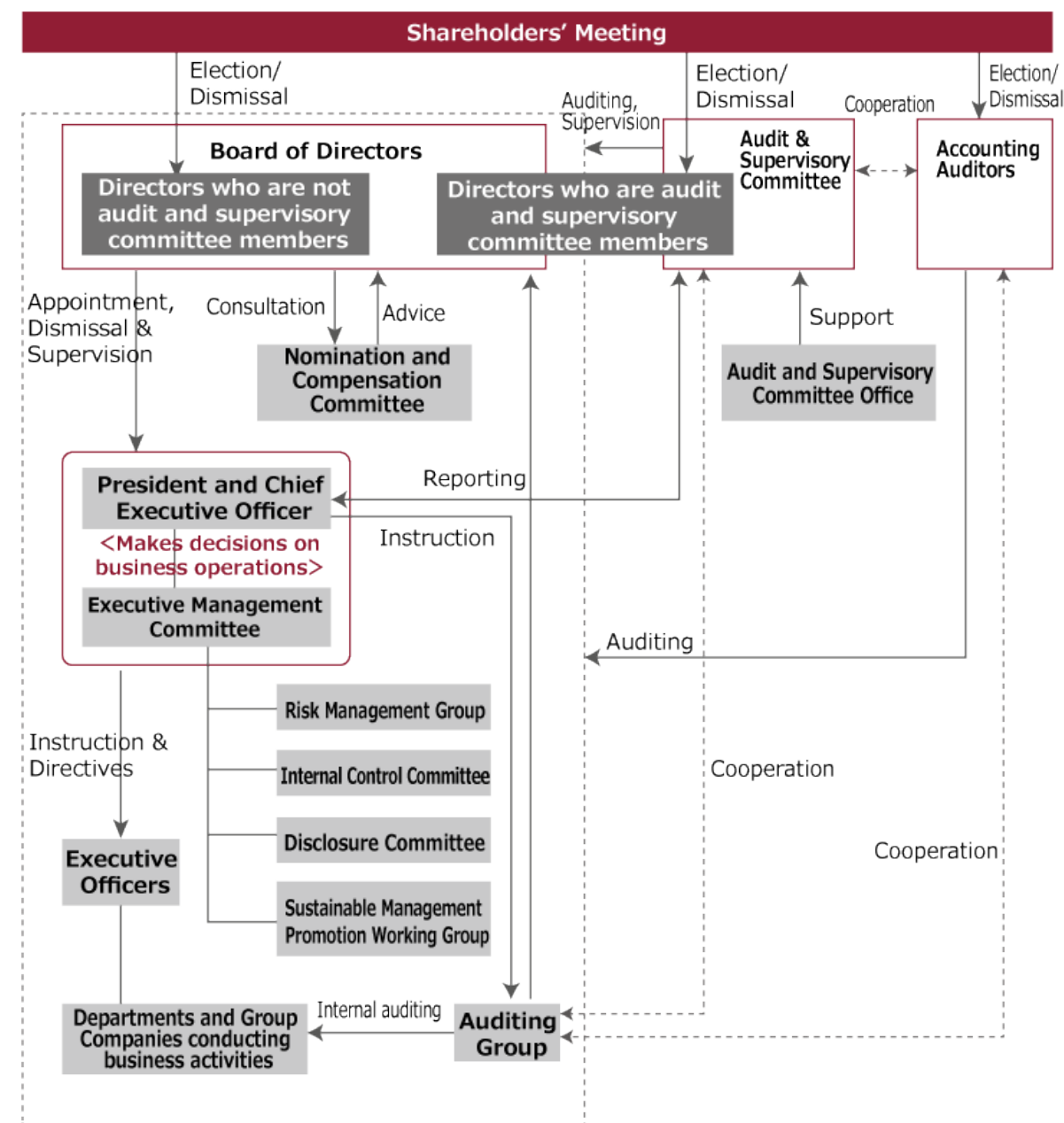
 [Advantest Corporate Governance Policy \(PDF 183KB\)](#)

Corporate Governance System

The global business environment is changing more rapidly than ever before, due to factors such as technological advancement and impact of the new coronavirus (COVID-19). To continuously increase our corporate value and competitiveness in today's world, we emphasize swift decision-making and execution. We also place an emphasis on sound, highly transparent business operations in compliance with relevant laws and regulations. In order to meet these challenges, we draw clear lines of authority within our organization and set responsibilities in accordance with each management function, assigning each role to the best person for the job.

We have become a company with an Audit and Supervisory Committee since June 2015. Advantest further strengthened its corporate governance and Board of Directors' audit function as a company with an Audit and Supervisory Committee, where the committee members use their voting rights in Board of Directors Meetings with the aim of further increasing our corporate value. Furthermore, we have established a structure that can quickly respond to the rapidly changing business environment, and in order to strengthen our corporate governance, we introduced an Executive Officer system in 2003.

Corporate governance structure



List of Governance Systems (As of June 24, 2022)	
Structure	Company with an Audit and Supervisory Committee
Number of Directors	11 (male:10 / female:1)
Number of Outside Directors	5 (45.5%)
Number of Non-Japanese Directors	2 (18.2%)
Term of Office for Directors who are Not Audit and Supervisory Committee members	1 year
Number of Directors who are Audit and Supervisory Committee members	3
Number of Outside Directors	2
Term of Office for Directors who are Audit and Supervisory Committee members	2 years
Nomination and Compensation Committee	In place
Nomination and Compensation Committee Members	3 Directors (Two of which are outside Directors)
Nomination and Compensation Committee Chair	Outside Director
Performance-linked Remuneration System	In place
Executive Officer System	In place
Executive Officers	24
Non-Japanese Executive Officers	11

Please see the information below for the Corporate Governance Report.

 [Corporate Governance Report \(PDF 749KB\)](#)

Board of Directors

The Board of Directors of Advantest, as the management decision making body, shall make decisions on significant matters with respect to the management policies and management strategies for Advantest Group, and in its capacity to supervise management, the Board of Directors shall monitor and supervise the status of exercise of duties by Executive Officers. Advantest strengthens the oversight and supervision functions of the Board of Directors so as to appoint multiple outside directors as members of the Board of Directors.

The Board of Directors met 13 times in FY2021. All members were present at every Board of Directors

meeting.

At the Board of Directors meetings, directors with a wealth of knowledge and experience expressed their opinions from each point of view on the agenda proposed by the management team, and active discussions took place. The Board of Directors meeting takes place once a month, and about 3 to 5 hours is spent per meeting to consider budgets, financial statements, personnel, and acquisition or sales of businesses, etc. As of June 24, 2022, the Board of Directors is composed of five executive directors (inside directors), one non-executive director (inside director), and five non-executive directors (outside directors) for a total of 11 members (including Directors who are Audit and Supervisory Committee members), of which two directors have non-Japanese nationalities, and one female director. In order to maintain seamless communication despite the diversification of Directors, Advantest has arranged for simultaneous interpretation at the Board of Directors meetings so that Board members can speak freely in both Japanese and English. Materials and minutes are also translated into English.

At a Board of Directors' meeting, all directors answered a questionnaire to evaluate the effectiveness of their roles and obligations. Their opinions on the structure of the Board of Directors, operation, and discussion status were collected and analyzed.

(Result of FY2020 and action in FY2021)







Regarding board effectiveness in FY2020, Advantest considered the following two items: deepening discussions on ESG in the board of directors and considering the ideal composition of the Board of Directors.

- Regarding ESG, Advantest formulated our ESG Basic Policy in June 2021, and based on this policy, the Board of Directors received a progress report in November.
- Regarding the composition of the Board of Directors, we discussed including an institutional design at the Nomination and Compensation Committee and at off-site meetings of the Directors. We have not reached a conclusion, but we will continue to discuss this matter.

(Result of FY2021)

Regarding the effectiveness of the Board of Directors in FY2021, it was confirmed that the Board of Directors exchanged opinions freely. In addition, in order to enhance the effectiveness of the Board of Directors, it was decided that it is important to report with greater awareness of the external environment and revise the questionnaire used for the board evaluation accordingly, to focus more on discussion time than on reporting time, and to spend more time on discussion.

Skill Matrix

	Independence (Outside)	Management	Finance/Accounting	Insight of semiconductor industry	R&D	Global operations	Legal affairs
							
Yoshiaki Yoshida Representative Director, CEO (Chief Executive Officer), Chairman of the Board of Directors, Nomination and Compensation Committee Member		●		●		●	
Osamu Karatsu Outside Director	●			●	●	●	
Toshimitsu Urabe Outside Director Nomination and Compensation Committee (Chairman)	●	●				●	
Nicholas Benes Outside Director	●	●				●	●
Soichi Tsukakoshi Director, Senior Executive Officer, CPO (Chief Production Officer)				●		●	
Atsushi Fujita Director, Senior Executive Officer, CFO & CCO (Chief Financial Officer & Chief Compliance Officer)			●	●		●	
Koichi Tsukui Director, Senior Executive Officer, CTO (Chief Technology Officer)				●	●	●	
Douglas Lefever Director, Senior Executive Officer, CSO (Chief Strategy Officer)				●	●	●	
Yuichi Kurita Director Standing Audit and Supervisory Committee (Executive Member)			●	●		●	
Kouichi Nanba Outside Director Audit and Supervisory Committee (Chairman)	●						●
Sayaka Sumida Outside Director Audit and Supervisory Committee Member, Nomination and Compensation Committee Member	●		●			●	

Reasons of Appointment of Outside Directors

Name	Reasons for Appointment
Osamu Karatsu	Mr. Osamu Karatsu has a wealth of knowledge and experience as a semiconductor specialist. He is expected to reflect his knowledge of the industry and his broad perspectives in Advantest Group's global management, thereby contributing to the sustainable enhancement of corporate value and invigorating the activities of the Board of Directors. Thus, Advantest believes that he is a suitable person as an outside director.
Toshimitsu Urabe	Mr. Toshimitsu Urabe has extensive management experience at a leading Japanese general trading company, particularly overseas experience in the United States and Asia, experience in business investment decisions, etc., and extensive experience in administrative management for example in human resources. He is expected to reflect his knowledge of investment decisions and administrative management such as human resources, in Advantest Group's global management, thereby contributing to the sustainable enhancement of corporate value and invigorating the activities of the Board of Directors. Thus, Advantest believes that he is a suitable person as an outside director.
Nicholas Benes	Mr. Nicholas Benes has extensive knowledge and experience about corporate governance matters, and experience in investment banking including M&A transactions. He is expected to reflect his knowledge of corporate governance and the shareholder-oriented perspective in Advantest Group's global management, thereby contributing to the sustainable enhancement of corporate value and invigorating the activities of the Board of Directors. Thus, Advantest believes that he is a suitable person as an outside director.
Kouichi Nanba	Mr. Kouichi Nanba has not been directly involved in the management of a company in the past, but he has a wealth of experience and a high level of expertise in law and compliance, after serving as a judge mainly in charge of civil cases for many years, and as engaging in the practice of corporate legal affairs as a lawyer. He is expected to reflect his knowledge of laws and compliance in Advantest Group's audit and supervision, thereby contributing to the enhancement of compliance. Thus, Advantest believes that he is a suitable person as an outside director who is an audit and supervisory committee member.
Sayaka Sumida	Ms. Sayaka Sumida has not been directly involved in the management of a company in the past, but she has a wealth of knowledge and experience in finance and accounting gained through her engagement for many years in accounting/auditing services and internal control-related services as a certified public accountant at an accounting firm. She is expected to reflect her knowledge of finance and accounting in Advantest Group's audit and supervision, thereby contributing to the enhancement of corporate accounting and internal controls. Thus, Advantest believes that she is a suitable person as an outside director who is an audit and supervisory committee member.

[Directors and Executive Officers](#)

Director Off-site Meetings

Advantest held off-site meetings to provide information and exchange opinions so that the Board of Directors can effectively discuss important issues such as the mid-term management plan, succession plan, and M&A. In FY2021, all Directors discussed a favorable composition of the Board of Directors and succession planning over two days.

Director Training

In FY2021, Advantest conducted training for directors as follows.

- We provided a tour of Advantest Laboratories for directors and explained the research activities of the Laboratories.
- We reported on technology trends and sales strategies at meetings of outside directors.
- We provided information security education for directors via e-learning.

All Executive Directors have taken an external training program on governance. It is because governance skill is important, we are expanding scope of the training to Executive Officers who are not directors. In FY2021, all newly appointed Executive Officers have taken the training.

Audit and Supervisory Committee

In compliance with the Rules for Audit established by the Audit and Supervisory Committee, pursuant to the audit policies, audit plans, allocation of duties, etc., and in coordination with the internal audit division and other relevant departments with jurisdiction over internal control, the audit and supervisory committee members attended important meetings such as Executive Management Committee, Business Plan Meeting, Internal Control Committee, Disclosure Committee, Compliance Committee, received reports from Directors, Executive Officers, and employees on the performance of their duties, requested further explanations as deemed necessary, reviewed important approval-granting documents, and inspected the state of business operations and assets at the head office and other important branch offices.

With respect to subsidiaries, we communicated with and exchanged information with the directors and corporate auditors of the subsidiaries and received business reports from subsidiaries as deemed necessary, and conducted audit to the Company's main consolidated subsidiaries overseas (by interviewing via web conferences or face to face), and confirmed their state of business operations and assets.

Advantest's Audit and Supervisory Committee is composed of one inside director and two outside directors whom are Audit and Supervisory Committee members (of which one is a full-time Audit and Supervisory Committee member)* and is chaired by an outside director. Directors who are Audit and Supervisory Committee members are appointed by the General Meeting of Shareholders separately from other Directors who are not Audit and Supervisory Committee members. The Audit and Supervisory Committee, the Auditing Group and other internal control departments, the Accounting Auditors, and the corporate auditors of each Advantest Group company collaborate with one another so as to carry out regular discussions and timely meetings.

* The number of people given is correct as of June 24, 2022.

Accounting Auditors

Accounting Auditors perform accounting audits of the consolidated financial statements, accounting documents, etc., and produce an audit report. Advantest has appointed Ernst & Young ShinNihon LLC as the Accounting Auditor, and undergoes the specified audit by the company.

Internal Audits

Advantest has established an internal auditing team that comprises the Auditing Group in head quarter and overseas subsidiaries. To verify whether the company's day-to-day operations are carried out appropriately and efficiently in accordance with the requirements of relevant domestic and overseas laws ordinances, and internal rules, the internal auditing team implements operational auditing, compliance auditing and internal controls auditing. Besides evaluating the efficiency of the internal controls system, the internal auditing team also provides support to assist in making improvements at individual business locations, when necessary. The internal auditing team hold appropriate qualifications (such as Certified Public Accountant, Certified Internal Auditor, or Qualified Internal Auditor), and all team members are committed to enhancing auditing quality.

Nomination and Compensation Committee

In 2005, Advantest established a Nomination and Compensation Committee as a discretionary institution. The Nomination and Compensation Committee consists of three Directors (including two outside Directors selected by the Board of Directors' resolution), with an outside Director serving as the chairperson of the committee. The Nomination and Compensation Committee, in consultation with the Board of Directors, discusses matters related to the nomination and compensation of Directors and Executive Officers, and makes proposals to the Board of Directors. The Committee met 13 times during FY2021. The main discussion agenda of the Nomination and Compensation Committee is as follows.

* The number of members is current as of June 24, 2022.

- Candidates for Directors and Executive Officers
- Succession planning for CEO
- Appropriate levels for Fixed Compensation, Performance-linked Bonuses and Stock Compensation and their operations

We have established a policy and procedures to assure the objectivity and transparency of the nomination and compensation of Directors, which are publicly available on the website.

 [Directors and Executive Officers Nomination/Dismissal Policy and Procedures \(PDF 86KB\)](#)

 [Policies and Procedures for Determining Compensation for Directors and Executive Officers \(PDF 61KB\)](#)

Executive Compensation System

Advantest's executive compensation system consists of fixed compensation (monetary), performance-linked bonuses (monetary), and stock compensation (non-monetary). The Nomination and Compensation Committee proposes our executive compensation system to the Board of Directors, which is operated following approval by the Board of Directors and the General Meeting of Shareholders.

 [Policies and Procedures for Determining Compensation for Directors and Executive Officers \(PDF 61KB\)](#)

Basic Concept of the Executive Compensation System

The basic concept of the executive compensation system is as follows.

1. Establish a compensation mix and level that attracts international human resources who can support our global business development
In order to continue growing in the semiconductor industry, which is complex and swiftly-evolving on a global level, we will appoint talented human resources from all over the world and compensate them according to global standards.
2. Well-balanced bonuses linked to performance
Given that Advantest's business performance fluctuates, we will reward the contribution of officers when business performance is good, and reduce the burden on our company when business performance is declining.
3. Stock compensation that encourages executives to share the shareholder perspective and promotes a medium/long-term perspective on management
We combine restricted stock compensation (RS), which encourages executives to pursue the medium/long-term corporate value improvement that shareholders desire, and performance share unit compensation (PSU), which encourages the achievement of medium-term management goals that lead to the improvement of corporate value.

Compensation Structure

As the ratio fluctuates depending on business performance, the ratio of remuneration is as follows, using standard remuneration as an example. However, if s/he concurrently serves as a director, director remuneration will be paid separately.

Senior Executive Officers (including the president)	Fixed compensation: performance-linked bonuses: stock compensation = approximately 1:1:1
Other Executive Officers	Fixed compensation: performance-linked bonuses: stock compensation = approximately 1:0.8:0.8

Fixed Compensation

Fixed Compensation (cash compensation) shall be set at an appropriate level according to individual duties and responsibilities, and will be paid monthly, with reference to external objective data.

Performance-linked Bonuses

Advantest believes that performance-linked bonuses should improve corporate value by increasing the range of linkage.

Performance-linked bonuses are short-term incentives for the results of a single year, and are paid once a year after the performance of the Advantest Group for the relevant business year is confirmed. The distribution according to performance indicators and individual evaluations is as follows:

Performance indicators	With the annual profit plan target achievement rate as a KPI, bonuses vary from 0% to 200% of the individual's standard amount. * The standard amount of Senior Executive Officers is 100% of fixed compensation. The standard amount of other Executive Officers is 80% of fixed compensation.
Individual evaluation	Up to 30% of the total amount of performance-linked bonuses for executive officers is redistributed based on individual evaluations conducted by the president. Evaluation and redistribution proposals are discussed and approved by the Nomination and Compensation Committee and reported to the Board of Directors. In principle, the president's performance-linked bonus is calculated based on the results of performance indicators, but if the Board of Directors deems it necessary and clearly states their reasoning, it may be increased or decreased.

Stock Compensation

In order to encourage management from a medium/long-term perspective, we have introduced a restricted stock compensation plan (RS), which is granted on the condition that the company holds shares during the term of office, and performance share unit compensation plan (PSU), which is based to the achievement status of the mid-term management plan.

Restricted Stock compensation (RS)

- 50% of stock compensation is RS.
- It is granted every year, with restrictions on transfer during the recipient's term of office (obligation to continue holding).

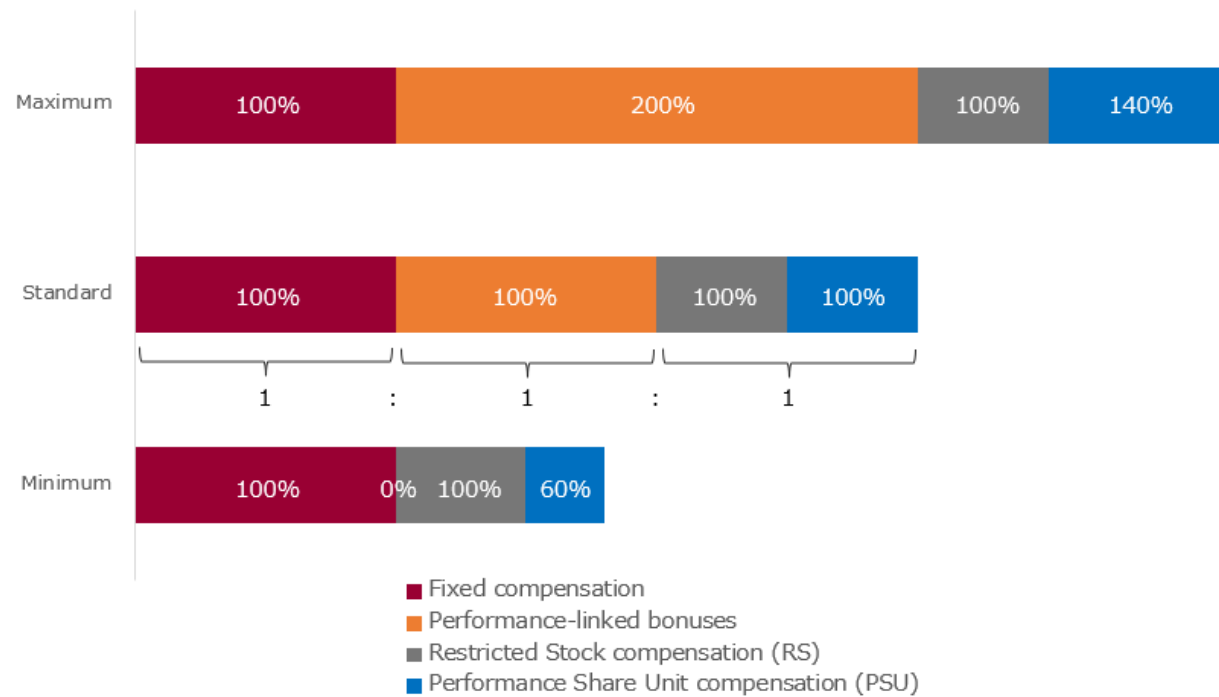
Performance Share Unit compensation (PSU)

- 50% of stock compensation is performance-linked stock compensation. PSU may fluctuate between 60 to 140% of the standard units according to how close actual results come to mid-term management targets (KPIs) over a three-year period.
- The KPIs are the following three items, and the weight of each item is as follows.

EPS growth rate	The target is 14% average annual EPS growth over the three years of the mid-term management plan with fluctuations between 70% and 130% of the standard units.
Relative Total Shareholders Return (r-TSR)	Comparison between the TSR of TOPIX with our TSR (our TSR ÷ TOPIX – TSR) with fluctuations between -5% to 5% of the standard units.
ESG evaluation	Evaluation scores of the S&P Global Corporate Sustainability Assessment are used as an index with fluctuations between -5% to 5% of the standard units.

- Three years' worth of PSU will be vested all at once after the completion of the mid-term management plan.
 - Officers who take office or retire in the second or third years of the med-term management plan will be prorated according to the length of time they have served.

Visualization of compensation for Senior Executive Officers (including the president)



* Before redistribution of performance-linked bonuses (30%) based on individual evaluation

Return of Remuneration

In the event of a violation of relevant laws or regulations or internal regulations, the Board of Directors may decide to reduce future remuneration or refund past remuneration (clawback provision).

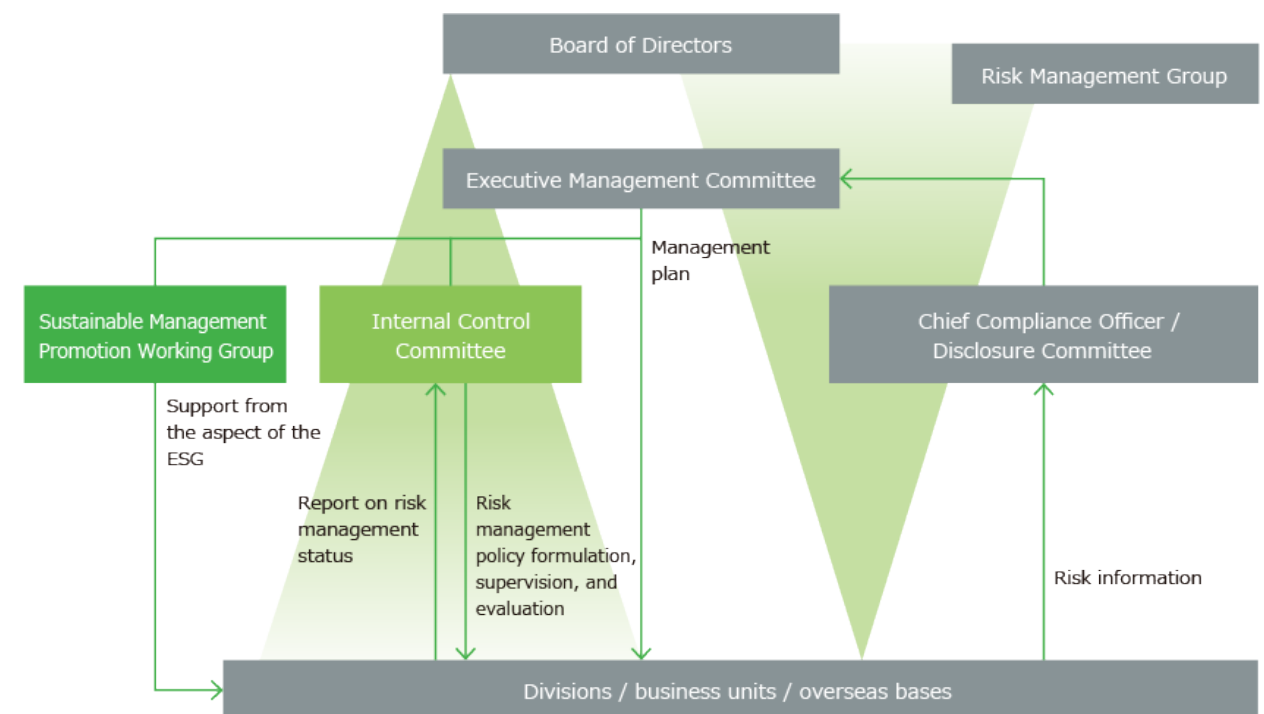
Internal Control System

Advantest has set up and maintains internal control systems that correspond to the requirements of the Companies Act and the Financial Instruments and Exchange Act. In order to manage the group with an emphasis on performance evaluation based on the consolidated financial statements, these systems are built as a unified system that includes both Advantest and its affiliates.

Advantest has established an Internal Control Committee in which the Representative Director acts as the chairperson and outside Directors are observers. This committee identifies and analyzes significant risks for the whole company, and clarifies the responsible department and procedures for responding to each risk. Regarding the Internal Control System, the execution status of implementation of the system to ensure the appropriateness of business is reported directly to the Board of Directors once a year. Furthermore, if a material weakness is found in the internal control system development and operating status and the internal control evaluation process, it is reported to the Board of Directors.

Risk Management System

Thus, Advantest's risk management system is based on management supervision of risk analysis and risk response at the unit level. At the same time, regarding corporate-level risks, the Board of Directors or the Management Committee makes timely decisions and issues instructions to relevant departments to create a system that combines bottom-up and top-down risk management.



Bottom-up Reporting Line

Based on the risk management policy established by the Internal Control Committee, each unit conducts risk management and reports to the Internal Control Committee (twice a year). The Internal Control Committee supervises and evaluates the management status and provides feedback to each unit.

The organization to whom risks are reported varies depending on the risk being reported. Risks related to information disclosure is collected by the Disclosure Committee, while those related to compliance is collected by the Chief Compliance Officer (CCO), which are collectively reported to the Executive Management Committee and Board of Directors through the respective officers in charge. Some risks are also reported directly to the Executive Management Committee, Board of Directors, and Audit and Supervisory Committee.

Top-down Management

When each unit incorporates the management plan formulated by the Board of Directors and the Executive Management Committee into its own department's measures, we have a system in place to provide support according to its content.

The Internal Control Committee has defined factors that may hinder business management as risks, and has asked each unit to submit reports while supporting each unit from a company-wide perspective. The Sustainable Management Promotion Working Group encourages each unit for the planning and implementation of measures from an ESG perspective.

In the case of an emergency, necessary measures are taken in accordance with the directions given by the Risk Management Group.

Risk Management

Advantest is building a risk management system around the Internal Control Committee. We continue to practice the plan-do-check-action cycle.

Risk Management System

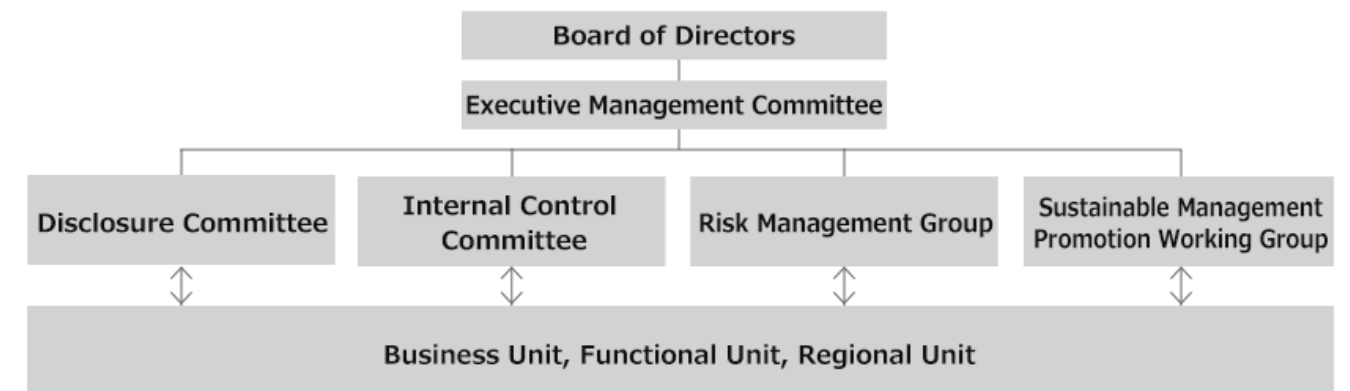
Approach to risk management

Because more than 90% of Advantest sales depend on overseas markets, we must implement risk management across multiple countries and regions. We believe that the key to quick response is a management system that addresses risks both top-to-bottom and bottom-to-top.

Risk management system and organization

At Advantest, each unit carries out risk management under the risk control policy designated by the Internal Control Committee, and the Internal Control Committee supervises and assesses the statuses of each unit before offering feedback.

Likewise, risks related to information disclosure are sent to the Disclosure Committee, while risks related to compliance are compiled by the Chief Compliance Officer (CCO). Emergency response is allocated to the Risk Management Group, whereas climate change risks are allocated to the Sustainable Management Promotion Working Group. In addition, trade issues such as the US-China trade war is dealt by the US-China Trade Compliance Project, a global organization within the Company.



The Risk Management section of our Sustainability Data Book introduces the activities of the Sustainable Management Promotion Working Group and the Risk Management Group.

TCFD-based Climate Change-related Information Disclosure

Initiatives for the TCFD recommendations

Guided by "The Advantest Way," Advantest implements climate change mitigation and adaptation measures from a long-term perspective, aiming to help solve important environmental issues through our business. In April 2020, Advantest announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In this section, we will disclose important information related to climate change in alignment with the recommendations of the TCFD.

Governance

Advantest newly established the Sustainable Management Promotion Working Group (SMWG) in FY2020. With the Director of Sustainable Management as the general leader and strategic managers and global leaders (executive officers) assigned to E, S, and G, the SMWG is composed of the managers of each Business Unit, Functional Unit, and Regional Unit. The SMWG identifies and evaluates issues related to climate change. Goals and priority measures are summarized in the ESG Action Plan 2021-2023 that promotes specific activities. The implementation status of the ESG Action Plan 2021-2023 is reported to the Executive Management Committee and the Board of Directors twice a year for discussion and assessment. In addition, the SMWG manages company-wide risk by sharing information in a timely and appropriate manner with other committees in the company's corporate governance system.

Strategies

Advantest has conducted scenario analysis to consider strategies for adapting to future events predicted by climate change. We began by referring to the greenhouse gas emissions scenarios such as the Representative Concentration Pathways (RCP) 8.5 and RCP2.6 of the United Nations Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report and B2DS of the International Energy Agency (IEA). We identified the risks that are expected to occur by 2050, which will have a particularly large financial impact on our business, including upstream and downstream of the value chain, and considered the well below 2-degrees Celsius and the 4-degrees Celsius warming scenarios.

well below 2-degrees Celsius warming scenario:

Under the well below 2-degrees Celsius framework, we assumed that climate change incentives, such as the introduction of carbon pricing, would be strengthened and that there would be no acute or chronic physical impact of climate change at levels that would impact our business. On another front, in a low-carbon economy, the demand for semiconductors will increase substantially, leading to an anticipated expansion of our business opportunities.

4-degrees Celsius warming scenario:

However, under the 4-degrees Celsius framework, where climate change countermeasures are not strengthened, we assumed that we may be physically affected in an acute or chronic manner by the effects of climate change such as the intensification of extreme weather events.

Climate change risks and opportunities

In order to respond to the effects of climate change, climate change risks and opportunities were deliberated under the TCFD categories. These risks and opportunities were assessed according to their "priority" and "impact", and were categorized into time spans of "short-term (now until 2027)", "mid-term (now until 2030)", and "long-term (now until 2050)".

Risks related to climate change

Two scenarios described in the TCFD categories were deliberated regarding business risks related to climate change.

- (1) "Risks related to the transition to a decarbonized society", which occurs mainly during the well below 2-degrees Celsius scenario
- (2) "Risks related to the physical effects of climate change", which occurs in the 4-degrees Celsius scenario in which global CO₂ emissions reduction goals are not achieved

Well below 2-degrees Celsius scenario: Risks transitioning to a decarbonized society

Category	Major risks	Response/strategy	Time axis
Policies and regulations	Increased business costs due to laws and regulations (Carbon tax / chemical substances)	<ul style="list-style-type: none"> ▶ Reduction of greenhouse gas emissions throughout the supply chain (achievement of SBTi certified target) ▶ Product development that does not use environmentally harmful substances 	Short-term
Technology and market	Loss of sales opportunities due to delays in technological development (Energy saving technology, test technology for new semiconductors is yet to be implemented)	<ul style="list-style-type: none"> ▶ Further energy-saving performance (low power and compact sizes) alongside improvements in testing performance ▶ Development of new testing methods and testing devices ▶ Generating human resources for next-generation energy-saving research and development 	Short- to mid-term
Reputation	Decrease in reputation among stakeholders (due to delays in GHG emissions reduction plans)	<ul style="list-style-type: none"> ▶ Promotion of ESG management (achievement of ESG Action Plan 2021-2023 targets) 	Short- to mid-term

4-degrees Celsius scenario: Physical risks of climate change

Category	Major risks	Response/strategy	Time axis
Acute/ chronic events	Disruption of the supply chain due to large-scale typhoons and torrential rainfall	<ul style="list-style-type: none"> ▶ Response based on the business continuity plan 	Long-term

Climate change opportunities

Semiconductors will contribute to the decarbonized society, where stringent climate change countermeasures will be imposed. We can assume that the quantity of manufactured semiconductors will continue to grow in the future due to factors such as the expansion in semiconductor demand accompanying the digital revolution. Meanwhile, the quality and quantity of semiconductor testing will increase in hand with the sophistication and technological evolution of semiconductors. It is thought that demand for semiconductor testing will increase because such demand will be multiplied by the two factors of "enhanced testing content per chip" and the "increase in the physical quantity of semiconductors", and so Advantest recognizes the decarbonized society to be an opportunity presented by climate change.

Advantest will make investments to achieve these technological advancements, such as in research and development and in developing the next generation of human resources, as part of our efforts to contribute to the future decarbonized society through semiconductor testing and product development of new semiconductor technologies.

Climate change-related opportunities

Category	Major opportunities	Response/strategy	Time axis
Products & services/ market	Growth in test demand outpacing market growth for core semiconductors where energy efficiency is important	<ul style="list-style-type: none"> ▶Further energy-saving performance (low power and compact sizes) alongside improvements in testing performance ▶Development of new testing methods and testing devices 	Short- to mid-term
Products & services/ market	New test demand introduced by power semiconductors, which are required by the final demands such as EV	<ul style="list-style-type: none"> ▶Development of new testing methods and testing devices 	Mid-term
Products & services/ market	Sales growth by providing green products	<ul style="list-style-type: none"> ▶Introduction of energy-efficient products based on the ESG Action Plan 2021-2023 and steady implementation of the energy-saving plan 	Mid-term

Risk management

At Advantest, we consider the factors that may hinder business management to be risks and have established a company-wide risk management system. Management risks posed by climate change are also managed within this system. With the support of the SMWG, we analyze and evaluate urgent and anticipated risks posed by climate change. Using the company-wide risk management system that we have already established, we implement countermeasures to avoid and mitigate those risks to prepare for and enable continuity of our business activities in the face of adversity. The SMWG makes timely decisions, and can launch a Task Forces consolidating efforts from related departments into full-scale start-up of initiatives to tackle risks or opportunities, which may be recognized as particularly critical.

Indicators and targets

The indicators and targets for measures taken in respect to risks and opportunities brought about by climate change are managed by the ESG Action Plan 2021-2023. The achievement status of the ESG Action Plan 2021-2023 is reported to the Executive Management Committee and the Board of Directors twice a year for discussion and evaluation. Based on the evaluation, SMWG will review and update the indicators and goals of the ESG Action Plan 2021-2023. Advantest has set a goal to reach net-zero GHG emissions by 2050. In addition, as medium- to long-term climate change countermeasures targets, we have set targets to reduce greenhouse gas emissions covered in Scopes 1 and 2 by 60% by FY2030 compared to FY2018, and to reduce greenhouse gas emissions covered in Scope 3 by 15% by FY2030 compared to FY2018. These goals have been approved by the Science Based Targets Initiative (SBTi), acknowledging that our greenhouse gas reduction targets are based on scientific evidence. We will actively promote activities to reduce environmental impact throughout the value chain, aiming to achieve our emission reduction targets.

Business Continuity Initiatives

This page introduces the measures taken by the Risk Management Group in dealing with disasters and incidents.

Please refer to Supply Chain Management for information on our efforts to address parts procurement risks.

[Supply Chain Management](#)

Systems for Disasters and Other Emergency Situations (Risk Management Group)

In December 2001, Advantest established the Risk Management Group, wherein the president assumes the position of general manager. In the event any of the following crises occurs, the Risk Management Group will centralize collection of information, conduct an initial assessment, direct the initial response, implement planning for recovery, etc., by acting promptly and appropriately until recovery is complete:

1. If damage is caused to buildings or facilities, or if networks and systems stop functioning, thereby making it difficult to continue our business operations, or if there is the possibility of this type of situation occurring due to a disaster or accident;
2. If our executives or employees are in danger or possibility of danger of death or bodily injury due to a disaster or accident;
3. If there is a scandal or incident that may to become a matter of public concern; or,
4. In addition to those described above, if there is any event, which may cause a significant impact on the business of the Advantest Group due to a disaster or accident.



Business Continuity Plan

The Advantest Group established the following basic policy in fiscal 2007 for large-scale natural disasters. We have devised our business continuity plan based on this policy.

Business Continuity Plan (BCP) – Basic Policy

- We will place top priority on ensuring human safety should a major disaster strike.
- We will minimize the adverse effect to our suppliers and other stakeholders, and fulfill our corporate responsibility.
- We will cooperate with local society in regular disaster prevention activities, and will assist the recovery of local society in case of disaster.

Determining specific measures for BCP

After the Great East Japan Earthquake in March 2011, we reviewed our disaster prevention arrangements. In fiscal 2012, we rebuild our Business Continuity Plan (BCP) to take into account the possibility of an earthquake in Tokyo and flood along the Tone River, and to ensure the integrity of our supply system even in the event of such disasters. Under the BCP, the following measures are stipulated in line with the basic policy.

Basic Policy	Specific Measures
1. Ensuring human safety	In addition to the regular disaster prevention and safety confirmation drills, we will strengthen crisis management and business continuity systems, making human safety the top priority.
2. Fulfillment of supply responsibilities	In case of an earthquake, we will continue to supply systems from our main manufacturing plant (i.e. the Gunma Factory) . In the case of a flood, we will continue to supply systems from alternative 3rd party manufacturing sites.
	In preparation for cases where workplace attendance is temporarily impractical because of damage to offices or infrastructure, we will establish remote work environment.
3. Contributions to local society	Our Gunma R&D Center has been designated by Meiwa Town as an evacuation shelter in case of flooding, and we contribute to the area by keeping the site ready for flood evacuees.

Measures Implemented in Fiscal 2021

From January 2022, we have conducted an analysis of the current status of the BCP by an external consulting organization, identified issues and received suggestions for restructure, and decided to revise the BCP from FY2022. In addition, we implemented the third COVID-19 vaccinations in the workplace for our employees.

Disaster Responses

March 2022	Fukushima Earthquake: All companies in Japan carried out safety confirmation.
March 2022	Conducted COVID-19 vaccinations in the workplace for employees of the Gunma/Saitama regional offices, and employees of the Sendai office participated in the workplace vaccination conducted by the Public Interest Incorporated Group Corporation Sendai Kita.
June 2022	Ishikawa Earthquake: All companies in Japan carried out safety confirmation.

COVID-19 Countermeasures

The Risk Management Group is making efforts to collect information on the pandemic situation both in Japan and overseas in order to inform employees of COVID-19 countermeasures while reporting to management as necessary.

In Japan

In Japan, telecommuting has been recommended since February 2020 as a safety consideration for employees. As a general rule, during the state of emergency periods, employees of offices in applicable regions and residents of applicable regions were required to telecommute. In addition, business trips and visitors were prohibited as a general rule. Furthermore, we conducted e-learning activities to educate employees about COVID-19, and we had employees with symptoms (e.g., fevers) report their conditions to the Risk Management Group through their superiors, enabling us to respond promptly in the event of COVID-19 infection.

Countermeasures implemented in offices have included installation of thermal cameras at regular entrances and service entrances, taking of body temperatures, and confirming wearing of masks upon arrival at work. Employees with fevers are required to stay home, and masks are provided for employees who need them. Hand-sanitizing stations have been installed at company entrances, and some office areas where employees are in close proximity have installed acrylic plates. Antiviral coating has been applied to common spaces (e.g., meeting rooms) to reduce the risk of infection through contact. Offices with cafeterias have changed their hours to disperse crowds and have reduced the number of chairs available to ensure social distancing.

In the event that an individual is confirmed to have COVID-19, temporary office closures and disinfection of areas used by the infected individual are implemented in accordance with the infected individual's commuting status.

The utmost care is being taken so that nothing interferes with production at the Gunma Factory, which is the main production factory for semiconductor test equipments. As a countermeasure in the event that someone becomes infected, workers are provided with smartphones that have the contact-tracing app released by the Ministry of Health, Labor, and Welfare installed to enable them to confirm whether they have had any contact. We have also recommended installation of this contact-tracing app on employees' personal

smartphones and requested employees' cooperation in confirming any contact with infected individuals.

Overseas

Our overseas Group subsidiaries follow government ordinances for commuting in their respective countries.

Each business base has been providing education on COVID-19 through informational posters in addition to providing masks and hand sanitizer; reviewing the scope of cleaning; ensuring regular disinfection, ventilation, and social distancing; and enhancing IT infrastructure to boost telecommuting work efficiency. Furthermore, business trip schedules are prepared in consideration of quarantine periods so as to ensure appropriate response to customer requests.

When a COVID-19 infection is confirmed at an overseas Group subsidiary, countermeasures similar to those taken in Japan are implemented to prevent the spread of infection, and the risk management leader of the subsidiary makes use of the notification/information sharing systems to inform the Risk Management Group at the Head Office.

Workplace vaccinations

In Japan, workplace vaccinations for COVID-19 took place at the Gunma R&D Center in March 2022, mainly for Gunma and Saitama regional employees and select clients. The town office of Meiwa Town in Oura County, Gunma Prefecture, where the Gunma R&D Center is located, provided information on mass vaccination that facilitated our workplace vaccinations. Furthermore, employees of the Advantest Laboratories and the Sendai Factory as well as their families could receive their vaccinations through the workplace vaccinations conducted by the Public Interest Incorporated Group Corporation Sendai Kita.

Compliance

We take measures to ensure that all Advantest employees fulfill their duty to society through the maintenance of high ethical standards, thereby helping to ensure that Advantest continues to enjoy the trust of stakeholders.

Initiatives to Promote Ethical Business Practices

Our Stance and Basic Policy on Compliance

Companies aiming for sustainable growth need employees who fulfill their social responsibilities and who possess a strong sense of ethics. They also need to earn the trust of stakeholders. Based on this belief, Advantest has established The Advantest Way as a basic principle for our management and business execution, which lays out our corporate mission, vision, core values, corporate mantra, ESG for sustainability, and specific ethical standards, in order to enhance our ethical awareness.

[The Advantest Way](#)

Compliance Promotion System

Advantest gives guidance and advice to all Group employees to ensure that they fully understand and comply with The Advantest Way and has established a global management structure.

The Chief Compliance Officer (CCO), who is the officer in charge of compliance, is responsible for collecting compliance-related information such as legal compliance, human rights protection, information security, and Corporate Ethics Helpline for the entire Group, and corrective actions are taken under the supervision of the CCO. Aggregated information is also reported to the Board of Directors through the CCO. Information gathered is also reported to the Board of Directors by the CCO.

In addition, the Compliance Committee, which assists the CCO, plays a central role in strengthening the compliance system of the entire Group.

Moreover, in order to fulfill our responsibilities as a member of international society, regular compliance auditing is conducted by the global audit team to confirm whether business is being conducted appropriately under each country's laws and regulations.

Compliance Education

When globally deploying its business, Advantest believes that it is important to ensure thorough legal compliance worldwide and to pay attention to compliance across the Group, after obtaining a good

understanding of the different laws and regulations in each country.

For this reason, through cooperation between Advantest's audit teams and the legal affairs departments, we are working to strengthen training activities related to national laws and regulations. In addition, to ensure employee commitment in regard to compliance matters, we are implementing regular e-learning sessions for all Group employees on The Advantest Way, "anti-corruption and anti-bribery," "export control," "intellectual property," and "information security."

Moreover, training is implemented locally in each country based on the relevant country's ordinances.

Advantest has signed a Memorandum of Understanding with waste management companies in its efforts toward the exclusion of anti-social forces

The Tokyo metropolitan government and other regional governments have issued organized crime exclusion ordinances, and each company is obligated to make efforts to stipulate in writing that it will terminate contracts if the business partner is found to be an anti-social force.

Furthermore, as a request for a comprehensive overhaul of corporate behavior and as a method to exclude anti-social forces, the Japanese Business Federation (Keidanren) recommends concluding the above memorandum.

To comply with the organized crime exclusion ordinances and the recommendations of Keidanren, the Advantest Group signs a Memorandum of Understanding that stipulates it will terminate contracts if the business partner is found to be an anti-social force with all partner waste management companies.

Prevention of Bribery and Compliance with the Anti-Monopoly Act

The basic philosophy of the Advantest Group, which is embodied in The Advantest Way, attaches great importance to the awareness of one's responsibilities to society, and to the maintenance of integrity in one's conduct. Advantest implements a variety of measures to prevent the occurrence of bribery or other corrupt practices, and to prevent anti-competitive behavior.

[The Advantest Way](#)

Prevention of Bribery and Other Corrupt Practices

As a supplement to The Advantest Way, Advantest has also formulated an Anti-corruption and Anti-bribery Policy, which clarifies, in detail, Advantest's rules in relation to the prevention of bribery and other forms of corruption throughout the world.

All Group employees participate in annual "anti-corruption and anti-bribery training" (e-learning) to enable

all employees to fully comprehend this policy and to behave in a manner that does not violate any laws or regulations of the country they are in.

In fiscal 2021, Advantest was not the subject of any legal action relating to bribery or other corrupt practices.

 [Anti-corruption and Anti-bribery Policy \(PDF 319KB\)](#)

Compliance with the Anti-Monopoly Act

Advantest educates its employees about all aspects of anti-competitive behavior prevention as part of its Code of Conduct training, which places particular emphasis on the need to comply with the Anti-Monopoly Act. Education on the Act is provided to personnel in all relevant departments, including procurement divisions, along with management and new recruits. Going forward, Advantest intends to continue providing education and training aimed at ensuring fair business practices. In addition, Advantest's Internal Auditing Department samples purchasing transactions to verify that there are no violations of any kind.

Advantest was not subject to any legal action for anti-competitive behavior in fiscal year 2021.

Community Engagement

Advantest engages in business activities as a member of the community and society, and our stakeholders include various organizations, governments, and local government as well. Our goals are the sustainable growth of Advantest, participating in businesses that will resolve social issues, and contributing toward the attainment of a sustainable society through collaborations with these organizations, institutions, and local communities.

Economic and Industry Organizations

Through our participation in various organizations and associations related to the business and trade, semiconductor and electronics industries, Advantest collects information on elements such as next-generation technology standards and enforcement of further social regulations which will lead to future business opportunities and risks, in our efforts to enhance the sustainability of our company. We also make efforts in expanding our contributions toward a sustainable society by deepening our understanding of various social issues through participation in various organizations.

Of the organizations Advantest participates in, such as the Keidanren (Japan Business Federation), SEMI, and Semiconductor Equipment Association of Japan, some may make proposals regarding political and social issues. Participation in organizations does not necessarily imply that we fully endorse that organization's perspective concerning various policies.

Political Contributions and Sponsorships

There are cases in which Advantest makes donations, etc. to various organizations. When doing so, screening and decisions are made in accordance with our internal regulations with regard to purpose and public interest, including whether the initiative contributes to social development and the degree of contribution made toward social missions. These donations, etc. are properly implemented under the relevant laws and regulations of each country.

Export Control

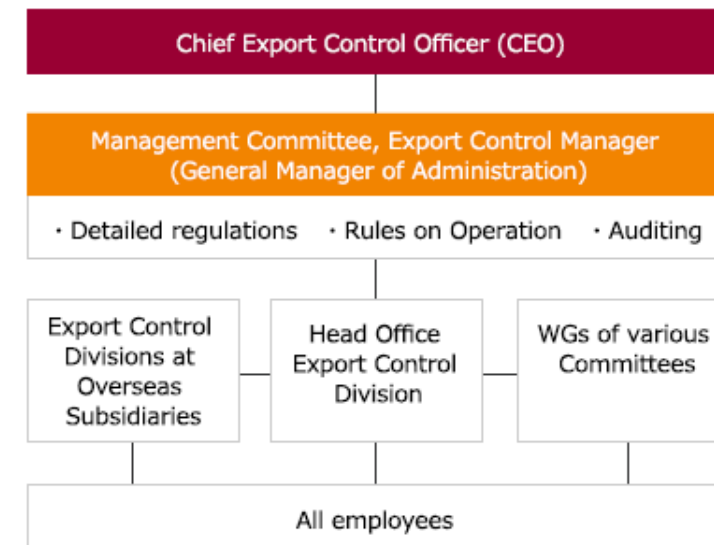
In order to keep products and technologies out of the hands of nations and terrorists that threaten the safety of the international community, the Advantest Group pays the utmost caution to laws and regulations regarding security export control, along with self-management. In the unlikely event of an illegal export, legal sanctions such as temporary export bans will be imposed, which will call into question the social responsibility of the company that made the illegal export and lead to severe damage. Advantest has a basic policy of global compliance with laws and regulations, and has established in-house regulations that require export control to be implemented based on each country's laws and regulations.



In international society, which is changing rapidly, security issues such as terrorist attacks and the development of weapons of mass destruction are becoming more serious by the day. As many Japanese products incorporate advanced technologies, it is necessary to implement measures that prevent leakage to countries and organizations that are subject to international sanctions. The Advantest Group carries out appropriate business practices by having export control officers collect information based on updated laws and orders, etc., based on laws, and incorporating this information into on-site education and training programs.

An export control system in compliance with laws and regulations

At Advantest, the Representative Director serves as the chief executive for export control, in accordance with the Foreign Exchange Law and other relevant laws and regulations. The control system has been constructed and is operated under the leadership of top management since a failure to implement security export control may create a situation that endangers the company's survival.



The Export Control Division of the Head Office regularly audits whether export procedures are being conducted properly in accordance with the basic policy/rules and regulations on export control, and the results are reported to the Chief Export Control Officer and the Export Control Manager.

Export control in the case of US-China trade friction

The working group in the figure considers and takes measures against the trade friction between China and the US. Although this is an issue in terms of international law, US export control regulations are applied extraterritorially to Japan. For this reason, working groups with the participation of related domestic and overseas parties have been established to regularly share information and to ensure that there are no violations of laws or regulations that the US would regard to be problematic.

Export control education

As the vast majority of Advantest employees operate globally, we provide e-learning that outlines export control along with annual training on export control concepts and necessary procedures. All employees in Japan and overseas participate. The content of these initiatives include "the business environment," "export control for security," "targets of export control," "Advantest's export control policy," "points of caution upon export," "export of technology (provision of services)," and "EAR." We will continue to develop and implement more practical content, such as rules reinforcement and addressing important topics.

Risk management related to international affairs

Amid today's rapidly changing business environment, whilst the US diplomacy towards China and the Russian-Ukrainian crisis, it is only natural that risks are also becoming more complex and diversified. Advantest has become a supporting member of the Center for Information on Security Trade Controls for the purpose of obtaining information on changes in the international situation and amendments to laws and regulations and reflecting our own requests during direct dialogues with regulatory authorities or when expressing opinions or making recommendations from the industry. In addition, we have a system in place to consult with outside experts such as lawyers, as necessary, when there is an introduction or amendment of laws and regulations that may have an adverse effect on our business.

Tax Compliance

Basic policy on tax

We fulfill its corporate social responsibility by appropriately paying taxes based on compliance with national and regional laws, and tax guidelines published by international organizations such as the OECD and the BEPS (Base Erosion and Profit Shifting) Action Plan. We do not engage in contrived arrangements for the purposes of avoiding tax.

Secure transparency

We shall have appropriate disclosures like Annual Financial Report in accordance with the Financial laws and regulations. With respect to taxes, we disclose tax information based on laws and regulations in disclosed reports.

Build relationship of trust with tax authorities

We strive to reduce tax risks by building a strong trustworthy relationship with national tax authorities by responding appropriately and cooperatively to their requests for information disclosure.

Appropriate management of the transfer pricing taxation

We recognize the importance of the transfer pricing taxation and executes inter-company transactions based on arm's length principle. We will also pay taxes in proportion to the contribution of the added value created in each country / region.

Tax Havens

We do not engage in deliberate tax avoidance through the use of tax havens (i.e., countries or jurisdictions with no or significantly lower tax rates).

Information Security

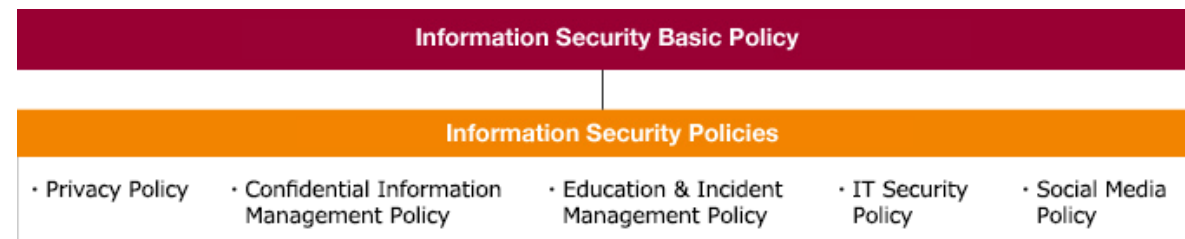
Advantest considers information security management to be an important management issue, and is implementing measures to ensure information security.

Our Commitment to Information Security

The Advantest Group recognizes information received from customers and clients, in addition to our company's technology and sales information, to be valuable information resources. We are committed to proper management of information through the security measures of the Information Security Committee, which include establishing regulations, constructing control systems, and providing employee education.

Policies and Rules Related to Information Security

Advantest has established an Information Security Basic Policy. Rules are specified in five policies: our Privacy Policy, Confidential Information Management Policy, Education & Incident Management Policy, IT Security Policy, and Social Media Policy. Each policy will be reviewed by the Information Security Committee as necessary.

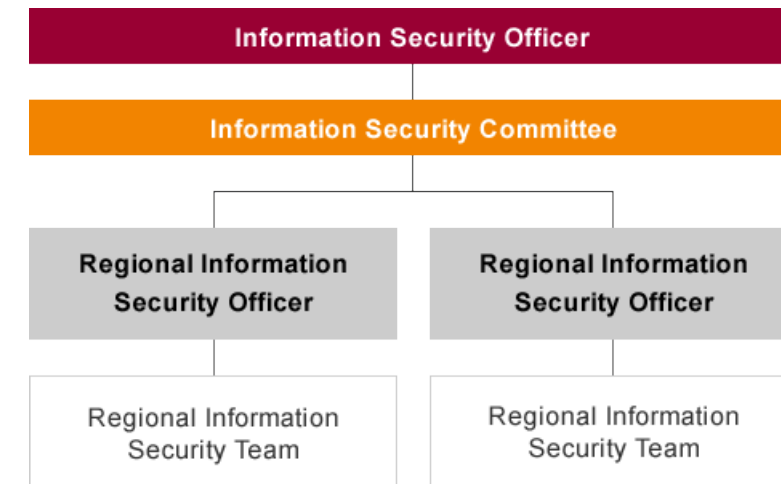


Organization of the Information Security Management System

Advantest recognizes information security management to be a critical business management issue, and has instated the General Manager of Administration as the Information Security Officer within a global system.

Furthermore, Regional Information Security Officers have been appointed in each country to deliberate information security measures to be applied to the Group from various perspectives, and they consider the establishment, revision, and abolition of rules and policies for security measures, thus realizing a system in which each company can actively implement information security measures.

Specifically, the General Manager of Administration in each company functions as the Regional Information Security Officer and is responsible for the management of information security in their assigned region; they appoint members from relevant departments in their countries to be the personnel in charge of implementation. Important reports from each country are forwarded to the Information Security Officer through the Information Security Committee.



System for Responding to Information Security Incidents

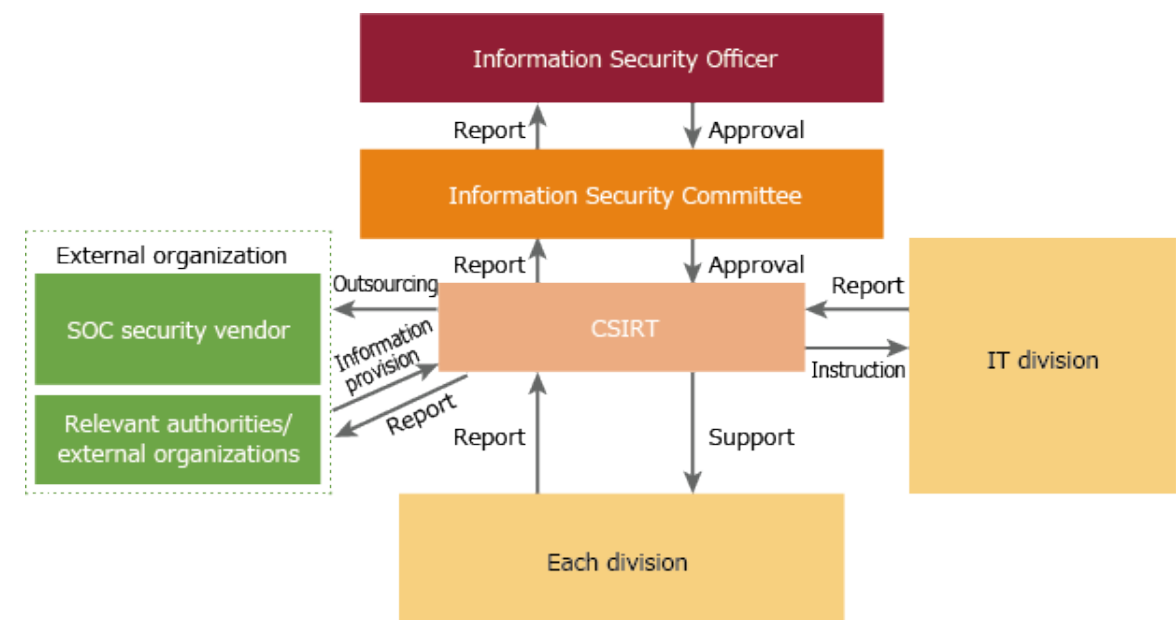
In FY2020, Advantest formed the Advantest CSIRT¹ to reinforce initial response systems for information security incidents. Furthermore, a SOC² security monitoring system that operates 24 hours a day, 365 days a year has also been incorporated to facilitate early detection and swift response to global cyberattacks.

Cooperation between related parties in case of damage by a cyberattack is regularly checked. We also determine whether responses to information security incidents are properly functioning by conducting cyberattack training.

An emergency call center (available 24 hours a day) has been established to receive incident reports from employees, thus realizing a system that can receive information regarding incidents or accidents at all times.

*1 CSIRT (Computer Security Incident Response Team)

*2 SOC (Security Operation Center)



Efforts to protect information

Information Security Training

Based on our belief that people are the last line of defense in information security, our Group is working to ensure that our information security policies and relevant regulations are thoroughly understood. Information security training, in which all employees participate, is based on the policies of "Personal Information Protection", "Confidential Information Management", "Training and Incident Response" and "IT Security" along with training that includes simulations of actual cyberattacks. From FY2021, we changed the information security training platform to provide an environment where employees can take lessons in an easier manner and deepen their understanding.

Furthermore, information on information security is published on the company website to provide information to employees in a timely manner.

Training/Awareness Raising as Part of the Information Security Training

- Information Security Training through e-learning for all employees: 1
- Targeted email threat training: 1
- Broadcast of information to raise awareness: 10

Initiatives for Strengthening Information Security

- The Advantest Group has established a system in which our audit division conducts information security audits. This enables more objective checks to be carried out based on specified rules and provides a way for the divisions that have been audited to give feedback.
- Since FY2019, we have been making efforts to further reinforce security by configuring multi-factor authentication in order to prevent identity theft.
- Security risk assessments and vulnerability tests conducted by external organizations are carried out to objectively evaluate our information security measures, and the results enable us to narrow down the points that need improvement in order to raise our level of security.
- As security measures, enhanced filtering functions and adding warnings on emails sent from outside the company have been added.
- Acquired ISO27001 certification to ensure continuous implementation of PDCA to reinforce our level of security. Efforts are underway to achieve certification among the entire Advantest group, including our overseas bases.

Acquisition status of ISO27001 certification

Japan	Semiconductor test system related departments (R&D, manufacturing, sales, maintenance)
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Confidential Information Protection

Our Information Security Basic Policy defines confidential information as information that has been disclosed by clients under contract along with information that is important to the company. Moreover, the policy stipulates that such information must be handled in accordance with relevant regulations.

Accordingly, we are committed to ensuring that confidential information is not divulged outside the company by ensuring that it is protected through the use of adequate controls governing its storage, disclosure and handling. In fiscal 2021, there were no incidents involving the unauthorized disclosure of important confidential information, etc.

Personal Information Protection

We consider the confidentiality of all personal information entrusted to us to be very important, and accordingly we take steps to ensure that such information is properly protected and managed.

Our commitment to safeguarding personal information entails posting personal information managers in divisions that handle such duties, and ensuring that those managers carry out their duties properly with regard to overseeing such information. Furthermore, we perform regular audits of personal information management and usage practices in each division, and make improvements whenever deficiencies are discovered.

In Group companies outside of Japan, Regional Information Security Officers work to protect and manage personal information in accordance with the laws, regulations, and demands of each respective country or region.

There were no major cases of personal information leaks in FY2021.

[Privacy Policy](#)

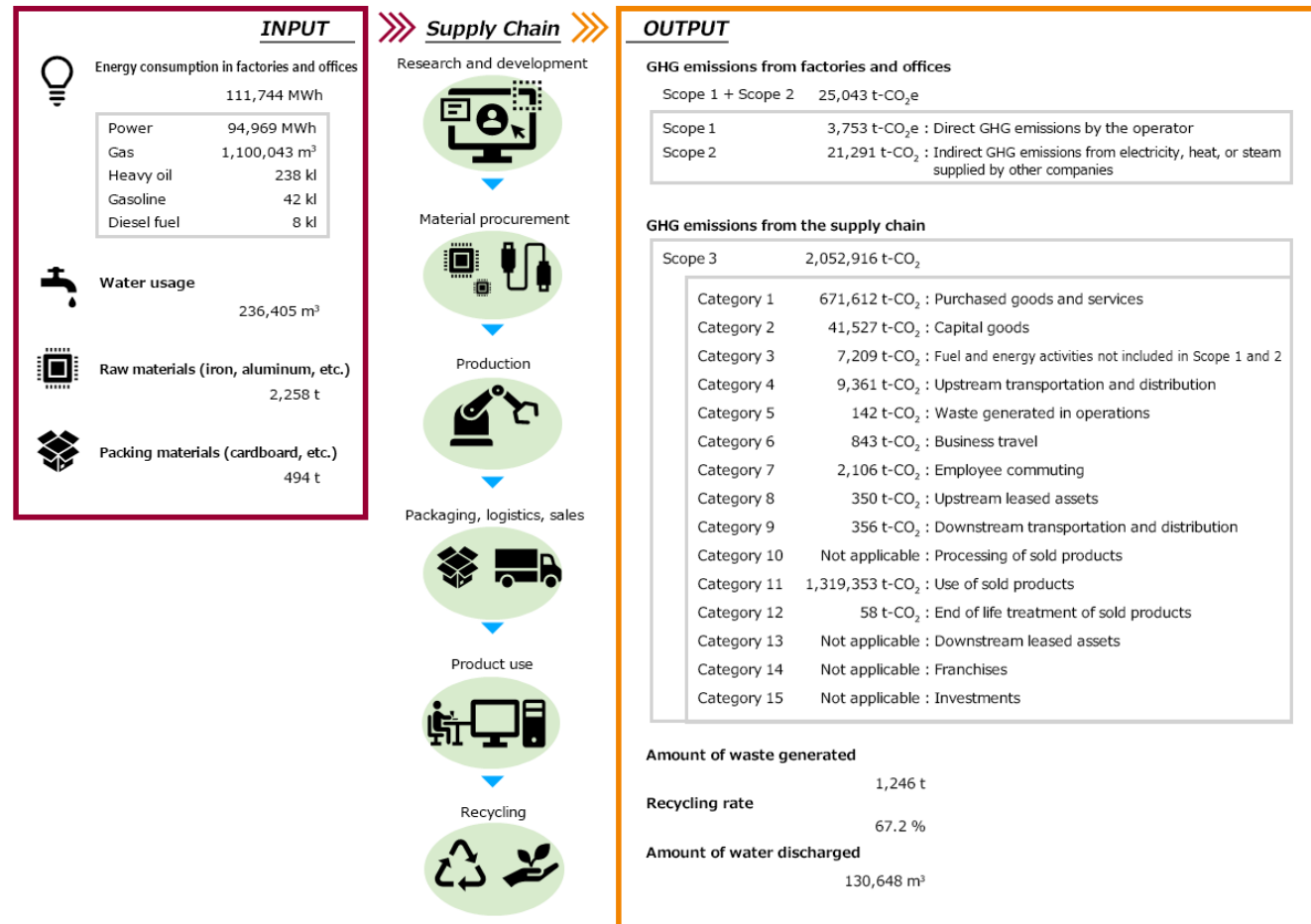
ESG Data

- Material Flow 102
- Data Collection 103
 - Environmental Data 103
 - Social Data 110
 - Governance Data 118
- Approach to Data Aggregation and Third-Party Verification 119
 - Approach to and Methods for Environmental Data Collection 119
 - Third-Party Assurance 121

Material Flow

This shows Advantest's material flow.

Material Flow (FY2021)



Data Collection

We are collecting data on sustainability and provide them in Excel format.

Environmental Data

Energy

	Item	Boundary	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Energy Consumption and Power Generation	Energy consumption	Japan	MWh	42,827	45,338	42,903	44,609	43,537
		Overseas	MWh	47,767	55,159	61,141	63,507	68,206
		Total	MWh	90,594	100,497	104,044	108,116	111,744
	Electricity consumption	Japan	MWh	34,771	37,361	37,334	40,038	40,321
		Overseas	MWh	36,430	39,932	44,726	50,620	54,648
		Total	MWh	71,201	77,294	82,059	90,658	94,969
	Gas consumption	Japan	m ³	331,076	316,752	131,864	21,773	21,440
		Overseas	m ³	897,425	1,224,000	1,322,043	1,044,524	1,078,604
		Total	m ³	1,228,501	1,540,751	1,453,906	1,066,296	1,100,043
	Heavy oil consumption	Japan	kl	268	277	263	312	190
		Overseas	kl	45	40	41	24	48
		Total	kl	313	317	304	337	238
	Gasoline consumption	Japan	kl	47	46	53	43	42
		Overseas	kl	0	0	0	0	0
		Total	kl	47	46	53	43	42
	Diesel fuel consumption	Japan	kl	11	13	12	9	8
		Overseas	kl	0	0	0	0	0
		Total	kl	11	13	12	9	8
Renewable power purchased	Japan	MWh	0	0	0	8,327	16,859	
	Overseas	MWh	0	0	0	0	0	
	Total	MWh	0	0	0	8,327	16,859	
Amount of Tradable Green Certificate purchases	Japan	MWh	0	0	0	0	0	
	Overseas	MWh	9,200	9,200	23,072	31,629	33,994	
	Total	MWh	9,200	9,200	23,072	31,629	33,994	

	Item	Boundary	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
	Total quantity of renewable power	Japan	MWh	0	0	0	8,327	16,859
		Overseas	MWh	9,200	9,200	23,072	31,629	33,994
		Total	MWh	9,200	9,200	23,072	39,956	50,853
	Renewable Power Percentage	Japan	%	0.0	0.0	0.0	20.8	41.8
		Overseas	%	25.3	23.0	51.6	62.5	62.2
		Total	%	12.9	11.9	28.1	44.1	53.5
	Power generation of solar power generation systems (Electricity sold)	Japan	MWh	0	0	0	0	0
		Overseas	MWh	1,494	525	0	0	0
		Total	MWh	1,494	525	0	0	0

* Values for the total quantity of renewable power are a tally of renewable power purchased and amount of tradable green certificate purchases.

GHG Emissions

	Item	Boundary	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
GHG Emissions	Scope1 + Scope2 (* Scope 2 refers to the market based)	Japan	1,000t-CO ₂ e	18.88	19.68	19.14	16.25	11.83
		Overseas	1,000t-CO ₂ e	16.26	18.45	14.71	11.93	13.21
		Total	1,000t-CO ₂ e	35.14	38.13	33.85	28.18	25.04
	Scope1 ¹⁾	Japan	1,000t-CO ₂ e	1.71	1.86	1.44	1.43	1.23
		Overseas	1,000t-CO ₂ e	2.12	2.83	3.04	2.39	2.53
		Total	1,000t-CO ₂ e	3.83	4.68	4.48	3.81	3.75
	Scope2 (Location-Based)	Japan	1,000t-CO ₂	17.80	18.68	18.22	18.82	17.46
		Overseas	1,000t-CO ₂	18.34	19.61	21.33	18.91	20.40
		Total	1,000t-CO ₂	36.14	38.29	39.54	37.73	37.86
	Scope2 (Market-Based)	Japan	1,000t-CO ₂	17.17	17.82	17.70	14.83	10.60
		Overseas	1,000t-CO ₂	14.14	15.62	11.67	9.54	10.69
		Total	1,000t-CO ₂	31.31	33.45	29.37	24.37	21.29
	Scope3	Category1	1,000t-CO ₂	-	489.53	400.46	482.02	671.61
		Category2	1,000t-CO ₂	-	15.19	22.73	31.55	41.53
		Category3	1,000t-CO ₂	-	3.58	3.71	6.94	7.21
		Category4	1,000t-CO ₂	-	6.20	5.27	6.88	9.36
		Category5	1,000t-CO ₂	-	0.18	0.15	0.16	0.14
		Category6	1,000t-CO ₂	-	0.64	0.72	0.75	0.84
		Category7	1,000t-CO ₂	-	1.84	2.04	1.81	2.11
		Category8	1,000t-CO ₂	-	0.40	0.39	0.26	0.35

Item	Boundary	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
	Category9	1,000t-CO ₂	-	0.55	0.33	1.01	0.36
	Category10	1,000t-CO ₂	N/A				
	Category11	1,000t-CO ₂	-	1,175.02	855.01	1,151.98	1,319.35
	Category12	1,000t-CO ₂	-	0.04	0.04	0.05	0.06
	Category13	1,000t-CO ₂	N/A				
	Category14	1,000t-CO ₂	N/A				
	Category15	1,000t-CO ₂	N/A				
	Total	1,000t-CO ₂	-	1,693.16	1,290.84	1,683.41	2,052.92
Total Emissions ^{*2}		1,000t-CO ₂	-	1,731.30	1,324.69	1,711.59	2,077.96

* 1 : From FY2018 onward, GHG emissions (PFCs and SF₆), excluding those from energy sources, are included in the calculations.

* 2 : Total emissions, including Scope 3, have been calculated from FY2018 onward. The quantity of total emissions is calculated with Scope 2 as the market-based method.

* Referenced guidelines, electricity and fuel CO₂ emissions factors, and heat conversion coefficient

- Ministry of the Environment, "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain"
- Ministry of the Environment, List of calculation methods and emission factors for calculating, reporting, and disclosure systems of Greenhouse Gas Emissions.
- CO₂ emission factors for overseas power consumption: Based on the emission factors announced by each electric company and government authorities of each country as well as those by country announced in IEA Emissions Factors 2021, which was issued by the International Energy Agency (IEA).

* Scope of calculations (Scope) of GHG emissions

- Scope 1: Direct GHG emissions by businesses themselves (fuel combustion, industrial processes)
- Scope 2: Indirect emissions due to use of electricity or heat/steam supplied by other companies
- Scope 3: Other indirect emissions, excluding those of Scopes 1 and 2 (emissions of other companies related to business activities)

Item	Boundary	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
GHG emissions, excluding those from energy source	PFCs	t-CO ₂ e	47.15	9.04	5.94	9.54	12.31
	SF ₆	t-CO ₂ e	291.84	146.49	170.72	304.27	440.33
	Total	t-CO ₂ e	338.99	155.53	176.65	313.80	452.64

Water, Waste

	Item	Boundary	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Water	Water use	Japan	m ³	181,758	178,897	174,146	166,075	155,707
		Drinking water	m ³	53,596	59,601	58,073	58,722	55,646
		Ultra pure water (including in the total amount of drinking water)	m ³	1,191	1,639	1,754	1,540	1,264
		Industrial water	m ³	128,162	119,296	116,073	107,353	100,061
		Groundwater	m ³	0	0	0	0	0
		Overseas	m ³	66,987	101,429	86,692	84,196	80,698
		Total	m ³	248,746	280,325	260,838	250,271	236,405
	Drainage amount	Japan	m ³	54,324	59,927	62,001	58,389	49,950
		Drainage to sewage	m ³	15,993	17,611	16,894	17,258	16,384
		Drainage to public waters	m ³	38,331	42,316	45,107	41,131	33,566
		Overseas	m ³	66,987	101,429	86,692	84,196	80,698
		Total	m ³	121,311	161,355	148,693	142,585	130,648

* Overseas drainage amount has been calculated with the same values as the water use.

	Item	Boundary	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Waste	Amount of waste generated	Japan	t	1,008	1,088	1,011	1,005	960
		Overseas	t	190	231	230	277	287
		Total	t	1,199	1,319	1,241	1,282	1,246
	Amount of hazardous waste generated	Japan	t	6	10	12	11	6
		Overseas	t	0	0	0	18	2
		Total	t	6	10	12	29	8
	Amount of waste recycled	Japan	t	633	694	618	634	616
		Overseas	t	115	136	155	200	222
		Total	t	749	830	773	834	837
	Recycling rate	Japan	%	62.8	63.8	61.1	63.1	64.1
		Overseas	%	60.6	58.8	67.6	72.1	77.3
		Total	%	62.5	62.9	62.3	65.1	67.2

* Waste generated and recycled in Japan are disclosed by weight, including valuable resources.

* As for one overseas office, it was excluded from the scope of waste generation and recycling from FY2021 due to the difficulty of aggregation, and the data has been recalculated retroactively.

Atmospheric emissions and chemicals

	Item	Boundary	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of cases that exceeded air and water quality standard values	Emissions to the atmosphere	Japan	Cases	0	0	0	0	0
	Emissions to bodies of water	Japan	Cases	0	0	0	0	0

	Item	Boundary	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Amount of air and water pollutants emitted	Emissions to the atmosphere Nox	Japan	kg	909	701	322	392	89
	Emissions to the atmosphere Sox	Japan	kg	663	450	224	302	37
	Emissions to the atmosphere Soot and smoke	Japan	kg	9	8	10	26	5
	Emissions to bodies of water (BOD)	Japan	kg	234	201	264	176	183
	Emissions to bodies of water (COD)	Japan	kg	160	173	220	215	145

	Item	Boundary	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
PRTR data	PRTR substances released	Japan	t	0.31	0.46	0.19	0.08	0.21
	PRTR substances transferred	Japan	t	0.31	0.35	0.22	0.20	0.40

* Calculations include applicable substances whose annual use is less than the reported amount under the PRTR Law.

	Item	Boundary	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
VOC data	Amount of VOCs used	Japan	t	2.75	2.75	2.75	2.58	2.39

* Applicable targets for calculation are substances subject to VOC surveys at Four Electrical and Electronic Industry Associations.

Environmental Communication

	Item	Boundary	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Environmental complaints	Complaints from stakeholders	Advantest Group	Cases	0	0	0	0	0
	Major violations of environmental laws and regulations		Cases	0	0	0	0	0

Environmental Education

Item	Boundary	Target (Persons)	Participants (Persons)	Participation ratio (%)
Participation in general environmental education	Japan	2,741	2,741	100.0
	Overseas	2,802	2,638	94.1
	Total	5,543	5,379	97.0

Environmental accounting

Japan

Targets: Seven bases in Japan (including consolidated subsidiaries), data collection period: April 2021 to March 2022

Environmental conservation costs

Unit: Mil. Yen

Cost classification	Main initiatives	Environmental capital investment	Cost
		FY2021	FY2021
1) Cost within the business area			
(1) Pollution control costs	Installation/repair of pollution prevention facilities, environmental measurement, and maintenance/inspection	0	54
(2) Global environmental conservation costs	Installation of energy-saving equipment/facilities	421	141
(3) Resource recycling costs	Waste processing/recycling and construction of water supply facilities	7	36
2) Upstream/downstream costs			
3) Costs of management activities	Green procurement/purchasing and introduction/development of recycled packaging materials	0	5
4) R&D costs	Operation of environmental management systems, biotopes, and disclosure of environmental information	0	180
5) Social activity costs	R&D of environmentally friendly products and manufacturing technologies	0	48,402
6) Environmental damage costs	Greening activities in surrounding areas	0	8
	Fines/lawsuits related to environmental remediation and conservation	0	0
Total		428	48,826

Environmental conservation effects

Unit: Mil. Yen

Effect classification	Main initiatives	Economic benefits
		FY2021
1) Economic impact		
(1) Reduction of energy usage fees	Reduction of energy usage fees by incorporating energy-saving equipment/facilities and energy-saving initiatives	0.85
(2) Gain from recycling sales	Gain from the sale of valuables (metal scrap, etc.)	21.92
(3) Decrease in treatment costs due to waste reduction	Decrease in waste liquid treatment costs due to wastewater processing facilities, etc.	0.88
Total		23.65

Effect classification	Main initiatives	Amount reduced/effectively used
		FY2021
2) Quantitative effects		
(1) Reduction of electricity consumption	Reduced electricity consumption due to the installation of energy-saving equipment/facilities and operational adjustments	Facilities : 59(MWh)
(2) Reduction of energy consumption	Reduced energy consumption due to the installation of energy-saving equipment/facilities and operational adjustments	Facilities : 212(GJ)
(3) Reduction of CO ₂ emissions	Reduced CO ₂ emissions due to the installation of energy-saving equipment/facilities and operational adjustments	Facilities : 27.69(t-CO ₂)
(4) Effective utilization of resources	Amount of recycled metal scrap, office paper, and waste plastics, etc.	784(t)
(5) Effective waste utilization ratio	Ratio of recycling versus total emissions of waste produced at business sites	64(%)

Overseas

Target: Nine overseas consolidated subsidiaries, data collection period: April 2021 to March 2022

Environmental conservation costs

Unit: Mil. Yen

Cost classification	Main initiatives	Cost
		FY2021
Global environmental conservation costs	Installation of energy-saving equipment/facilities and improvement of facilities, etc.	3.61
Resource recycling costs	Waste processing costs, etc.	14.07
Costs of management activities	Operation of environmental management systems, fees for environment-related seminars, etc.	17.90
Social activity costs	Greening activities in surrounding areas, donations to social organizations, etc.	26.78
Total		62.36

Environmental conservation effects

Unit: Mil. Yen

Effect classification	Main initiatives	Economic benefits
		FY2021
1) Economic impact		
(1) Reduction of electricity usage fees	Reduction of electricity usage fees by incorporating energy-saving equipment/facilities	14.79
(2) Gain from recycling sales	Gain from the sale of valuables	0.43
Total		15.22

Effect classification	Main initiatives	Amount reduced/ effectively used
		FY2021
2) Quantitative effects		
(1) Reduction of electricity usage fees	Reduction of electricity usage fees by incorporating energy-saving equipment/facilities	986(MWh)
(2) Reduction of CO ₂ emissions	Reduced CO ₂ emissions due to the installation of energy-saving equipment/facilities	468.90(t-CO ₂)

Social Data

Human Resources

	Boundary	Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Employee by region	Japan	Male	Person	2,153	2,152	2,146	2,213	2,220
		Female	Person	400	416	466	490	504
		Total	Person	2,553	2,568	2,612	2,703	2,724
		Ratio of Female	%	15.7	16.2	17.8	18.1	18.5
		Ratio by region	%	54.1	52.0	47.5	47.0	42.1
	Asia	Male	Person	710	771	836	905	959
		Female	Person	217	236	273	290	321
		Total	Person	927	1,007	1,109	1,195	1,280
		Ratio of Female	%	23.4	23.4	24.6	24.3	25.1
		Ratio by region	%	19.6	20.4	20.2	20.8	19.8
	Europe	Male	Person	580	613	676	720	763
		Female	Person	125	128	143	153	157
		Total	Person	705	741	819	873	920
		Ratio of Female	%	17.7	17.3	17.5	17.5	17.1
		Ratio by region	%	14.9	15.0	14.9	15.2	14.2
	North America	Male	Person	448	512	764	756	1,178
		Female	Person	88	108	199	229	362
		Total	Person	536	620	963	985	1,540
		Ratio of Female	%	16.4	17.4	20.7	23.2	23.5
		Ratio by region	%	11.4	12.6	17.5	17.1	23.8
Overseas Total	Male	Person	1,738	1,896	2,276	2,381	2,900	
	Female	Person	430	472	615	672	840	
	Total	Person	2,168	2,368	2,891	3,053	3,740	
	Ratio of Female	%	19.8	19.9	21.3	22.0	22.5	
	Ratio by region	%	45.9	48.0	52.5	53.0	57.9	
Total	Male	Person	3,891	4,048	4,422	4,594	5,120	
	Female	Person	830	888	1,081	1,162	1,344	
	Total	Person	4,721	4,936	5,503	5,756	6,464	
	Ratio of Female	%	17.6	18.0	19.6	20.2	20.8	

* Boundary: Advantest Group

	Scope	Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of employees by employment type	Regular Employees	Male	Person	3,705	3,827	4,108	4,242	4,739
		Female	Person	752	803	940	1,019	1,202
		Total	Person	4,457	4,630	5,048	5,261	5,941
	Non-regular Employees	Male	Person	186	221	314	352	381
		Female	Person	78	85	141	143	142
		Total	Person	264	306	455	495	523
	Total	Male	Person	3,891	4,048	4,422	4,594	5,120
		Female	Person	830	888	1,081	1,162	1,344
		Total	Person	4,721	4,936	5,503	5,756	6,464

* Boundary: Advantest Group

	Boundary	Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of employees in management positions	Japan	Male	Person	513	503	483	486	465
		Female	Person	11	12	13	15	18
		Total	Person	524	515	496	501	483
		Ratio of Female	%	2.1	2.3	2.6	3.0	3.7
		Ratio by region	%	46.0	44.5	42.1	41.4	38.0
		Of which, were hired locally	Person	522	514	495	501	483
		Ratio of locally-hired employees appointed	%	99.6	99.8	99.8	100.0	100.0
	Asia	Male	Person	202	210	218	226	225
		Female	Person	40	40	40	43	45
		Total	Person	242	250	258	269	270
		Ratio of Female	%	16.5	16.0	15.5	16.0	16.7
		Ratio by region	%	21.3	21.6	21.9	22.2	21.2
		Of which, were hired locally	Person	227	233	244	255	257
		Ratio of locally-hired employees appointed	%	93.8	93.2	94.6	94.8	95.2

	Boundary	Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
	Europe	Male	Person	163	170	183	200	214
		Female	Person	14	16	17	19	23
		Total	Person	177	186	200	219	237
		Ratio of Female	%	7.9	8.6	8.5	8.7	9.7
		Ratio by region	%	15.6	16.1	17.0	18.1	18.6
		Of which, were hired locally	Person	174	184	194	215	232
		Ratio of locally-hired employees appointed	%	98.3	98.9	97.0	98.2	97.9
	North America	Male	Person	176	187	204	198	246
		Female	Person	19	19	21	24	36
		Total	Person	195	206	225	222	282
		Ratio of Female	%	9.7	9.2	9.3	10.8	12.8
		Ratio by region	%	17.1	17.8	19.1	18.3	22.2
		Of which, were hired locally	Person	175	197	217	217	276
		Ratio of locally-hired employees appointed	%	89.7	95.6	96.4	97.7	97.9
	Overseas Total	Male	Person	541	567	605	624	685
		Female	Person	73	75	78	86	104
		Total	Person	614	642	683	710	789
		Ratio of Female	%	11.9	11.7	11.4	12.1	13.2
		Ratio by region	%	54.0	55.5	57.9	58.6	62.0
		Of which, were hired locally	Person	576	614	655	687	765
		Ratio of locally-hired employees appointed	%	93.8	95.6	95.9	96.8	97.0
	Total	Male	Person	1,054	1,070	1,088	1,110	1,150
		Female	Person	84	87	91	101	122
		Total	Person	1,138	1,157	1,179	1,211	1,272
Ratio of Female		%	7.4	7.5	7.7	8.3	9.6	
Of which, were hired locally		Person	1,098	1,128	1,150	1,188	1,248	
Ratio of locally-hired employees appointed		%	96.5	97.5	97.5	98.1	98.1	

* Boundary: Advantest Group

* Definition of "management position": Level 7 or higher in a 10-level status system. Of the 10 levels, job levels 1 to 6 are general employees, while levels 7 to 10 are designated as management positions.

	Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021	
Number of employees by age group	Age - 29	Male	Person	283	329	380	443	627
		Female	Person	116	118	156	156	215
		Total	Person	399	447	536	599	842
	Age 30 - 39	Male	Person	693	692	752	793	969
		Female	Person	179	197	225	258	291
		Total	Person	872	889	977	1,051	1,260
	Age 40 - 49	Male	Person	1,499	1,411	1,394	1,347	1,328
		Female	Person	293	297	318	334	356
		Total	Person	1,792	1,708	1,712	1,681	1,684
	Age 50 - 59	Male	Person	1,099	1,236	1,355	1,415	1,519
		Female	Person	142	163	208	228	289
		Total	Person	1,241	1,399	1,563	1,643	1,808
	Age 60 -	Male	Person	131	159	227	244	296
		Female	Person	22	28	33	43	51
		Total	Person	153	187	260	287	347
Total	Male	Person	3,705	3,827	4,108	4,242	4,739	
	Female	Person	752	803	940	1,019	1,202	
	Total	Person	4,457	4,630	5,048	5,261	5,941	

* Boundary: Advantest Group (regular employees only)

Recruitment and turnover

	Boundary	Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of new hires	Japan	Male	Person	8	20	43	41	49
		Female	Person	0	4	14	15	18
		Total	Person	8	24	57	56	67
		Ratio of Female	%	0.0	16.7	24.6	26.8	26.9
		Ratio by region	%	4.1	7.2	9.7	14.7	6.2
	Asia	Male	Person	93	102	97	110	147
		Female	Person	20	24	47	30	45
		Total	Person	113	126	144	140	192
		Ratio of Female	%	17.7	19.0	32.6	21.4	23.4
		Ratio by region	%	57.7	37.6	24.5	36.7	17.7
	Europe	Male	Person	26	54	62	58	67
		Female	Person	14	10	18	17	12
		Total	Person	40	64	80	75	79
		Ratio of Female	%	35.0	15.6	22.5	22.7	15.2
		Ratio by region	%	20.4	19.1	13.6	19.7	7.3
	North America	Male	Person	29	95	223	77	563
		Female	Person	6	26	84	33	181
		Total	Person	35	121	307	110	744
		Ratio of Female	%	17.1	21.5	27.4	30.0	24.3
		Ratio by region	%	17.9	36.1	52.2	28.9	68.8
Overseas Total	Male	Person	148	251	382	245	777	
	Female	Person	40	60	149	80	238	
	Total	Person	188	311	531	325	1,015	
	Ratio of Female	%	21.3	19.3	28.1	24.6	23.4	
	Ratio by region	%	95.9	92.8	90.3	85.3	93.8	
Total	Male	Person	156	271	425	286	826	
	Female	Person	40	64	163	95	256	
	Total	Person	196	335	588	381	1,082	
	Ratio of Female	%	20.4	19.1	27.7	24.9	23.7	

* Boundary: Advantest Group (regular employees only)

	Boundary	Item	Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of employee turnover	Japan	Male	Person	32	28	32	13	21
		Female	Person	8	5	12	2	4
		Total	Person	40	33	44	15	25
		Ratio of Female	%	20.0	15.2	27.3	13.3	16.0
		Ratio by region	%	31.7	23.6	30.3	8.6	7.3
	Asia	Male	Person	30	37	34	37	89
		Female	Person	4	4	11	16	15
		Total	Person	34	41	45	53	104
		Ratio of Female	%	11.8	9.8	24.4	30.2	14.4
		Ratio by region	%	27.0	29.3	31.0	30.5	30.2
	Europe	Male	Person	24	22	18	9	17
		Female	Person	1	7	1	4	6
		Total	Person	25	29	19	13	23
		Ratio of Female	%	4.0	24.1	5.3	30.8	26.1
		Ratio by region	%	19.8	20.7	13.1	7.5	6.7
	North America	Male	Person	21	32	29	84	144
		Female	Person	6	5	8	9	48
		Total	Person	27	37	37	93	192
		Ratio of Female	%	22.2	13.5	21.6	9.7	25.0
		Ratio by region	%	21.4	26.4	25.5	53.4	55.8
	Overseas Total	Male	Person	75	91	81	130	250
		Female	Person	11	16	20	29	69
		Total	Person	86	107	101	159	319
		Ratio of Female	%	12.8	15.0	19.8	18.2	21.6
		Ratio by region	%	68.3	76.4	69.7	91.4	92.7
	Total	Male	Person	107	119	113	143	271
		Female	Person	19	21	32	31	73
Total		Person	126	140	145	174	344	
Ratio of Female		%	15.1	15.0	22.1	17.8	21.2	
Turnover ratio	Male	%	2.90	3.21	2.95	3.48	6.39	
	Female	%	2.65	2.79	3.99	3.30	7.16	
	Total	%	2.85	3.14	3.13	3.45	6.54	

* Boundary: Advantest Group (regular employees only)

* From December 2019 onward, the method of including employees who leave at the end of the month within that month's tally was changed to include them in the count for the following month.

Diversity and Inclusion, Working Style

	Boundary		Unit	FY2017	FY2018	FY2019	FY2020	FY2021
Number of re-employment system users ^{*1}	Advantest Corporation (standalone)		Person	30	33	54	60	74
Employment rate of people with disabilities	Advantest Corporation, Advantest Green, Advanfacilities		%	2.49	2.48	2.66	2.79	2.83
(Legal ratio of employment of people with disabilities)			%	2.00	2.20	2.20	2.20	2.30
(Average ratio of employment of people with disabilities in the private sector nationwide)			%	1.97	2.05	2.11	2.15	2.20
Number of employees taking childcare leave	Advantest Corporation (standalone)	Male	Person	1	1	4	2	4
		Female	Person	34	31	25	27	24
		Total	Person	35	32	29	29	28
Number of employees who applied for shortened working hours for childcare	Advantest Corporation (standalone)	Male	Person	0	1	2	3	3
		Female	Person	61	60	71	76	75
		Total	Person	61	61	73	79	78
Number of employees taking nursing/care leave	Advantest Corporation (standalone)	Nursing leave	Person	37	54	38	40	41
		Care leave	Person	11	21	4	3	10
		Total	Person	48	75	42	43	51
Ratio of employees taking paid leave	Advantest Corporation (standalone)		%	71.3	70.7	68.7	68.7	73.7
Number of employees taking accumulated leave	Advantest Corporation (standalone)		Person	95	81	87	124	317
Average amount of overtime per individual ^{*2}	Advantest Group (Japan/China/South Korea)		Hours	13.0	15.0	14.3	16.9	19.7
Ratio of occupational accidents ^{*3}	Advantest Corporation (standalone)		Frequency rate	0.4	0.4	0.2	0.0	0.0
	Advantest Group		Frequency rate	0.5	0.3	0.2	0.1	0.1

* 1: The number of individuals who have newly started to use the re-employment system. (Those who have continued to use the system from the previous year were not included.)

* 2: Overtime hours for management positions with no subordinates are included for South Korea only.

* 3: The number of fatalities and injuries due to occupational accidents per one million working hours. The data includes temporary employees from FY2019 onward.

Employee Education

	Training Category	Target	Participants (Persons)	Training hours (hours)
Status of education and training implementation	Business training (human resource management, etc.)	Management / General employees	726	6,158
	Technical training (technology)	Management / General employees	1,045	2,454
	E-learning (human resource management, etc.)	Management / General employees	2,573	1,573
	New recruit training (per level)	Management / General employees	44	17,019
	Languages/TOEIC (global)	Management / General employees	890	9,641
	External seminars (business skills, etc.)	Management / General employees	158	3,271
	Total			5,436

* Boundary: Advantest Corporation (standalone)

	Education Category	Target	Number of participants (total No. of individuals)	Hours of education (hours)
Status of safety and health education implementation	General education	Management / General employees	4,870	2,600
	Technical education	Management / General employees	1,136	3,167

* Boundary: Advantest Group

Governance Data

Governance System (As of June 24, 2022)

Structure	Company with an Audit and Supervisory Committee
Number of Directors	11 (male : 10 / female : 1)
Number of Outside Directors	5 (45.5%)
Number of Non-Japanese Directors	2 (18.2%)
Term of Office for Directors Who Are Not Audit and Supervisory Committee Members	1 year
Number of Directors Who Are Audit and Supervisory Committee Members	3
Number of Outside Directors	2
Term of Office for Directors Who Are Audit and Supervisory Committee Members	2 years
Nomination and Compensation Committee	Inplace
Nomination and Compensation Committee Members	3 Directors (Two of which are outside Directors)
Nomination and Compensation Committee Chair	Outside Director
Performance-based Compensation System	In Place
Executive Officer System	In Place
Executive Officers	24
Non-Japanese Executive Officers	11

Executive Compensation

Officer Category	Total Compensation (Mil. yen)	Total Compensation by category (Mil. yen)					Number of Eligible Directors
		Cash Compensation		Non-cash Compensation			
		Fixed Compensation	Performance-based Compensation	Stock Options	Restricted stock compensation	Performance-based Stock remuneration	
Directors (excluding Audit and Supervisory Committee members) (excluding Outside Directors)	800	186	239	66	95	214	5
Directors (Audit and Supervisory Committee members) (excluding Outside Directors)	43	43	—	—	—	—	1
Outside Directors (excluding Audit and Supervisory Committee members)	40	40	—	—	—	—	3
Outside Directors (Audit and Supervisory Committee members)	29	29	—	—	—	—	2

1. As of March 31, 2022, the number of directors (excluding outside directors and directors who are Audit and Supervisory Committee members) and outside directors were five and five.

2. Performance-based bonuses are paid to directors (excluding outside directors and directors who are Audit and Supervisory Committee members) as performance-based compensation.

3. For stock options granted by FY2020, the amount of stock options are recorded as expenses for FY2021 in accordance with generally accepted accounting principles in Japan. No stock options were granted in FY2021. Restricted stock compensation and performance-based stock remuneration are recorded as expenses in accordance with generally accepted accounting principles in Japan for FY2021.

Approach to Data Aggregation and Third-Party Verification

We have defined our approach to data aggregation and have subjected our obtained data to third-party verification in order to strengthen the reliability of the data we disclose.

Approach to and Methods for Environmental Data Collection

Targets and period of environmental data collection

Period	April 1, 2021, to March 31, 2022
Targets	Advantest Corporation and its major domestic/overseas consolidated subsidiaries

Item	Region	2017	2018	2019	2020	2021
Aggregation range (Those in Japan includes including affiliated companies)	Japan	8 bases	8 bases	7 bases	7 bases	7 bases
	Overseas	Major overseas affiliates 9 companies				
Employee coverage	Global	-	-	-	-	85.6%

Approach and methods for GHG-related data collection

Quantity of GHG emissions from business facilities

Calculations are based on usage of electricity, heat, and fuel at business facilities, and usage of GHGs (for manufacturing processes, equipment, etc.)

CO ₂ emissions (from energy) accompanying the use of energy	Calculations are performed by multiplying the usage amount of electricity, heat, and fuel (including fuel for vehicles, etc.) at each business facility against the CO ₂ emission factors. When using renewable energy (including certificates), the CO ₂ emission factors is set to zero.
GHG emissions from PFCs, etc. (with a non-energy origin)	Calculations are performed by multiplying the GHG emissions at each business facility against global warming potential values to convert into quantities of CO ₂ .

Referenced guidelines as well as energy and fuel CO₂ emission factors and heat conversion coefficient

Japan	Ministry of the Environment, "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain" Ministry of the Environment, "Amount of Greenhouse Gas Emissions—List of Calculation Methods and Emission Coefficients within the Calculation/Reporting/ Disclosure System"
Overseas	Based on the emission factors announced by each electric company and government authorities of each country as well as those by country announced in IEA Emissions Factors, which was issued by the International Energy Agency (IEA).

Quantity of CO₂ emissions from purchased products and services « Scope 3, Category 1 »

The quantity of CO₂ emissions from products and services purchased by Advantest is calculated by multiplying the corresponding primary unit in the "Global Embodied Energy and Emission Intensity based on the Standard Purchaser Price" (issued by the National Institute for Environmental Studies) per purchased item.

For items for which we are unable to separate transportation costs from the purchase prices, the quantity of emissions including transportation is not tallied under Category 4 "CO₂ emissions during transport from primary suppliers to our company," but such emissions are included in Category 1 emissions for calculation.

Quantity of CO₂ emissions during product usage « Scope3, Category 11 »

The amount of CO₂ emissions during product usage is calculated by multiplying the emissions coefficients from the World category in "IEA Emissions Factors" against the lifetime electricity consumption of products on the market this fiscal year. The amount of CO₂ emissions during product use is calculated according to the following formula.

$$\text{Numbers of units sold} \times \text{Electricity consumption at operation} \times \text{Annual hours of operation} \times \text{Years used} \times \text{CO}_2 \text{ emissions coefficient}$$

Among the semiconductor testing devices sold by the Advantest Group, CO₂ emissions calculations are for the SoC test systems and memory test systems.

The lifetime electricity consumption quantity assumes each product is used for 10 years, and calculations are performed by multiplying the amount of electricity consumed based on the product specification calculations for the target system against the number of units sold for the relevant product.

Scope3 calculation summary

	Category classification	Calculation summary
Category1	Purchased goods and services	The quantity of emissions of some datacenter usage, along with emissions from the resource collection stage up to the manufacturing stage for raw materials/ components sold by the Advantest Group and its purchased items
Category2	Capital goods	Emissions from manufacturing facilities, etc. in which the Advantest Group has invested
Category3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	Emissions accompanying the procurement of fuel and energy used at Advantest Group business facilities
Category4	Upstream transportation and distribution	Emissions accompanying the transport of procured components and purchased products by the Advantest Group, and those accompanying the storage of such products
Category5	Waste generated in operations	Emissions accompanying the treatment of waste generated at business facilities of the Advantest Group
Category6	Business travel	Emissions due to business trips made by Advantest Group employees
Category7	Employee commuting	Emissions due to commuting by Advantest Group employees
Category8	Upstream leased assets	Emissions accompanying leased assets of the Advantest Group * Excludes those calculated under Scope 2
Category9	Downstream transportation and distribution	Emissions accompanying the transport of products sold by the Advantest Group
Category10	Processing of sold products	(N/A)
Category11	Use of sold products	Emissions accompanying electricity consumption due to use of Advantest Group products in customer businesses
Category12	End-of-life treatment of sold products	Emissions accompanying the disposal of products sold by the Advantest Group
Category13	Downstream leased assets	(N/A)
Category14	Franchises	(N/A)
Category15	Investments	(N/A)

Approach to and methods for data collection related to resources

Quantity of waste generated

The total weight of industrial waste and general waste generated from business facilities.

The amount of waste generated in Japan is tabulated and disclosed as weight including valuable materials.

Quantity of water used and discharged

Quantity of water used	The quantity of water used at business facilities (drinking water, industrial water, and groundwater). The purchased quantity is substituted for drinking water and industrial water.
Quantity of water discharged	The quantity of water generated at business facilities discharged to sewage and public waters. For business facilities for which the amount of water discharged cannot be readily determined, the amount of water used is considered to be the amount of water discharged.

Approach to and methods for data collection for other environmental data

Management of chemical substances

To ensure safe management of and compliance with laws and regulations on chemical substances, we implement registration, safety reviews, and control per bottle/package unit for chemical substances used in-house. Furthermore, SDSs, which are the foundation of chemical substance handling, are always available for viewing.

Quantity of chemical substances handled	The quantity of chemical substances purchased and used at each business facility is monitored and calculated.
Quantity of chemical substances emissions/transfers	The quantity of chemical substances emitted/transferred due to operations is calculated by multiplying the handled amount by coefficients.

Quantity of water pollutant discharge (BOD, COD)

The quantity is calculated by multiplying the discharged water concentration by the discharged quantity. This applies to business facilities with legal or other requirements (such as contracts).

Quantity of air pollutant emissions (NOx, SOx)

The quantity is calculated by multiplying the exhaust concentration by the exhaust quantity. This applies to business facilities with legal or other requirements (such as contracts).

Third-Party Assurance

Third-party assurance

Third-party assurance has been obtained from KPMG AZSA Sustainability Co., Ltd. to ensure increased reliability of selected social and environmental performance indicators included in the ESG Data on our website.



 [Independent Assurance Report](#)






Guideline Comparison Table

Guideline Comparison Table



This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards Core option.



102: General Disclosures




Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 102: General Disclosure 2016				
1. Organizational profile				
102-1	Name of the organization			About Advantest Group
102-2	Activities, brands, products, and services			About Advantest Group Products Global Services
102-3	Location of headquarters			About Advantest Group Offices / Subsidiaries
102-4	Location of operations			About Advantest Group Offices / Subsidiaries
102-5	Ownership and legal form			About Advantest Group
102-6	Markets served			About Advantest Group Investors
102-7	Scale of the organization			About Advantest Group Employment and Diversity Investors Offices / Subsidiaries
102-8	Information on employees and other workers	6.4 Labour practices		About Advantest Group Employment and Diversity
		6.4.3 Employment and employment relationships		
102-9	Supply chain			Procurement Policy Supply Chain Management
102-10	Significant changes to the organization and its supply chain			Investors
102-11	Precautionary Principle or approach	6.2 Organizational governance		 Integrated Annual Report: Sustainability – Further Enhancement of ESG, ESG Action Plan 2021 to 2023  Integrated Annual Report: Summary – Risk Management Risk Management System

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
102-12	External initiatives	6.2 Organizational governance		Involvement with External Initiatives
102-13	Membership of associations	6.2 Organizational governance		Involvement with External Initiatives Initiatives to Promote Ethical Business Practices
2. Strategy				
102-14	Statement from a senior decision-maker	6.2 Organizational governance		 Integrated Annual Report: Summary – CEO Message Message from Advantest’s Director of Sustainable Management
102-15	Key impacts, risks, and opportunities	6.2 Organizational governance		Message from Advantest’s Director of Sustainable Management  Integrated Annual Report: Summary – Risk Management  Integrated Annual Report: Sustainability – Further Enhancement of ESG, Environmental Initiatives, Efforts to Address Social Issues Risk Management System TCFD-based Climate Change-related Information Disclosure Business Continuity Initiatives Annual / Quarterly Financial Report
3. Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior			The Advantest Way Respecting and Protecting Human Rights
102-17	Mechanisms for advice and concerns about ethics			Initiatives to Promote Ethical Business Practices Supply Chain Management The Advantest Way
4. Governance				
102-18	Governance structure	6.2 Organizational governance		 Integrated Annual Report: Sustainability – Further Enhancement of ESG, Corporate Governance Management Structure
102-19	Delegating authority			
102-20	Executive-level responsibility for economic, environmental, and social topics			 Integrated Annual Report: Sustainability – Further Enhancement of ESG, ESG Action Plan 2021 to 2023 Materialities and the ESG Action Plan

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
102-21	Consulting stakeholders on economic, environmental, and social topics	6.2 Organizational governance		Stakeholder Engagement
102-22	Composition of the highest governance body and its committees	6.2 Organizational governance		PDF Integrated Annual Report: Sustainability – Corporate Governance
102-23	Chair of the highest governance body	6.2 Organizational governance		PDF Corporate Governance Report
102-24	Nominating and selecting the highest governance body	6.2 Organizational governance		PDF Integrated Annual Report: Sustainability – Corporate Governance
102-25	Conflicts of interest	6.2 Organizational governance		PDF Integrated Annual Report: Sustainability – Corporate Governance
102-26	Role of highest governance body in setting purpose, values, and strategies			PDF Integrated Annual Report: Sustainability – Further Enhancement of ESG, Corporate Governance
102-27	Collective knowledge of the highest governance body			PDF Integrated Annual Report: Sustainability – Further Enhancement of ESG, Corporate Governance
102-28	Evaluating the highest governance body's performance	6.2 Organizational governance		PDF Integrated Annual Report: Sustainability – Further Enhancement of ESG, Corporate Governance
102-29	Identifying and managing economic, environmental, and social impacts	6.2 Organizational governance		PDF Integrated Annual Report: Summary – Risk Management PDF Integrated Annual Report: Sustainability – Corporate Governance
102-30	Effectiveness of risk management processes			PDF Integrated Annual Report: Summary – Risk Management
102-31	Review of economic, environmental, and social topics	6.2 Organizational governance		PDF Integrated Annual Report: Sustainability – Further Enhancement of ESG Basic Policy and System for Promoting ESG Initiatives
102-32	Highest governance body's role in sustainability reporting			PDF Integrated Annual Report: Sustainability – Further Enhancement of ESG
102-33	Communicating critical concerns	6.2 Organizational governance		PDF Integrated Annual Report: Sustainability – Corporate Governance Initiatives to Promote Ethical Business Practices
102-34	Nature and total number of critical concerns			

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
102-36	Process for determining remuneration			 Integrated Annual Report: Sustainability – Corporate Governance Annual / Quarterly Financial Report Executive Compensation System
102-37	Stakeholders' involvement in remuneration	6.2 Organizational governance		 Integrated Annual Report: Sustainability – Corporate Governance Annual / Quarterly Financial Report Executive Compensation System
102-38	Annual total compensation ratio			
102-39	Percentage increase in annual total compensation ratio			
5. Stakeholder engagement				
102-40	List of stakeholder groups	6.2 Organizational governance		Stakeholder Engagement
102-41	Collective bargaining agreements	6.3.10 Human rights issue 8: Fundamental principles and rights at work	1 Support and respect for human rights	Respecting and Protecting Human Rights Annual / Quarterly Financial Report
		6.4 Labour practices	3 Freedom of association and recognition of the right to collective bargaining	
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.4 Labour practices issue 2: Conditions of work and social protection		
	6.4.5 Labour practices issue 3: Social dialogue			
102-42	Identifying and selecting stakeholders	6.2 Organizational governance		Stakeholder Engagement

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
102-43	Approach to stakeholder engagement	6.2 Organizational governance	1 Support and respect for human rights	Respecting and Protecting Human Rights Stakeholder Engagement Supporting Product Safety and Quality
		6.7 Consumer issues	2 Not complicit in human rights abuses	
		6.7.4 Consumer issue 2: Protecting consumers' health and safety	3 Freedom of association and recognition of the right to collective bargaining	
		6.7.5 Consumer issue 3: Sustainable consumption	4 Elimination of forced and compulsory labour	
		6.7.6 Consumer issue 4: Consumer service, support, and complaint and dispute resolution	5 Effective abolition of child labour	
		6.7.8 Consumer issue 6: Access to essential services	6 Elimination of discrimination in respect of employment and occupation	
		6.7.9 Consumer issue 7: Education and awareness	7 Preparatory approach to environmental challenges	
			8 Initiatives to promote greater environmental responsibility	
			9 Development and diffusion of environmentally friendly technologies	
		10 Working against corruption in all its forms, including extortion and bribery		
102-44	Key topics and concerns raised	6.2 Organizational governance		Stakeholder Engagement
6. Reporting practice				
102-45	Entities included in the consolidated financial statements	6.2 Organizational governance		Annual / Quarterly Financial Report
102-46	Defining report content and topic boundaries			Editorial Note  Integrated Annual Report: Editorial Policy
102-47	List of material topics			 Integrated Annual Report: Sustainability – Further Enhancement of ESG
102-48	Restatements of information			
102-49	Changes in reporting			
102-50	Reporting period			Editorial Note
102-51	Date of most recent report			Editorial Note
102-52	Reporting cycle			Editorial Note
102-53	Contact point for questions regarding the report			Editorial Note
102-54	Claims of reporting in accordance with the GRI Standards			Guideline Comparison Table
102-55	GRI content index			Guideline Comparison Table

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
102-56	External assurance	7.5.3 Types of communication on social responsibility		Third-Party Assurance
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary			 Integrated Annual Report: Sustainability – Further Enhancement of ESG
103-2	Management approach and its elements			 Integrated Annual Report: Sustainability – Environmental Initiatives, Efforts to Address Social Issues, Corporate Governance
103-3	Evaluation of the management approach			 Integrated Annual Report: Sustainability – Further Enhancement of ESG Basic Policy and System for Promoting ESG Initiatives

200: Economic

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	6.8 Community involvement and development 6.8.3 Community involvement and development issue 1: Community involvement 6.8.7 Community involvement and development issue 5: Wealth and income creation 6.8.9 Community involvement and development issue 7: Social investment		About Advantest Group Annual / Quarterly Financial Report
201-2	Financial implications and other risks and opportunities due to climate change	6.5.5 Environmental issue 3: Climate change mitigation and adaption	7 Preparatory approach to environmental challenges 8 Initiatives to promote greater environmental responsibility 9 Development and diffusion of environmentally friendly technologies	Integrated Annual Report: Summary – Risk Management Integrated Annual Report: Sustainability – Environmental Initiatives TCFD-based Climate Change-related Information Disclosure Initiatives to Address Supply Chain Emissions Environmental Policies Green Products ESG Data (Refer to Environment Data) Annual / Quarterly Financial Report
201-3	Defined benefit plan obligations and other retirement plans			Fair Evaluation and Treatment
201-4	Financial assistance received from the government			
GRI 202: Market Presence 2016				
202-1	Ratio of standard entry level wage by gender compared to the local minimum wage	6.4.4 Labour practices issue 2: Conditions of work and social protection 6.8 Community involvement and development		
202-2	Proportion of senior management hired from the local community	6.8 Community involvement and development 6.8.5 Community involvement and development issue 3: Employment creation and skills development 6.8.7 Community involvement and development issue 5: Wealth and income creation		Employment and Diversity

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 203: Indirect Economic Impacts 2016				
203-1	Infrastructure investments and services supported	6.3.9 Human rights issue 7: Economic, social and cultural rights	8 Initiatives to promote greater environmental responsibility	
		6.8 Community involvement and development	9 Development and diffusion of environmentally friendly technologies	
		6.8.3 Community involvement and development issue 1: Community involvement		
		6.8.4 Community involvement and development issue 2: Education and culture		
		6.8.5 Community involvement and development issue 3: Employment creation and skills development		
		6.8.6 Community involvement and development issue 4: Technology development and access		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		
		6.8.9 Community involvement and development issue 7: Social investment		
203-2	Significant indirect economic impacts	6.3.9 Human rights issue 7: Economic, social and cultural rights		
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
		6.6.7 Fair operating practices issue 5: Respect for property rights		
		6.7.8 Consumer issue 6: Access to essential services		
		6.8 Community involvement and development		
		6.8.5 Community involvement and development issue 3: Employment creation and skills development		
		6.8.6 Community involvement and development issue 4: Technology development and access		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		
6.8.9 Community involvement and development issue 7: Social investment				

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	6.6 Fair operation practices		
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
		6.8 Community involvement and development		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	6.6 Fair operation practices	10 Working against corruption in all its forms, including extortion and bribery	Supply Chain Management
		6.6.3 Fair operating practices issue 1: Anti-corruption		
205-2	Communication and training about anti-corruption policies and procedures	6.6 Fair operation practices	10 Working against corruption in all its forms, including extortion and bribery	Initiatives to Promote Ethical Business Practices
		6.6.3 Fair operating practices issue 1: Anti-corruption		
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
205-3	Confirmed incidents of corruption and actions taken	6.6 Fair operation practices		Initiatives to Promote Ethical Business Practices
		6.6.3 Fair operating practices issue 1: Anti-corruption		
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
GRI 206: Anti-competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6.6 Fair operation practices		Initiatives to Promote Ethical Business Practices
		6.6.5 Fair operating practices issue 3: Fair competition		
		6.6.7 Fair operating practices issue 5: Respect for property rights		
GRI 207: Tax 2019				
207-1	Approach to tax			Tax Compliance
207-2	Tax governance, control, and risk management			Tax Compliance
207-3	Stakeholder engagement and management of concerns related to tax			Tax Compliance
207-4	Country-by-country reporting			

300: Environmental


Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	6.5.4 Environmental issue 2: Sustainable resource use		ESG Data (Refer to Environment Data)
301-2	Recycled input materials used	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources
301-3	Reclaimed products and their packaging materials	6.5.4 Environmental issue 2: Sustainable resource use		Product Recycling
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	6.5.4 Environmental issue 2: Sustainable resource use		Initiatives to Address Supply Chain Emissions ESG Data (Refer to Environment Data)
302-2	Energy consumption outside of the organization	6.5.4 Environmental issue 2: Sustainable resource use		Initiatives to Address Supply Chain Emissions ESG Data (Refer to Environment Data)
302-3	Energy intensity	6.5.4 Environmental issue 2: Sustainable resource use		
302-4	Reduction of energy consumption	6.5.4 Environmental issue 2: Sustainable resource use		Environmental Policies ESG Data (Refer to Environment Data) Initiatives to Address Supply Chain Emissions Approach to and Methods for Environmental Data Collection
		6.5.5 Environmental issue 3: Climate change mitigation and adaption		
302-5	Reductions in energy requirements of products and services	6.5.4 Environmental issue 2: Sustainable resource use	9 Development and diffusion of environmentally friendly technologies	Approach to Climate Change Environmental Policies Green Products TCFD-based Climate Change-related Information Disclosure
		6.5.5 Environmental issue 3: Climate change mitigation and adaption		
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources ESG Data (Refer to Environment Data)
303-2	Management of water discharge related impacts	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources ESG Data (Refer to Environment Data)
303-3	Water withdrawal	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources ESG Data (Refer to Environment Data)
303-4	Water discharge	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources ESG Data (Refer to Environment Data)


Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
303-5	Water consumption	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources ESG Data (Refer to Environment Data)
GRI 304: Biodiversity 2016				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		Biotope Initiatives for Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		
304-3	Habitats protected or restored	6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		Biotope Initiatives for Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	6.5.5 Environmental issue 3: Climate change mitigation and adaption		ESG Data (Refer to Environment Data) Initiatives to Address Supply Chain Emissions
305-2	Indirect (Scope 2) GHG emissions	6.5.5 Environmental issue 3: Climate change mitigation and adaption		ESG Data (Refer to Environment Data) Initiatives to Address Supply Chain Emissions
305-3	Other indirect (Scope 3) GHG emissions	6.5.5 Environmental issue 3: Climate change mitigation and adaption		ESG Data (Refer to Environment Data) Initiatives to Address Supply Chain Emissions
305-4	GHG emissions intensity	6.5.5 Environmental issue 3: Climate change mitigation and adaption		ESG Data (Refer to Environment Data)
305-5	Reduction of GHG emissions	6.5.5 Environmental issue 3: Climate change mitigation and adaption		Approach to Climate Change ESG Data (Refer to Environment Data)
305-6	Emissions of ozone-depleting substances (ODS)	6.5.3 Environmental issue 1: Prevention of pollution		
		6.5.5 Environmental issue 3: Climate change mitigation and adaption		
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	6.5.3 Environmental issue 1: Prevention of pollution		ESG Data (Refer to Environment Data)
GRI 306: Effluents and Waste 2020				
306-1	Waste generation and significant waste-related impacts	6.5.3 Environmental issue 1: Prevention of pollution		Recycling Resources ESG Data (Refer to Environment Data)
		6.5.4 Environmental issue 2: Sustainable resource use		

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
306-2	Management of significant wasterelated impacts	6.5.3 Environmental issue 1: Prevention of pollution		Recycling Resources ESG Data (Refer to Enviornment Data)
306-3	Waste generated	6.5.3 Environmental issue 1: Prevention of pollution		Management of Legal Compliance Regarding Environmental Impacts
306-4	Waste diverted from disposal	6.5.3 Environmental issue 1: Prevention of pollution		ESG Data (Refer to Enviornment Data)
306-5	Waste directed to disposal	6.5.3 Environmental issue 1: Prevention of pollution		Recycling Resources
		6.5.4 Environmental issue 2: Sustainable resource use		
		6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		
GRI 307: Environmental Compliance 2016				
307-1	Non-compliance with environmental laws and regulations	4.6 Respect for the rule of law		Management of Legal Compliance Regarding Environmental Impacts ESG Data (Refer to Enviornment Data)
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	6.3.5 Environmental issue 1: Prevention of pollution		Supply Chain Management
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
		7.3.1 Determining relevance and significance of core subjects and issues to an organization		
308-2	Negative environmental impacts in the supply chain and actions taken	6.3.5 Environmental issue 1: Prevention of pollution		Supply Chain Management
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
		7.3.1 Determining relevance and significance of core subjects and issues to an organization		

400: Social

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	6.4 Labour practices		Employment and Diversity
		6.4.3 Labour practices issue 1: Employment and employment relationships		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.4 Labour practices		Initiatives for Work-Life Balance Fair Evaluation and Treatment
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.4 Labour practices issue 2: Conditions of work and social protection		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		
401-3	Parental leave	6.4 Labour practices	6 Elimination of discrimination in respect of employment and occupation	Initiatives for Work-Life Balance
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.4 Labour practices issue 2: Conditions of work and social protection		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	6.4 Labour practices		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.4 Labour practices issue 2: Conditions of work and social protection		
		6.4.5 Labour practices issue 3: Social dialogue		
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	6.4 Labour practices		Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
403-2	Hazard identification, risk assessment, and incident investigation	6.4 Labour practices		Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		
403-3	Occupational health services	6.4 Labour practices		Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		
		6.8 Community involvement and development		
		6.8.3 Community involvement and development issue 1: Community involvement		
		6.8.4 Community involvement and development issue 2: Education and culture		
6.8.8 Community involvement and development issue 6: Health				
403-4	Worker participation, consultation, and communication on occupational health and safety	6.4 Labour practices		Respecting and Protecting Human Rights Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		
403-5	Worker training on occupational health and safety	6.4 Labour practices		Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		
403-6	Promotion of worker health	6.4 Labour practices		Promotion of Occupational Safety and Health Promotion of Health and Productivity Management  Integrated Annual Report: Sustainability – Initiatives for Occupational Health and Safety
		6.4.6 Labour practices issue 4: Health and safety at work		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.4 Labour practices		Supply Chain Management Supporting Product Safety and Quality
		6.4.6 Labour practices issue 4: Health and safety at work		
403-8	Workers covered by an occupational health and safety management system	6.4 Labour practices		About Advantest Group Editorial Note Respecting and Protecting Human Rights Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		
403-9	Work-related injuries	6.4 Labour practices		Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
403-10	Work-related ill health	6.4 Labour practices		Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	6.4 Labour practices		Efforts to Develop Human Resources
		6.4.7 Labour practices issue 5: Human development and training in the workplace		
404-2	Programs for upgrading employee skills and transition assistance programs	6.4 Labour practices	6 Elimination of discrimination in respect of employment and occupation	Efforts to Develop Human Resources Fair Evaluation and Treatment
		6.4.7 Labour practices issue 5: Human development and training in the workplace		
		6.8.5 Community involvement and development issue 3: Employment creation and skills development		
404-3	Percentage of employees receiving regular performance and career development reviews	6.4 Labour practices		Fair Evaluation and Treatment
		6.4.7 Labour practices issue 5: Human development and training in the workplace		
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	6.3.7 Human rights issue 5: Discrimination and vulnerable groups	1 Support and respect for human rights	Employment and Diversity Respecting and Protecting Human Rights  Integrated Annual Report: Sustainability – Human Rights Initiatives, Initiatives for Occupational Health and Safety
		6.3.10 Human rights issue 8: Fundamental principles and rights at work	6 Elimination of discrimination in respect of employment and occupation	
		6.4 Labour practices		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
405-2	Ratio of basic salary and remuneration of women to men	6.3.7 Human rights issue 5: Discrimination and vulnerable groups		
		6.3.10 Human rights issue 8: Fundamental principles and rights at work		
		6.4 Labour practices		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.4 Labour practices issue 2: Conditions of work and social protection		

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	6.3 Human rights		Supply Chain Management Initiatives to Promote Ethical Business Practices Respecting and Protecting Human Rights
		6.3.6 Human rights issue 4: Resolving grievances		
		6.3.7 Human rights issue 5: Discrimination and vulnerable groups		
		6.3.10 Human rights issue 8: Fundamental principles and rights at work		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	6.3 Human rights		Respecting and Protecting Human Rights Supply Chain Management
		6.3.3 Human rights issue 1: Due diligence		
		6.3.4 Human rights issue 2: Human rights risk situations		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.3.8 Human rights issue 6: Civil and political rights		
		6.3.10 Human rights issue 8: Fundamental principles and rights at work		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
6.4.5 Labour practices issue 3: Social dialogue				
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	6.3 Human rights		Respecting and Protecting Human Rights Supply Chain Management Procurement Policy
		6.3.3 Human rights issue 1: Due diligence		
		6.3.4 Human rights issue 2: Human rights risk situations		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.3.7 Human rights issue 5: Discrimination and vulnerable groups		
		6.3.10 Human rights issue 8: Fundamental principles and rights at work		

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 409: Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.3 Human rights		Supply Chain Management Procurement Policy Respecting and Protecting Human Rights
		6.3.3 Human rights issue 1: Due diligence		
		6.3.4 Human rights issue 2: Human rights risk situations		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.3.7 Human rights issue 5: Discrimination and vulnerable groups		
		6.3.10 Human rights issue 8: Fundamental principles and rights at work		
GRI 410: Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures	6.3 Human rights		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
GRI 411: Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving the rights of indigenous peoples	6.3 Human rights		
		6.3.6 Human rights issue 4: Resolving grievances		
		6.3.7 Human rights issue 5: Discrimination and vulnerable groups		
		6.3.8 Human rights issue 6: Civil and political rights		
		6.6.7 Fair operating practices issue 5: Respect for property rights		
GRI 412: Human Rights Assessment 2016				
412-1	Operations that have been subject to human rights reviews or impact assessments	6.3 Human rights		Supply Chain Management
		6.3.3 Human rights issue 1: Due diligence		
		6.3.4 Human rights issue 2: Human rights risk situations		
		6.3.5 Human rights issue 3: Avoidance of complicity		
412-2	Employee training on human rights policies or procedures	6.3 Human rights	1 Support and respect for human rights	Respecting and Protecting Human Rights
		6.3.5 Human rights issue 3: Avoidance of complicity		

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	6.3 Human rights		Supply Chain Management Procurement Policy
		6.3.3 Human rights issue 1: Due diligence		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.3.6 Human rights issue 4: Resolving grievances		
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	6.3.9 Human rights issue 7: Economic, social and cultural rights	8 Initiatives to promote greater environmental responsibility	Community Activities Environmental Initiatives
		6.6.7 Fair operating practices issue 5: Respect for property rights		
		6.8 Community involvement and development		
		6.8.5 Community involvement and development issue 3: Employment creation and skills development		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		
413-2	Operations with significant actual and potential negative impacts on local communities	6.3.9 Human rights issue 7: Economic, social and cultural rights	7 Preparatory approach to environmental challenges	
		6.5.3 Environmental issue 1: Prevention of pollution	8 Initiatives to promote greater environmental responsibility	
		6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		
		6.8.9 Community involvement and development issue 7: Social investment		
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria			Supply Chain Management Procurement Policy
414-2	Negative social impacts in the supply chain and actions taken			Supply Chain Management Procurement Policy
GRI 415: Public Policy 2016				
415-1	Political contributions			Initiatives to Promote Ethical Business Practices

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 416: Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories	6.3.9 Human rights issue 7: Economic, social and cultural rights	9 Development and diffusion of environmentally friendly technologies	Supporting Product Safety and Quality Initiative Towards Customer Satisfaction
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
		6.7 Consumer issues		
		6.7.4 Consumer issue 2: Protecting consumers' health and safety		
		6.7.5 Consumer issue 3: Sustainable consumption		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	6.3.9 Human rights issue 7: Economic, social and cultural rights		Supporting Product Safety and Quality
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
		6.7 Consumer issues		
		6.7.4 Consumer issue 2: Protecting consumers' health and safety		
		6.7.5 Consumer issue 3: Sustainable consumption		
GRI 417: Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	6.7 Consumer issues		Green Products Management of Legal Compliance Regarding Environmental Impacts Management of Chemical Substances Supporting Product Safety and Quality Compliance with the Laws and Regulations in Each Country
		6.7.3 Customer issue 1: Fair marketing, factual and unbiased information and their contractual practices		
		6.7.4 Consumer issue 2: Protecting consumers' health and safety		
		6.7.5 Consumer issue 3: Sustainable consumption		
		6.7.6 Consumer issue 4: Consumer service, support, and complaint and dispute resolution		
		6.7.9 Consumer issue 7: Education and awareness		

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
417-2	Incidents of non-compliance concerning product and service information and labeling	6.7 Consumer issues		
		6.7.3 Customer issue 1: Fair marketing, factual and unbiased information and their contractual practices		
		6.7.4 Consumer issue 2: Protecting consumers' health and safety		
		6.7.5 Consumer issue 3: Sustainable consumption		
		6.7.6 Consumer issue 4: Consumer service, support, and complaint and dispute resolution		
		6.7.9 Consumer issue 7: Education and awareness		
417-3	Incidents of non-compliance concerning marketing communications	6.7 Consumer issues		
		6.7.3 Customer issue 1: Fair marketing, factual and unbiased information and their contractual practices		
		6.7.6 Consumer issue 4: Consumer service, support, and complaint and dispute resolution		
		6.7.9 Consumer issue 7: Education and awareness		
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.7 Consumer issues		Information Security
		6.7.7 Consumer issue 5: Consumer data protection and privacy		
GRI 419: Socioeconomic Compliance 2016				
419-1	Non-compliance with laws and regulations in the social and economic area	6.6 Fair operation practices		Supporting Product Safety and Quality Initiatives to Promote Ethical Business Practices Export Control Tax Compliance
		6.6.3 Fair operating practices issue 1: Anti-corruption		
		6.6.7 Fair operating practices issue 5: Respect for property rights		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		