

# Advantest's Sustainability

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## Message from Advantest's Director of Sustainable Management

Messages from the director of sustainable management regarding social safety, security, and sustainability.

### Towards a "safe, secure, and comfortable society"

The global economy in 2023 is marked by recessionary concerns, which are increasing due to monetary tightening and soaring energy prices in major developed countries in Europe, the U.S., and Asia. In addition, the slowdown in growth due to the impact of COVID-19 pandemic and the tense situation in Ukraine, continuing from last year, has acted as a drag on economic activity, while sluggishness and financial risks are also coming into view in emerging economies and less-developed regions. Reforms to curb inflation and policies to stabilize the macroeconomic and financial situation are needed at the national level, especially in major countries, to establish a strong and sustainable economic foundation beyond 2024. In addition, challenges such as climate change and other global environmental issues, preservation of biodiversity, and labor market mobility in response to declining birthrates and aging populations, are becoming increasingly serious with each passing year. In this economic and social environment, Advantest strives to maximize customer satisfaction by accurately grasping customer needs and providing solutions in our core semiconductor test equipment business through fair and prudent corporate activities, all while improving our corporate value by ensuring sustainable management that emphasizes "Environmental," "Social," and "Governance."



The following are our ESG initiatives from the Second Mid-Term Management Plan (MTP2), which was formulated and launched in FY2021. We have evaluated and improved our KPIs for "E," the environmental aspect of ESG, and set goals focusing on key issues such as greenhouse gas reduction, the introduction of renewable energy, shortening production times by optimizing production processes, strengthening our development and sales of green products, resource recycling and biodiversity. For "S," the social aspect of ESG, we have enhanced our activities related to 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 throughout the supply chain as a means to fulfill our corporate social responsibility. In addition, our global human resources initiatives aim to promote diversity, instill human rights policies and strengthen relevant education, and enhance employee engagement. These initiatives and measures also tie into improving customer satisfaction. Regarding "G," the governance aspect of ESG, our board has held frequent discussions based on business strategy briefings, considered how to increase its own efficiency and effectiveness, conducted detailed succession planning, and discussed how to further train employees worldwide in the Advantest Way. We are also working to reinforce our compliance and risk management systems.

Meanwhile, innovations in digital infrastructure such as communication networks and data centers are moving in tandem with rapid changes in technology, such as the evolution of the semiconductors used in these applications. The digital transformation of our world is accelerating. Amidst these changes, Advantest continues to deliver safety, security, and comfort to people worldwide through semiconductor test. Semiconductors are now incorporated into a wide variety of products and infrastructure, from industrial goods to commodities. They enrich people's lives, enhance convenience, and help to solve social issues. These same semiconductors are rapidly evolving to deliver even higher performance in their many roles. As semiconductors come to be used in more and more diverse applications, defective semiconductors no longer just cause inconvenience. Defects in the semiconductors used in automobiles, medical equipment, and data servers can lead to serious problems and even loss of life. Therefore, it is essential for semiconductor manufacturers to carefully check the quality of their devices during the verification process to ensure that they operate as designed, and inspect them thoroughly during mass production. Advantest's products are used for these processes. That is why we believe that our products play a key role in everyone's safe, secure, and comfortable lifestyles.

In the future, we plan to roll out new measures representing our commitment to "E," "S," and "G." We will create a roadmap for our participation in the RE100 initiatives to further strengthen our response to climate change issues, aiming 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 carbon-neutral society. In terms of "Social," our human capital policy calls for the promotion of diversity from various perspectives, including not only race and gender, but also different cultures and backgrounds, and the reform of various personnel systems, including human resources education, skills development, human resources promotion, and compensation systems. This corporate culture transformation will be carried out in the spirit of our INTEGRITY core values, which help shape each employee's actions. We are also committed to acting in a manner that protects our stakeholders' human rights, and are working to eliminate any attendant risks to human rights from our corporate activities by strengthening our compliance and risk management systems. In terms of "Governance," in order to strengthen the CxO structure introduced in 2021, we shifted from one to three representative directors from January 2023, with the aim of enhancing our global management system. This transition is part of our succession plan, and we are also working to further strengthen our management structure by diversifying our human resources through the appointment of global human resources.

We have designated the further enhancement of ESG initiatives as one of the key strategies of our mid-/long-term management policy, and will continue to innovate on this axis, aiming to further grow our corporate value and contribute to our shared, sustainable future.

Thank you for your continued support.

September 2023

Yasuo Mihashi

Senior Executive Officer, CFO & CSO

Executive Vice President, Corporate Strategy Group

# Advantest's Sustainability Journey

Advantest continues its sustainability journey through promotion of ESG.

## Basic Stance

A company can survive and grow only by continuously contributing to the common good and the enrichment of people's lives. Therefore, the sustainable development of the company itself cannot be achieved unless its management enhances the sustainability of society and the global environment.

Advantest's purpose and mission is "Enabling Leading-Edge Technologies". This points to our continual quest for greater social development in the form of contributions to the common good driven by leading-edge technological innovation in electronics, supported by our measurement technology and embodied by our products and services, with which we strive to provide ever greater value to customers around the world.

Advantest's management goal is to improve corporate value over the medium to long term by contributing through our business activities to a sustainable society that is safe, secure, and comfortable. In order to sustainably develop our business, we must build good relationships with all our stakeholders, including society as a whole, the global environment, our customers, shareholders, employees, and business partners, and develop these relationships in a well-balanced manner. We believe that this is a top-priority endeavor, and by pursuing it, corporate value will improve and stakeholder value will also increase.

## Semiconductors and Sustainability

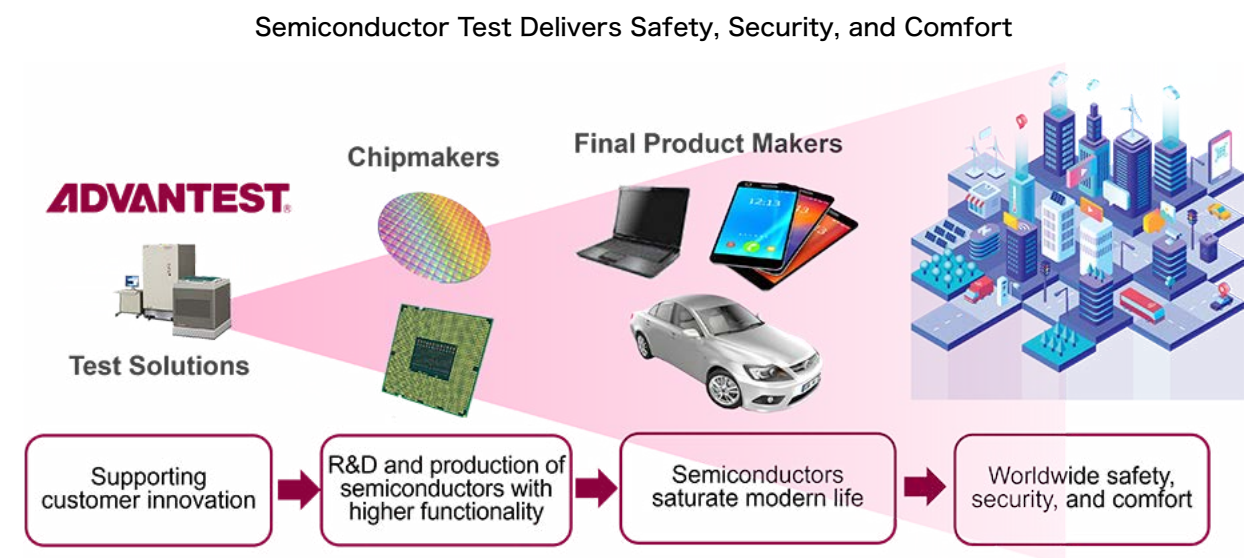
We believe that semiconductors will help secure and support a sustainable future for all of us.

Semiconductors are now embedded in every part of our lives. They are indispensable components not only of personal computers and smartphones, but also domestic appliances, automobiles, and industrial equipment. We now live in a world where everything is connected to the Internet. As the number of networked devices connected to the network increases, the amount of data in the world is expected to increase every year.

On the other hand, demands for reducing environmental impact are also affecting semiconductors. The growth of their energy consumption has been restrained thanks to the advances resting on miniaturization, higher-performance gains, and an emphasis on energy-saving. There has also been a remarkable improvement in the performance and proliferation of power semiconductors. Advantest is responsible for offering test solutions so as to aid semiconductor manufacturers in providing higher-performance semiconductor devices. These efforts will ultimately lead to contributions to future global energy conservation.

Advantest's mission is to continue to meet the challenges (high quality and performance assurance, shortest time to mass production) that our customers face in the evolution of semiconductors, which is driven by the two axes of digital transformation (DX) and green transformation (GX). In carrying out that mission, all executives and employees are guided by "The Advantest Way," and commit to respecting all stakeholders and working for sustainability, while at the same time seeking to ensure the sustainable development of our company and achieve medium- to long-term improvement of corporate value.

For details, please refer to "[Innovation Initiatives](#)".



## Realization of Sustainability through ESG Promotion

Advantest recognizes that attentive management based on our purpose and mission is essential for resolving sustainability issues, and creating corporate value over the medium to long term, and has formulated a mid/long-term management policy, our Grand Design, as well as a mid-term management plan. In addition, we are now focused on instilling "The Advantest Way" among our executives and employees.

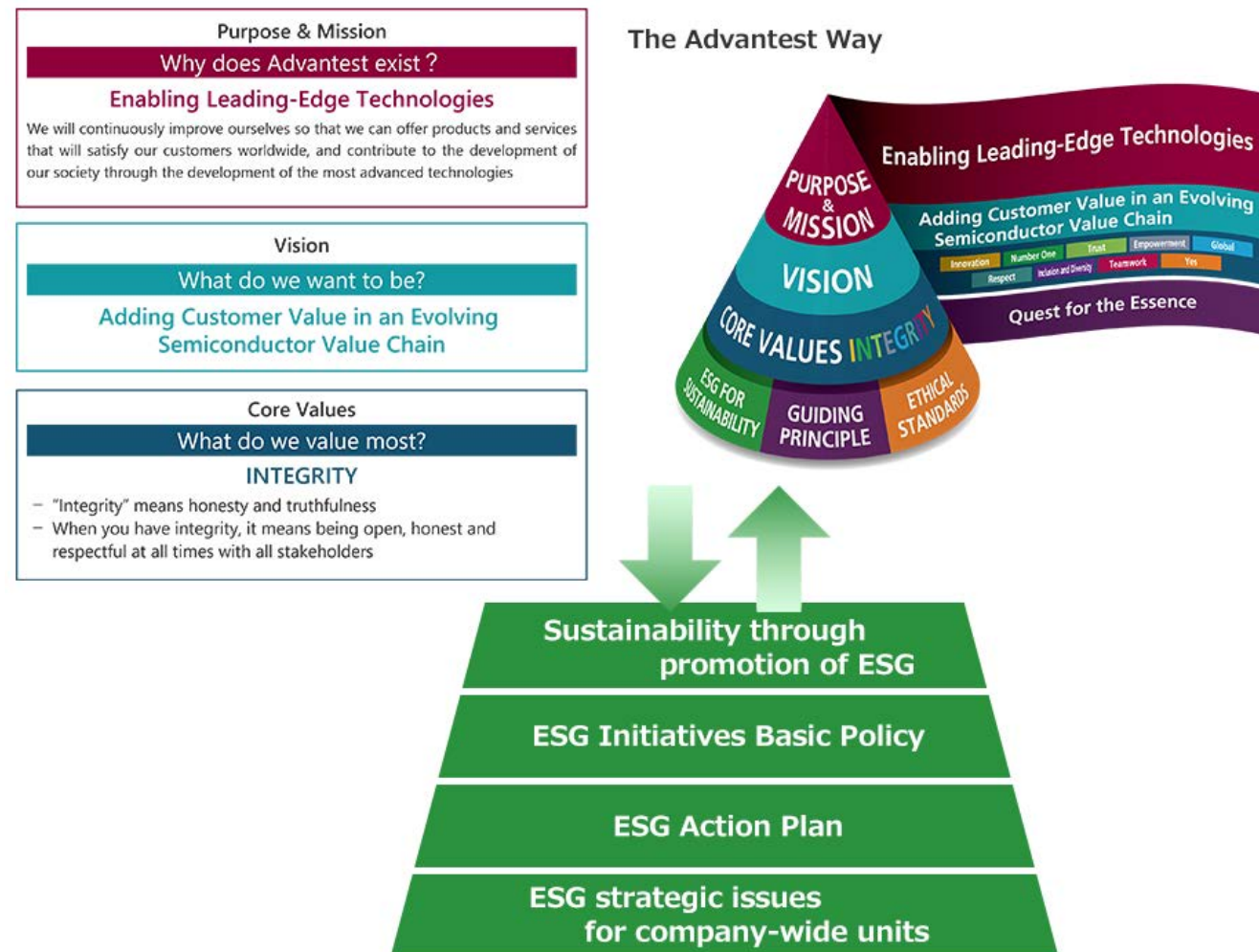
"The Advantest Way" is the foundational set of our guidelines and commitments that unites the members of the Advantest Group, embracing diverse cultures, languages, customs, and values into one team, and assuring maximum potential of our diverse human capital. The Advantest Way consists of six elements: the first three, our "purpose and mission", "vision", and "core values" stipulate what the Advantest Group aims to be and what we should do in order to create value and contribute to the common good over the mid/long term. The second three, "ESG for sustainability", "guiding principle (Quest for the Essence)", and "ethical standards" define the basic mindset required of Advantest's executives and employees for successful implementation of the first three elements.

We have laid out "sustainability through promotion of ESG" as one of the three foundations that support our vision. We have set out the ESG Initiatives Basic Policy and formulated an ESG Action Plan 2021-2023



for its implementation for the achievement of both the creation of a sustainable society and the sustainable growth of the Group. 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.

Advantest will continue its sustainability journey through the promotion of ESG.



[The Advantest Way](#)

## Materialities and the ESG Action Plan

This page introduces our 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 2021-2023 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 2023.



[Integrated Annual Report 2023](#)

## ESG Action Plan 2021-2023

ESG	Key Issue	Person in Charge <sup>1)</sup>	Objective	KPI	Target Value			
					2021	2022	2023	2030
E (Environment)     	Climate Change (Scope 1+2)	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 <sup>2)</sup>
			Promote the use of renewable energy by suppliers and contractors	Number of suppliers who use renewable energy	10	20	40	TBD <sup>3)</sup>
		CTO	Reduce CO <sub>2</sub> -equivalent emissions (basic unit) per test by 50% by 2030	Reduction rate in basic units (vs. FY2018)	Set basic unit calculation definition	→	20%	50%
	Green Products	CTO	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	CHO	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 <sup>3</sup> /year	→	→	288,000m <sup>3</sup> /year	
Biodiversity	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 customers	90%	95%	100%	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%
Conflict minerals elimination	CPO	Conflict minerals elimination	Percentage of suppliers confirmed to be free of conflict minerals <sup>4)</sup>	100%	100%	100%	100%	

ESG	Key Issue	Person in Charge <sup>1</sup>	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	→ No target value since the survey has not been conducted	3.8	4.1	
	Investing in human resources	CHO	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)	Selected	→	→	Selected	
			Employee capacity building	Education and training expenses (100MY)	-	5.0	6.0	10.0	
	G (Governance)	Board effectiveness	Group CEO	Provide outside directors with updates on business and management issues	3 times/year	3 times/year	→	→	3 times/year
				Intensify discussion through Off-site meetings by board members	2 times/year	2 times/year	→	→	2 times/year
Succession planning				Policy/process making, planning, updates	Discussion by the Nomination and Compensation Committee and report to the Board of Directors	→	→	Discussion by the Nomination and Compensation Committee and report to the Board of Director	
Diversity of board members				Outside directors must include female representation (>40%)	Outside directors must include at least 1 female representation (>40%)	→	→	Goal continuation	
Add ESG performance assessment to compensation				Start from FY2021	Introduction of executive compensation system linked to ESG indicators	→	→	Goal continuation	
Corporate culture and Code of Conduct, compliance, risk management	CHO	Work Shop/training for all employees (The Advantest Way, Law, Regulations, Information securities, etc.)	Participation rate for e-learning (100%)	100%	→	→	100%		
	CCO	Strengthening Internal Control	Regularly discuss internal control issues	Regular discussion	→	→	Goal continuation		

ESG	Key Issue	Person in Charge <sup>*1</sup>	Objective	KPI	Target Value			
					2021	2022	2023	2030
	Promotion & support of ESG management (Sustainable Management Working Group)	CSO	Support & Report group-wide Policy, Strategy, Plan and implementation	Report to Executive Management Committee and BoD (once a year)	2 times/year	→	→	Goal continuation
			Timely and appropriate disclosure (Integrated Annual Report, Sustainability Databook)	Issuance every year	Publication of Integrated Annual Report, Sustainability Data Book, etc.	→	→	Goal continuation

\*1: Group CEO: Group Chief Executive Officer  
 CCRO: Chief Customer Relations Officer  
 CHO: Chief Human Capital Officer  
 CPO: Chief Production Officer  
 CSO: Chief Strategy Officer  
 CTO: Chief Technology 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

We aim to improve our corporate value over the medium to long term by actively engaging in ESG.

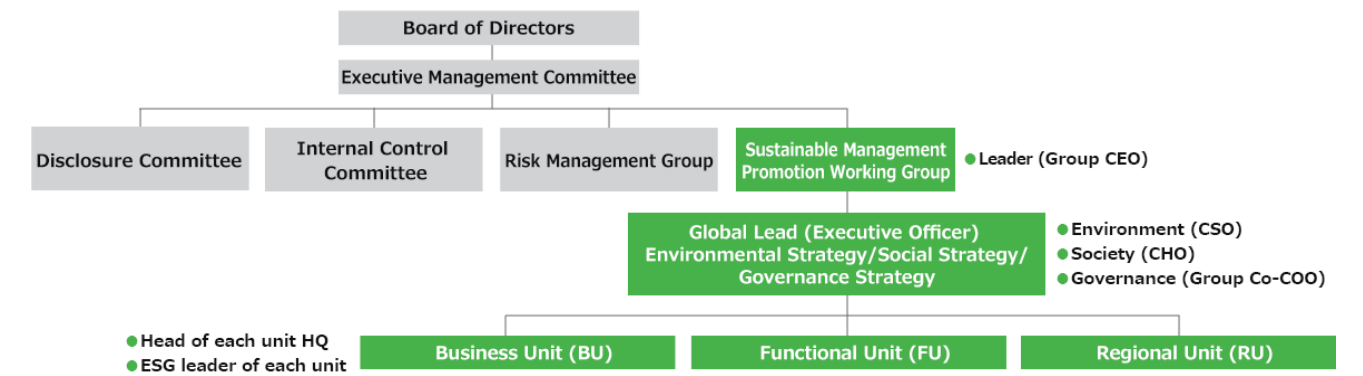
The Advantest Group sets long-term goals for challenges concerning the environment, society, and corporate governance and defines relevant KPIs based on the ESG Initiatives Basic Policy (and the Advantest Group's environmental policies), promoting responsible initiatives that contribute to solving social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







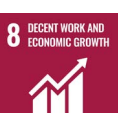
The SMWG will report the implementation status of the ESG Action Plan to the Executive Management Committee and the Board of Directors twice a year. And the SMWG will also endeavor to disclose it to external stakeholders in a timely and appropriate manner through, for example, Integrated Annual Report.



# Our Activities in FY2022

This page introduces our activities to achieve our 2022 ESG Action Plan.

## ESG Action Plan 2021-2023 Activity Results

ESG	Key Issue	Executive in charge <sup>1)</sup>	Goal	KPI	2022		
					Target Value	Results	
E (Environment)     	Climate Change (Scope 1+2)	CSO	Reduce GHG emissions from business activities by 60% by 2030 (vs. FY2018)	GHG emissions reduction amount/rate	38%	46%	
			Raise renewable energy usage to 70% by 2030, Group-wide	Coverage rate by renewable energy	53%	63%	
		CPO	Reduce production times 30% through production process reviews (vs. FY2020)	Production time reduction rate for target models (vs. FY2020)	25%	37%	
	Value Chain (Scope 3)	CPO	CTO	Promote the use of renewable energy by suppliers and contractors	Number of suppliers who use renewable energy	20	22
				Reduce CO <sub>2</sub> -equivalent emissions (basic unit) per test by 50% by 2030	Reduction rate in basic units (vs. FY2018)	Set basic unit calculation definition	Defined basic unit calculation definition
	Green Products	CTO	Develop products that are free from polluting substances	Total elimination of PFAS in coolant	New methodology in development plan	Determined new methodology in development plan	
	Resource Recycling	CHO	CHO	Improve in-house recycling rate by promoting the 3Rs	Waste recycling rate (Japan/overseas)	JPN:90% Other regions: 73% or more	JPN:88% Other regions:74%
Maintain Group-wide water usage at FY2016 levels				Water resource usage	288,000m <sup>3</sup> /year	242,129m <sup>3</sup> /year	
Biodiversity	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	14 activities planned, 80% implemented	14 activities planned, 100% 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 customers	95%	100%	
	Diversity, protection, and respect for human rights	CHO	Fair treatment in gender	Female manager ratio	10.0%	9.0%	
			Edification and practice of human rights	Participation rate of educational training	100%	84%	
			Work-life balance	Return-to-work rate after maternity leave (JPN)	100%	94%	
				Exercise rate of childcare leave by males (JPN)	20%	21%	
Conflict minerals elimination	CPO	Conflict minerals elimination	Percentage of suppliers confirmed to be free of conflict minerals <sup>2)</sup>	100%	65%		

ESG	Key Issue	Executive in charge <sup>1)</sup>	Goal	KPI	2022	
					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	No target value since the survey has not been conducted	No results since the survey has not been conducted
	Investing in human resources	CHO	Maintaining and enhancing occupational safety and health	Occupational accident rate (frequency rate)	0	0.47
			Promotion of health management	To be selected in White 500 (JPN)	Selection	Selected
			Employee capacity building	Education and training expenses (100MY)	5.0	4.8
	G (Governance)	Board effectiveness	Group CEO	Provide outside directors with updates on business and management issues	3 times/year	3 times/year
Intensify discussion through Off-site meetings by board members				2 times/year	2 times/year	Implemented 2 times/year
Succession planning				Policy/process making, planning, updates	Discussion by the Nomination and Compensation Committee and report to the Board of Directors	Continued discussion by the Nomination and Compensation Committee and reports submitted to the Board of Directors
Diversity of board members				Outside directors must include female representation (>40%)	Outside directors must include at least 1 female representation (>40%)	Outside directors compose 56%, out of which 2 are female
Add ESG performance assessment to compensation				Start from FY2021	Introduction of executive compensation system linked to ESG indicators	Introduced
Corporate culture and Code of Conduct, compliance, risk management		CHO	Work Shop/training for all employees (The Advantest Way, Law, Regulations, Information securities, etc.)	Participation rate for e-learning (100%)	100%	92%
		CCO	Strengthening Internal Control	Regularly discuss internal control issues	Regular discussion	Implemented 2 times/year

ESG	Key Issue	Executive in charge <sup>*1</sup>	Goal	KPI	2022	
					Target Value	Results
	Promotion & support of ESG management (Sustainable Management Working Group)	CSO	Support & Report group-wide Policy, Strategy, Plan and implementation	Report to Executive Management Committee and BoD (once a year)	2 times/year	Implemented 2 times/year
			Timely and appropriate disclosure (Integrated Annual Report, Sustainability Databook)	Issuance every year	Publication of Integrated Annual Report, Sustainability Data Book, etc.	Published

\*1: Group CEO: Group Chief Executive Officer

\*2: Set target values based on investigation of future major suppliers

CCRO: Chief Customer Relations Officer

CHO: Chief Human Capital Officer

CPO: Chief Production Officer

CSO: Chief Strategy Officer

CTO: Chief Technology Officer

# Stakeholder Engagement

This page introduces dialogues with our various stakeholders.

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 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 important opportunity for promoting dialogues with our shareholders.

The General Meeting of Shareholders for fiscal 2023 was held in Tokyo for the first time in three years for the convenience of our shareholders, with COVID-19 measures relaxing across Japan. We had been holding the General Meeting of Shareholders at our facility in Gunma since 2020 in an effort to handle the COVID-19 pandemic, but some of our shareholders had asked us to hold the meeting in Tokyo. We have made the change to hold the meeting in Tokyo in response to this request. As a result, twice as many shareholders as last fiscal year participated.

In addition, this year, following the amendments to the Companies Act, the company has electronically provided the Convocation Notices. We have set forth further promotion of ESG initiatives in our Grand Design, and consideration for the environment is one of the most important issues that we must address. Therefore, we have decided to hold the General Meeting of Shareholders in an environmentally friendly manner. Specifically, we have reduced the number of items to be sent by mail to only one A3 sheet, including the Notice of Access and the summary of shareholder reference documents, instead of the 60-page booklet that used to be sent by mail. This attempt to minimize the use of paper and ink in consideration of the environment has led to significant cost reductions not only in paper and printing costs, but also in mailing costs. This year's meeting was also livestreamed so that as many shareholders as possible could attend the meeting. 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. Of the questions received in advance and during the livestream, those that were deemed to be of high interest to shareholders were answered during the meeting.

Besides the abovementioned, the following efforts are being made ensure dialogue with our shareholders.

- Holding the General Shareholder's Meeting by avoiding the days on which many companies hold general shareholder's meetings
- Disclosure of the convocation notice at least three weeks prior to the meeting
- Disclosure of the Annual Securities Report prior to the General Meeting of Shareholders
- English translation of the entire Convocation Notice and Annual Securities Report

We will continue to enhance the openness and accessibility of our General Meeting of Shareholders while taking ESG into consideration.



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 Representative Director, President, Group 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 460 meetings in fiscal 2022), 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 Cooperate 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.

In January 2023, we invited our business partners to our Annual Supplier Reception, which was our first supplier reception in three years, owing to COVID-19. 199 people from 103 partner companies participated in this event. During the event, the President, the Corporate EVP in charge of semiconductor test equipment, and the Corporate EVP in charge of production provided business overviews and future prospects, in addition to addressing our environmental and social initiatives.

We continue to maintain good relationships with our business partners amid growing concerns of the global economic recession.



We held an online technical briefing in December 2022 and sustainability briefing in March 2023 for securities analysts and institutional investors.

## 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.

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

## Involvement with External Initiatives

This page introduces the involvement with external initiatives of the Advantest Group.

### 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.

### SUSTAINABLE DEVELOPMENT GOALS



## 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)<sup>\*1</sup>, 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 Science Based Targets Initiative (SBTi)

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. 369 Japanese companies have obtained certification from the SBTi (as of March 1, 2023).

[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)<sup>\*2</sup>. 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<sup>\*3</sup>, 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 CO<sub>2</sub> 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 399 globally and 78 from Japan (as of March 1, 2023).

[RE100](#)

## Advantest America, Inc. is a partner organization of Green Power Partnership (U.S. EPA)

Green Power Partnership was established by U.S. Environmental Protection Agency (EPA) in 2001 to encourage organizations to use green power voluntarily to protect human health and the environment.

Advantest America, Inc. (AAI) joined Green Power Partnership in 2012 and reached the 10th anniversary in 2022.

AAI has purchased Green Electricity Certificate for wind power generation and sourced 100% of its electricity from renewable energy sources. AAI will continue to contribute to expansion of green energy.





### Advantest Joins the Semiconductor Climate Consortium (SCC)

Advantest has joined Semiconductor Climate Consortium (SCC), a consortium established by the Semiconductor Equipment and Materials International (SEMI), as a founding member in 2022. We are currently working with companies that agree to the commitment of the SCC to speed industry value chain efforts in reducing greenhouse gas emissions from the semiconductor ecosystem.

Our commitment to the SCC is also posted on SEMI's website.

In November of the same year, we shared a "We Commit" video during the SCC session of the 27th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 27), demonstrating our active engagement in solving climate change issues. In addition, in January 2023, our SCC representative was also appointed as a new member of the SEMI North American Advisory Board (NAAB), serving as the primary advocate for member companies located in North America to address various challenges in the supply chain.



[SEMI](#)

### 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 society by 2050.

We will contribute to the realization of a decarbonized society by voluntarily and proactively taking actions on climate change and by working together with local governments and private companies, which are actively engaged in climate change countermeasures.



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

### Participation in the 30by30 Alliance for Biodiversity

Since April 2022, Advantest has been a member of the 30by30 Alliance for Biodiversity, a coalition of volunteer companies incorporated in the 30by30 Roadmap formulated by the Ministry of the Environment.

30by30 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, 30by30 Alliance](#)

[15th meeting of the Conference of the Parties to the UN Convention on Biological Diversity \(CBD-COP15\)](#)

### 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<sup>4</sup>, a corporate alliance that promotes corporate social responsibility in global supply chains.

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

### Efforts for Responsible Mineral Sourcing

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<sup>5</sup> reporting template (the Conflict Minerals Reporting Template (CMRT)).

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



## External Recognition

This page introduces the external recognition of our corporate activities.

### Recognition by Rating Agencies

#### Received "AA" Rating in MSCI ESG Ratings

Advantest received an "AA" rating in the 2023 MSCI ESG Ratings. This constituted an upgrade from the previous "A" 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).



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#### Selected for S&P Sustainability Yearbook 2023

Advantest was selected for inclusion in the S&P Sustainability Yearbook 2023, which recognizes companies with ESG evaluation scores within the top 15% of their industries.



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

Advantest was graded A- in the CDP Climate Change Report 2022. CDP is an international not-for-profit charity that runs a global disclosure system for investors, companies, nations, regions, and cities to manage their environmental impacts. 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. 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.

### Inclusion in Investment Indexes

#### Selected as A Constituent Stock of DJSI Asia Pacific

Advantest was selected as a constituent stock of the Dow Jones Sustainability Asian Pacific Index (DJSI Asia Pacific), which is operated by S&P Dow Jones Indices in the United States. The Dow Jones Sustainability Indices (DJSI) are composed of companies selected for their excellent sustainability performance on both general and industry-specific criteria. Since their launch in 1999, the DJSI has been recognized worldwide as an important indicator of corporate sustainability performance.



#### 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.



[FTSE4Good Index Series](#)

#### 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 Index](#)

### Selected as A Constituent Stock of FTSE Blossom Japan Sector Relative Index

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

The FTSE Blossom Japan Sector Relative Index is a performance benchmark created by global index provider, FTSE Russell, which reflects the performance of Japanese large- and mid-cap stocks that demonstrate outstanding Environmental, Social and Governance (ESG) practices relative to their respective sectors and is designed to be sector neutral.



[FTSE Blossom Japan Sector Relative Index](#)

### Selected as A Constituent Stock of the MSCI Japan ESG Select Leaders Index

Advantest was selected as a constituent stock of the MSCI Japan ESG Select Leaders Index.

The MSCI Japan ESG Select Leaders Index is a weighted index based on the MSCI Japan IMI Index, its parent index, designed to represent the performance of companies that excel in Environmental, Social, and Governance (ESG) performance relative to the peers, with a target market capitalization of 50% of each Global Industry Classification Standard (GICS®) industry sector.

2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

\* 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 as A Constituent Stock of the S&P/JPX Carbon Efficient Index

Advantest was selected as a constituent stock of the S&P/JPX Carbon Efficient Index.

The S&P/JPX Carbon Efficient Index is designed to measure the performance of companies in the TOPIX, a stock price index representative of trends in the Japanese market, while weighting constituent companies on sufficient environmental disclosure and carbon efficiency (carbon emissions per unit of revenue) within the same industry.



### 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 4th Consecutive Year from TechInsights

In the TechInsights (formerly VLSIresearch) Customer Satisfaction Survey, Advantest captured the No.1 spot of global semiconductor companies for the fourth consecutive year. The company was also named on the 10 BEST Suppliers list of large suppliers of test equipment for the 35th 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 14 items in three key factors of customer service, supplier, and equipment performance.

#### Advantest Receives "White 500" Certification from METI for 4th Consecutive Year

Advantest has been recently recognized under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program, which is jointly implemented by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council), as one of the organizations in the large enterprise category. At the same time, METI has certified Advantest as one of the "White 500"--the top 500 corporations recognized under the program--for the third consecutive year. This year for the first time, all seven of Advantest's domestic subsidiaries were certified.

Ever since the formulation of the Declaration of Health and Productivity Management Policy in September 2019, Advantest has been working together with domestic subsidiaries, health insurance unions, and labor unions to encourage employees to get health checkups, improve the adoption rate of specific health



guidance, and implement mental health measures. In addition, the company has built up a portfolio of activities that directly affect the health of employees and their families, such as online diet and smoking cessation programs, exercise promotion using health promotion apps, 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.

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.

### Awarded as a "Best employers in the category of "Information Technology and Communication"" (Germany Great Place to Work®)

Advantest Europe GmbH (AEG) has been recognized in the Great Place To Work competition as one of top ten best employers in the category "Information Technology and Communication".

The award is 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.

AEG was also ranked sixth in "Bavaria's Best Employer" (Bavaria: AEG Headquarters = Munich and Amerang Offices).



### Advantest (China) Co., Ltd. Wins the "2022 Continuous Learning Organization" Award

Advantest (China) Co., Ltd. (ATC) won the "2022 Continuous Learning Organization" by China Training Magazine, a leading Chinese training magazine, and Geekbang corporation, a Chinese leading software e-learning provider, chosen among more than 10,000 global users of Geekbang. We are proud to receive this award after we won the "2021 Best Operation Learning Team" last year.



ATC launched an online learning program called "Geek Time" in 2021, in collaboration with Geekbang. "Geek Time" enables learners to sharpen their software skills and thinking skills through blended learning approach, which consists of online learning and face-to-face discussion. The program has been highly rated by the learners due to its cost-effectiveness and great feedback in the learning process. Besides online self-learning, Geek Time has various features to assist users in learning effectively; quarterly-based learning activities, Friday Geek's Talk (online group discussion), quarterly newsletter, best practice sharing, learners' recommendation, etc.

Geek Time has been successfully supporting learners through its volunteer-based program and great learning path. Being a volunteer-based program, it helps learners to keep themselves self-motivated and committed and also empowers them to learn beyond their work scope. Also, Geek Time is designed so that learners can access to high-quality courses from different categories and levels, which fills the gap of technical learning map.

In last two years, the program attracted more than 260 learners and the completion rate was as high as 98%.

We are proud to provide an effective and practical program and are committed to keep improving this long-lasting learning journey.