

*(The following is an unofficial English translation of the Convocation Notice of the 81st Ordinary General Meeting of Shareholders of Advantest Corporation (the “Company”). The original is divided into three volumes, but this translation is compiled into one volume. Therefore, please understand that the order may differ from the original. The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise. Pictures, graphs and reference matters in the Japanese have been omitted from this translated document.)*

(Stock Code Number: 6857)

**CONVOCATION NOTICE OF  
THE 81st ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Date and time: June 27, 2023 (Tuesday) at 10:00 a.m.

(The reception desk will open at 9:00 a.m.)

Place: Event Hall, Bellesalle Idabashi First, B1, Sumitomo Fudosan  
Idabashi First Tower, 2-6-1, Koraku, Bunkyo-ku, Tokyo  
(For the convenience of many of our shareholders, the general meeting of shareholders will be held in Tokyo, where the head office of the Company is located. Please refer to the attached venue guide map.)

## The Advantest Way

The Advantest Way organizes our Purpose & Mission, Vision, and Core Values systematically. The Advantest Way brings all of our employees around the world together, and it is also a contract with all of the stakeholders.



Purpose & Mission: Why do we exist  
Enabling Leading-Edge Technologies

We will continuously improve ourselves so that we can offer products and services that will satisfy our customers worldwide, and contribute to the development of our society through the development of the most advanced technologies.

Vision: What we want to be  
Adding Customer Value in an Evolving Semiconductor Value Chain

Advantest will further contribute to the semiconductor industry by enriching, expanding, and integrating our test and measurement solutions throughout the entire semiconductor value chain.

Core Values: What we value most  
INTEGRITY

“Integrity” means honesty and truthfulness.

When you have integrity, it means being open, honest and respectful at all times with all stakeholders.

The value of Integrity can serve as a common thread uniting people of diverse cultures, religions, and viewpoints, and it is Advantest’s core value globally.

## **Message to Shareholders**

To Our Shareholders

We are pleased to send you this Convocation Notice for the 81st Ordinary General Meeting of Shareholders.

Advantest's semiconductor test equipment sales were affected by the decline in demand for chips used in consumer electronics. Rising demand for our products against the backdrop of higher semiconductor performance compensated for the demand decline caused by reduced production volumes of consumer devices. However, parts shortages and logistical dislocations affected a wide range of supply chains, and our difficulties in procuring needed parts continued from the previous fiscal year through the third quarter.

Under these circumstances, Advantest responded to this situation by reinforcing our strategic procurement capabilities and adjusting our production plans in order to meet customer delivery date requirements as closely as possible, while tailoring our efforts to the relative strength and weakness of test demand for various types of semiconductors, and achieved our sales target through these efforts.

As a result, in the consolidated fiscal year ended March 31, 2023, net sales were JPY560.2 billion, operating income was JPY167.7 billion, income before income taxes was JPY171.3 billion and net income was JPY130.4 billion. Although procurement costs rose, higher sales and yen depreciation boosted our performance. As a result, all the above results reached record highs for the consolidated fiscal year.

With respect to the year-end dividend distribution to shareholders, we resolved at the meeting of the Board of Directors held on May 19, 2023 to distribute a year-end dividend of 70 yen per share, with a payment date of June 5, 2023.

Since the Company has paid an interim dividend of 65 yen per share, the total dividend per share for the fiscal year will be 135 yen per share.

We hope that we may rely on you for your continued support and guidance in the future.

June 2023

Yoshiaki Yoshida  
Representative Director,  
President and Group CEO

\_(Stock Code Number: 6857)

June 2, 2023

(Date of commencement of electronic provision measures: May 30, 2023)

**To Our Shareholders**

Yoshiaki Yoshida  
Representative Director  
President and Group CEO  
ADVANTEST CORPORATION  
1-6-2 Marunouchi, Chiyoda-ku,  
Tokyo

**CONVOCATION NOTICE OF  
THE 81st ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Notice is hereby given that the 81st Ordinary General Meeting of Shareholders of ADVANTEST CORPORATION (the “Company”) will be held as set forth below.

If you cannot attend the general meeting of shareholders in person, you can exercise your voting rights via the Internet or in writing. As such, the Company requests that you exercise your voting rights by 5:00 p.m. (All the times listed below will be in Japanese Standard Time) on June 26, 2023 (Monday).

1. Date and time: June 27, 2023 (Tuesday) at 10:00 a.m.  
(The reception desk will open at 9:00 a.m.)
2. Place: Event Hall, Bellesalle Iidabashi First , B1, Sumitomo Fudosan  
Iidabashi First Tower, 2-6-1, Koraku, Bunkyo-ku, Tokyo

(For the convenience of many of our shareholders, the general meeting of shareholders will be held in Tokyo, where the head office of the Company is located. For details, please refer to the venue guide map as attached.)

3. Subject matters of the general meeting of shareholders:

Matters to be reported:

Item No.1: Matters concerning the business report, consolidated financial statements and non-consolidated financial statements reporting for the 81st Fiscal Year (from April 1, 2022 to March 31, 2023)

Item No.2: Matters concerning the results of audit of the Company’s consolidated financial statements by the Independent Auditors and the Audit and Supervisory Committee

Matters to be resolved:

Agenda Items:

Agenda Item No.1: Election of 6 directors (excluding directors who are audit and supervisory committee members)

Agenda Item No.2: Election of 2 directors who are audit and supervisory committee members

Agenda Item No.3: Election of 1 substitute director who is an audit and supervisory committee member

\* In convening the general meeting of shareholders, the Company has taken electronic provision measures, by which it provides information contained in the Reference Documents for the General Meeting of Shareholders (the “matters subject to electronic provision measures”) in electronic format, and has posted the information on its website as the “Convocation Notice of the 81st Ordinary General Meeting of Shareholders (Notice of Access),” “Convocation Notice of the 81st Ordinary General Meeting of Shareholders (Matters for Document Delivery),” and “Convocation Notice of the 81st Ordinary General Meeting of Shareholders (Matters for which Document Delivery is Omitted).” Please access our website as shown below to review the information. The matters subject to electronic provision measures have also been posted on the websites of Tokyo Stock Exchange (TSE) and the convocation website provided by TAKARA Printing in addition to the Company’s website.

[The Company’s website]

<https://www.advantest.com/investors/shares-and-corporate-bonds/meeting/>

[The Tokyo Stock Exchange (TSE) website]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

Please access the TSE website (Listed Company Search), enter our issue name (Advantest) or stock exchange code (6857). Then, click “Basic information,” and “Documents for public inspection/PR information” to review the information.

[TAKARA Printing’s website]

<https://s.srdb.jp/6857>

### **Instructions for the Exercise of Voting Rights**

#### **If you attend the General Meeting of Shareholders**

When attending the meeting, please submit the enclosed voting rights exercise form to the reception desk at the site of the meeting. If you attend the meeting, you do not need to exercise your voting rights via the Internet or in writing.

**Date and time: June 27, 2023 (Tuesday) at 10:00 a.m.**

#### **If you exercise your voting rights or via the Internet or in writing**

##### **Exercise of voting rights via the Internet**

Please indicate your intention to vote “for” or “against” each agenda item by following the “Instructions for the Exercise of Voting Rights via the Internet.”

**Deadline: By 5:00 p.m. of June 26, 2023 (Monday)**

##### **Exercise of voting rights in writing**

Please indicate your intention to vote “for” or “against” each agenda item on the enclosed voting right exercise form, and then return the form to us.

**Deadline: To be delivered by 5:00 p.m. of June 26, 2023 (Monday)**

- If you exercise your voting rights via the Internet, you do not need to exercise your voting rights in writing.
- If voting rights are exercised both by mail and via the Internet, the exercise of voting rights via the Internet shall be deemed valid.
- In exercising your voting right in writing, if your intention to vote “for” or “against” each agenda item is not indicated, your vote will be counted as approval for the agenda item.”
- If you exercise your voting rights by proxy, one other shareholder with voting rights can attend the meeting as a proxy. In this case, you will be required to submit a document to prove the validity of the proxy rights.

## **Instructions for the Exercise of Voting Rights via the Internet**

### **How to read the QR code printed on the enclosed voting rights exercise form**

1. Read the QR code printed on the right-hand side of the enclosed voting rights exercise form. You do not need to enter the “Login ID” and “Password.”
2. The screen displays options for exercise of voting rights. Please select your preferred option for exercise of voting rights.
3. Follow the on-screen instructions and enter “for” or “against.”  
\* "QR Code" is a registered product of DENSO WAVE INCORPORATED.

### **How to login with the login ID and password**

1. Access the website for casting votes.

<https://evote.tr.mufg.jp/>

2. Enter the “Login ID” and “Temporary password” printed on the right-hand side of the enclosed voting rights exercise form.
3. Register the new password, following the on-screen instructions, and click “Send.”
4. Follow the on-screen instructions and enter “for” or “against.”

- If voting rights are exercised via the Internet multiple times, the last exercise of voting rights shall be deemed valid.
- In some cases, you may not be able to use the website for casting votes due to your Internet environment, network service, or communication device model.
- Internet connection charges, communication fees, and other costs incurred by accessing the website for casting votes by smartphone, PC, etc. shall be the responsibility of each shareholder.
- The website for casting votes is not available from 2:00 a.m. to 5:00 a.m. everyday.
- Institutional investors can use the electronic voting platform operated by ICJ, Inc. by submitting an application in advance.

[Contact for inquiry on how to operate the website for casting votes]

Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation

Phone number: 0120-173-027 (toll-free number within Japan)

Business hours: 9:00 a.m. to 9:00 p.m. (JST)

### **Notice of Items to be listed on our website**

- Among the matters subject to electronic provision measures, following information is not included in the paper copy to shareholders who made a request for delivery of documents in paper copy, because the information is available on the Company's website, etc. in accordance with laws and regulations and Article 13 of the Company's Articles of Incorporation: in Business Report, "Significant Sales Offices and Factories," "Employees," "Major Lenders," "Other significant matters with respect to the current status of the Company group," "Stock Acquisition Rights," "Overview of limited liability agreements," "Overview of indemnification agreements," "Overview of the contents of the directors and officers liability insurance contracts," "Independent Auditor," "A system to ensure the appropriateness of business," and "Status of implementation of the system to ensure the appropriateness of business;" among consolidated financial statements, "Consolidated Statement of Comprehensive Income," "Consolidated Statement of Changes in Equity," and "Notes to Consolidated Financial Statements;" and among non-consolidated financial statements, "Balance Sheet (Non-Consolidated)," "Statement of Operations (Non-Consolidated)," "Statement of Changes in Net Assets," and "Notes to Non-Consolidated Financial Statements." Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements audited by the Audit and Supervisory Committee; and Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Independent Auditors include above information, and the paper copy sent to shareholders who made a request for delivery of documents in paper copy is a part of documents audited by the Audit and Supervisory Committee and the Independent Auditors when preparing the Audit Reports.
- Any amendments to the matters subject to the electronic provision measures will be posted on the respective websites where these matters are posted.
- Any significant changes in the operation of the general meeting of shareholders will be posted on the Company's website.
- The Company receives questions from shareholders in advance regarding the subject matters of the general meeting of shareholders. Please refer to the attached "Registration of questions in advance" or the Company's website for information on how to register questions.
- Presentation materials concerning matters to be reported will be posted on the Company's website.
- The resolutions adopted at the meeting will be posted on the Company's website instead of issuing a written notice of the resolutions.
- On-demand streaming of the general meeting of shareholders will be available on our website at a later date.

The Company's website:

<https://www.advantest.com/investors/shares-and-corporate-bonds/meeting/>

### **Notice regarding the Operation of the General Meeting of Shareholders**

- The Company will not be presenting a gift to shareholders who attend the meeting.
- The social gathering with shareholders will not be held.
- The general meeting of shareholders can be viewed through live streaming on the Internet. Regarding viewing guidance, please kindly refer to the attached notice of the live streaming of the general meeting of shareholders on the Internet or our website.

**Notice regarding the Electronic Provision of  
Materials for the General Meeting of Shareholders**

Electronic provision of the reference materials for general meetings of shareholders has started in accordance with the amendments to the Companies Act. The Company has mailed the reference materials only to shareholders who have requested the delivery of documents in paper copy on or before March 31, 2023. Your kind understanding in this regard would be appreciated. If you would like to request the delivery of reference materials for the next and subsequent general meetings of shareholders in paper copy, please contact the securities company where you have your account, or Mitsubishi UFJ Trust and Banking Corporation. As it sometimes takes more than three weeks to complete the procedure, please allow plenty of time.

[Contact for inquiry on the electronic provision of the materials for the General Meeting of Shareholders]

Telephone Center, Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation

Phone number: 0120-696-505 (toll-free number within Japan)

Business hours: 9:00 to 17:00 (JST) on Monday through Friday. Closed on Saturday, Sunday, and holidays.



## Reference Documents for the General Meeting of Shareholders


Agenda Items and Reference Matters:


**Agenda Item No. 1:** Election of 6 directors (excluding directors who are audit and supervisory committee members)

The term of office of all 8 current directors (excluding directors who are audit and supervisory committee members) will expire upon the closing of this ordinary general meeting of shareholders. To facilitate flexible decision-making, the Company therefore reduces the number of directors by two and requests that you elect 6 directors (excluding directors who are audit and supervisory committee members). The Company has received a report from the Audit and Supervisory Committee stating that this agenda item was decided by the Board of Directors following the deliberation by the Nomination and Compensation Committee, taking into consideration the career, capabilities, personalities, and other attributes of each candidate in a comprehensive manner, and that the candidate nomination procedure was appropriate and there were no specific findings.


The profiles of the director candidates (excluding directors who are audit and supervisory committee members) are set forth below.


| Candidate No. | Name  | Present position and assignment  | Number of attendances at the meetings of the Board of Directors |
|---------------|---|--|---|
| 1             | Reappointed<br>Yoshiaki Yoshida                 | Representative Director, President and Group CEO (Chief Executive Officer)                 | 14/14 (100%)  |
| 2             | Reappointed<br>Douglas Lefever                  | Representative Director, Corporate Vice President & Group COO (Chief Operating Officer)    | 14/14 (100%)  |
| 3             | Reappointed<br>Koichi Tsukui                    | Representative Director, Corporate Vice President & Group Co-COO (Chief Operating Officer) | 14/14 (100%)  |
| 4             | Reappointed<br>Independent<br>Toshimitsu Urabe  | Outside Director   | 14/14 (100%)  |
| 5             | Reappointed<br>Independent<br>Nicholas Benes    | Outside Director   | 14/14 (100%)  |
| 6             | Newly appointed<br>Independent<br>Naoto Nishida | -  | -   |


|  | Name<br>(Date of Birth)   | Brief personal history; position and assignment; and other significant concurrently held positions, if any   | Number of the Company's shares owned |
|--|---|--|--------------------------------------|
| 1  | <br>Yoshiaki Yoshida<br>(February 8, 1958)<br><div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointed</div> | April 1999      Joined Advantest Corporation<br>June 2006      Executive Officer<br>June 2009      Managing Executive Officer<br>June 2013      Director, Managing Executive Officer<br>June 2016      Director, Senior Executive Officer<br>January 2017   Representative Director, President and CEO<br>January 2023   Representative Director, President and Group CEO (present position) | 62,486                               |
| <p><b>The reasons for nomination as a candidate for a director</b></p> <p>After his duties as the representative director of a subsidiary of the Company, Executive Vice President of the Corporate Planning Group, Executive Vice President of the Corporate Relations Group, and Executive Vice President of the Nanotechnology Business Group, Mr. Yoshiaki Yoshida had served as Representative Director, President and CEO of the Company since January 2017 and has been serving as Representative Director, President and Group CEO of the Company since January 2023. He has a wealth of knowledge and experience concerning the Company group's business and corporate management. Thus, the Company believes that he is a suitable person to realize sustainable enhancement of corporate value and, therefore, has nominated him again as a candidate for a director.</p> |   |  |                                      |

|   | Name<br>(Date of Birth)   | Brief personal history; position and assignment; and other significant concurrently held positions, if any  | Number of the Company's shares owned |
|---|---|---|--------------------------------------|
| 2   |  <p>Douglas Lefever<br/>(December 10, 1970)</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointed</div> <p>Number of Years as Director:<br/>3 years</p> | <p>June 1998      Joined Advantest America, Inc.<br/> August 2014      Executive Officer, Advantest Corporation<br/> September 2014      Director, President and CEO, Advantest America, Inc. (present position)<br/> June 2017      Managing Executive Officer, Advantest Corporation<br/> June 2019      Leader, System Test Business Unit (present position)<br/> June 2020      Director, Managing Executive Officer Customer Relations &amp; Corporate Strategy Team (present position)<br/> June 2021      Director, Senior Executive Officer CSO (Chief Strategy Officer) (present position)<br/> January 2023      Representative Director, Corporate Vice President &amp; Group COO (present position)</p> | 0                                    |
| <p><b>The reasons for nomination as a candidate for a director</b><br/> Mr. Douglas Lefever is responsible for promoting business development mainly in the US (Silicon Valley). Mr. Douglas Lefever has been serving as Representative Director, Corporate Vice President &amp; Group COO of the Company since January 2023. He has a wealth of knowledge and experience concerning the Company group's business and corporate management and is expected to contribute to enhancing and galvanizing the diversity of the Board of Directors. Thus, the Company believes that he is a suitable person to realize sustainable enhancement of corporate value and, therefore, has nominated him again as a candidate for a director.</p> |   |   |                                      |

|   | Name<br>(Date of Birth)   | Brief personal history; position and assignment; and other significant concurrently held positions, if any   | Number of the Company's shares owned |
|---|---|--|--------------------------------------|
| 3   |  <p>Koichi Tsukui<br/>(December 11, 1964)</p> <p>Reappointed</p> <p>Number of Years as Director:<br/>3 years</p> | <p>April 1987      Joined Advantest Corporation</p> <p>June 2014      Executive Officer</p> <p>June 2015      Managing Executive Officer</p> <p>June 2019      In Charge of DH Business Group (present position)</p> <p>June 2020      Director, Managing Executive Officer Test Technology Leader, ATE Business Group (present position)</p> <p>June 2021      Director, Senior Executive Officer CTO (Chief Technology Officer) (present position)</p> <p>January 2023   Representative Director, Corporate Vice President &amp; Group Co-COO (present position)</p> | 10,480                               |
| <p><b>The reasons for nomination as a candidate for a director</b></p> <p>Mr. Koichi Tsukui has been engaged in business operations and sales and marketing operations for many years including assignment to Germany. Mr. Koichi Tsukui has been serving as Representative Director, Corporate Vice President &amp; Group Co-COO of the Company since January 2023. He has a wealth of knowledge and experience concerning the Company group's business and corporate management. Thus, the Company believes that he is a suitable person to realize sustainable enhancement of corporate value and, therefore, has nominated him again as a candidate for a director.</p> |   |  |                                      |

|   | Name<br>(Date of Birth)   | Brief personal history; position and assignment; and other significant concurrently held positions, if any  | Number of the Company's shares owned |
|---|---|---|--------------------------------------|
| 4   |  <p>Toshimitsu Urabe<br/>(October 2, 1954)</p> <p>Reappointed</p> <p>Independent</p> <p>Number of Years as Outside Director:<br/>4 years</p> | <p>April 1978      Joined Mitsubishi Corporation</p> <p>April 2009      Senior Vice President and Deputy Chief Representative for China of Mitsubishi Corporation, and President for Mitsubishi Corporation (Hong Kong) Ltd.</p> <p>April 2011      Senior Vice President and Senior Assistant to Senior Executive Vice President, Human Resources of Mitsubishi Corporation</p> <p>April 2013      Executive Vice President, Group CEO, Business Service Group of Mitsubishi Corporation</p> <p>April 2017      Advisor, Mitsubishi Corporation</p> <p>June 2017      Deputy President and Executive Officer of Mitsubishi UFJ Lease &amp; Finance Company Limited (currently Mitsubishi HC Capital Inc.) (Resigned as Executive Officer in March 2021) (Resigned as Director in April 2021)</p> <p>June 2019      Outside Director of Advantest Corporation (present position)</p> <p>April 2021      Outside Director of Japan Business Systems, Inc. (present position)</p> | 812                                  |
| <p><b>The reasons for nomination as a candidate for an outside director and expected roles</b></p> <p>Mr. Toshimitsu Urabe has extensive management experience at a leading Japanese general trading company and a nonbank financial institution, particularly overseas experience in the United States and Asia, experience in business investment decisions, etc., and extensive experience in administrative management, for example human resources and IT. He is expected to reflect his knowledge in the Company group's global management, thereby contributing to the sustainable enhancement of corporate value and invigorating the activities of the Board of Directors. Thus, the Company believes that he is a suitable person as an outside director, and therefore, has nominated him again as a candidate for an outside director.</p> <p><b>Independence</b></p> <p>The Company has no special transactions with Mr. Toshimitsu Urabe. Although the Company has transactions with Japan Business Systems, Inc. where he has been serving as an outside director, including capital investments in IT operations, etc., the amount of transactions between the two companies in FY2022 was less than 1% of the total of the Company's consolidated cost of sales and selling, general and administrative expenses.</p> <p>Therefore, the Company judges that he is sufficiently independent in light of the Independence Criteria of Independent Outside Directors specified by the Company. And since he also satisfies the requirements for independent directors specified by Tokyo Stock Exchange, Inc., the Company has registered him as an independent director.</p> |   |   |                                      |

|  | Name<br>(Date of Birth)  | Brief personal history; position and assignment; and other significant concurrently held positions, if any   | Number of the Company's shares owned |
|--|--|--|--------------------------------------|
| 5  |  <p>Nicholas Benes<br/>(April 16, 1956)</p> <p>Reappointed</p> <p>Independent</p> <p>Number of Years as Outside Director:<br/>4 years</p> | <p>September 1983    Joined Morgan Guaranty Trust Company of New York (currently JPMorgan Chase &amp; Co.)</p> <p>November 1983    Joined California State Bar Association.</p> <p>October 1984      Joined New York State Bar Association.</p> <p>May 1994          Senior Managing Director, Kamakura Corporation</p> <p>April 1997        President and Founder, JTP Corporation</p> <p>March 2000        Outside Director, Alps Mapping Co., Ltd.</p> <p>December 2006    Outside Director, Livedoor Holdings Co., Ltd.</p> <p>March 2007        Outside Director, Cecile Co., Ltd.</p> <p>November 2009    Representative Director, The Board Director Training Institute of Japan (present position)</p> <p>June 2016         Outside Director, Imagica Robot Holdings Inc. (currently IMAGICA GROUP Inc.)</p> <p>June 2019         Outside Director of Advantest Corporation (present position)</p> | 600                                  |
| <p><b>The reasons for nomination as a candidate for an outside director and expected roles</b></p> <p>Mr. Nicholas Benes has extensive knowledge and experience about corporate governance matters, and experience in investment banking including M&amp;A transactions. He is expected to reflect his knowledge of corporate governance and the shareholder-oriented perspective in the Company group's global management, thereby contributing to the sustainable enhancement of corporate value and invigorating the activities of the Board of Directors. Thus, the Company believes that he is a suitable person as an outside director, and therefore, has nominated him again as a candidate for an outside director.</p> <p><b>Independence</b></p> <p>Mr. Nicholas Benes does not have any dealings with the Company that would affect his independent judgement. The Company has paid an annual fee to and received executive training from the Board Director Training Institute of Japan, where he has been a representative director. The amount of payment to the Board Director Training Institute of Japan in FY2022 was less than JPY 1,000,000. Therefore, the Company judges that the institute is not a major business partner as defined in the Independence Criteria of Independent Outside Directors specified by the Company, and accordingly he is sufficiently independent. And since he also satisfies the requirements for independent directors specified by Tokyo Stock Exchange, Inc., the Company has registered him as an independent director.</p> |  |  |                                      |

|   | Name<br>(Date of Birth)   | Brief personal history; position and assignment; and other significant concurrently held positions, if any   | Number of the Company's shares owned |
|---|---|--|--------------------------------------|
| 6   |  <p data-bbox="260 633 499 696">Naoto Nishida<br/>(February 11, 1954)</p> <div data-bbox="304 719 456 801" style="border: 1px solid black; padding: 2px; text-align: center;">Newly appointed</div> <div data-bbox="304 815 456 864" style="border: 1px solid black; padding: 2px; text-align: center;">Independent</div> <p data-bbox="260 902 499 1003">Number of Years as Outside Director:<br/>0 years</p> | <p data-bbox="528 293 1265 356">April 1978      Joined Toshiba Corporation</p> <p data-bbox="528 327 1265 421">June 2012      Executive Officer, Corporate Vice President (General Manager, Technology Planning Division), Toshiba Corporation</p> <p data-bbox="528 427 1265 555">June 2013      Executive Officer, Corporate Senior Vice President (In charge of Procurement &amp; Logistics Group, In charge of Production Control Group), Toshiba Corporation</p> <p data-bbox="528 562 1265 790">June 2014      Board of Director, Executive Officer, Corporate Executive Vice President (In charge of Technology &amp; Innovation Dept., New Business Dept., Research &amp; Development Center, Software Technology Center Software Technology Center), Toshiba Corporation</p> <p data-bbox="528 797 1265 925">September 2015 Executive Officer, Corporate Executive Vice President (In charge of Research &amp; Development Management Dept.), Toshiba Corporation</p> <p data-bbox="528 931 1265 1025">April 2016      Executive Officer, Corporate Executive Vice President (In charge of Technology Management Dept.), Toshiba Corporation</p> <p data-bbox="528 1032 1265 1095">November 2017 Special Commission, Toshiba Corporation (present position)</p> | 0                                    |
| <p data-bbox="260 1122 1326 1149"><b>The reasons for nomination as a candidate for an outside director and expected roles</b></p> <p data-bbox="260 1155 1469 1417">Mr. Naoto Nishida has a wealth of knowledge and experience as a laser technology expert, in addition to his experience in the fields of technology, supply chain management (SCM), production, and research &amp; development at a global company deeply involved in semiconductors. He is expected to reflect his insights into our business, industry and technology and the perspectives on strategic innovation in the Company group's global management, thereby contributing to the sustainable enhancement of corporate value and invigoration of the activities of the Board of Directors. Thus, the Company believes that he is a suitable person as an outside director, and therefore, has nominated him as a new candidate for an outside director.</p> <p data-bbox="260 1458 435 1485"><b>Independence</b></p> <p data-bbox="260 1491 1453 1653">Mr. Naoto Nishida does not have any dealings with the Company that would affect his independent judgement. The Company has transactions with Toshiba Corporation and its affiliates, including the sales of our products and the purchase of raw materials, etc. The amount of such transactions with Toshiba Corporation and its affiliates, in FY2022 is less than 1% of the total of the Company's consolidated cost of sales and selling, general and administrative expenses.</p> <p data-bbox="260 1659 1485 1794">Therefore, the Company judges that Toshiba Corporation, is not a major business partner as defined in the Independence Criteria of Independent Outside Directors specified by the Company, and accordingly he is sufficiently independent. And since he also satisfies the requirements for independent directors specified by Tokyo Stock Exchange, Inc., the Company has registered him as an independent director.</p> |   |  |                                      |

Notes:

1. These candidates do not have any special interest in the Company.
2. Messrs. Toshimitsu Urabe, Nicholas Benes and Naoto Nishida are candidates for an outside director.
3. The Company has entered into a limited liability agreement pursuant to the Article 427, Paragraph 1 of the Companies Act with each of Messrs. Toshimitsu Urabe and Nicholas Benes. The upper limit of liability based on this agreement is the minimum liability as provided in the applicable laws and ordinances. If Mr. Naoto Nishida is elected as an outside director as originally proposed, the Company will conclude the said agreement with him.
4. The Company has concluded a directors and officers liability insurance contract as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance policy insures all Directors, Executive Officers and employees of the Company, including employees in managerial and supervisory positions, and all employees of Company subsidiaries, including executives and employees in managerial and supervisory positions, against legal damages and litigation expenses that may arise when the insured party assumes liability for the execution of his or her duties or is subject to a claim for the pursuit of the said liability. However, the insurance policy has certain exclusions, such as providing no coverage for damages suffered by insured parties arising from actions taken by said insured parties with the knowledge that they were in violation of the law, to ensure that the insured parties execute their duties in an appropriate manner. The insurance premiums, including riders, are borne in their entirety by the company to which the insured party belongs, and no insurance premiums are borne by the insured parties themselves. Messrs. Yoshiaki Yoshida, Douglas Lefever, Koichi Tsukui, Toshimitsu Urabe and Nicholas Benes are currently directors of the Company (excluding directors who are audit and supervisory committee members) and are covered by the insurance policy as insured. If they are reappointed as Director, they will continue to be covered by the insurance policy as insured. If Mr. Naoto Nishida is elected as an outside director as originally proposed, he will be covered by the insurance policy as insured. The Company plans to renew the insurance contract while each director is in office.
5. The Company has concluded indemnification agreements with Messrs. Yoshiaki Yoshida, Douglas Lefever, Koichi Tsukui, Toshimitsu Urabe and Nicholas Benes pursuant to the Article 430-2, Paragraph 1 of the Companies Act. Under the said agreement, the Company shall indemnify the directors against expenses listed in Item 1 of the Paragraph and losses listed in Item 2 of the Paragraph to the extent permitted by laws and regulations. If Mr. Naoto Nishida is elected as an outside director as originally proposed, the Company will conclude the said agreement with him.





**Agenda Item No. 2:** Election of 2 directors who are audit and supervisory committee members

The term of office of the current directors who are audit and supervisory committee members, Messrs. Yuichi Kurita and Kouichi Nanba will expire upon the closing of this ordinary general meeting of shareholders. The Company therefore requests the election of 2 directors who are audit and supervisory committee members. The Company has obtained the consent of the Audit and Supervisory Committee with respect to this agenda item.

The profiles of the candidates for directors who are audit and supervisory committee members are set forth below.

| Candidate No. | Name   | Present position and assignment                           | Number of attendances at the meetings of the Board of Directors and the meetings of the Audit and Supervisory Committee |
|---------------|--|---|---|
| 1             | <div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointed</div> Yuichi Kurita   | Director, Standing Audit and Supervisory Committee Member | Meetings of the Board of Directors: 14/14 (100%)<br>Meetings of the Audit and Supervisory Committee: 13/13 (100%)       |
| 2             | <div style="border: 1px solid black; display: inline-block; padding: 2px;">Newly appointed</div><br><br><div style="border: 1px solid black; display: inline-block; padding: 2px;">Independent</div> Tomoko Nakada | -   | -   |

|  | Name<br>(Date of Birth)   | Brief personal history; position and assignment; and other significant concurrently held positions, if any   | Number of the Company's shares owned |
|--|---|--|--------------------------------------|
| 1  |  <p data-bbox="288 580 464 645">Yuichi Kurita<br/>(July 28, 1949)</p> <div data-bbox="309 669 459 714" style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Reappointed</div> <p data-bbox="256 721 496 920">Number of Years as Director who is an audit and supervisory committee member:<br/>8 years</p> | <p data-bbox="520 288 663 318">April 1973</p> <p data-bbox="520 322 663 351">March 2001</p> <p data-bbox="520 356 644 385">June 2003</p> <p data-bbox="520 389 644 418">June 2007</p> <p data-bbox="520 423 644 452">June 2010</p> <p data-bbox="520 456 644 486">June 2012</p> <p data-bbox="520 521 644 551">June 2015</p> <p data-bbox="746 288 1018 318">Joined Fujitsu Limited</p> <p data-bbox="746 322 1102 351">Joined Advantest Corporation</p> <p data-bbox="746 356 959 385">Executive Officer</p> <p data-bbox="746 389 1198 418">Director, Managing Executive Officer</p> <p data-bbox="746 423 1155 452">Director, Senior Executive Officer</p> <p data-bbox="746 456 1206 517">Standing Audit and Supervisory Board Member</p> <p data-bbox="746 521 1238 582">Director, Standing Audit and Supervisory Committee Member (present position)</p> | 4,863                                |
| <p data-bbox="256 981 1374 1041"><b>The reasons for nomination as a candidate for a director who is an audit and supervisory committee member:</b></p> <p data-bbox="256 1046 1477 1279">Mr. Yuichi Kurita has many years of experience in finance and corporate management and has a wealth of knowledge and experience concerning finance and accounting. He served as a director and an audit and supervisory board member of the Company. Currently serving as a director who is a standing audit and supervisory committee member, he is striving to enhance audit and supervision, and corporate governance. In view of his achievements, the Company believes that he is a suitable person to enhance supervisory and oversight functions and, therefore, has nominated him again as a candidate for a director who is an audit and supervisory committee member.</p> |   |  |                                      |

|  | Name<br>(Date of Birth)   | Brief personal history; position and assignment; and other significant concurrently held positions, if any   | Number of the Company's shares owned |
|--|---|--|--------------------------------------|
| 2  |  <p>Tomoko Nakada<br/>(January 20, 1972)</p> <p>Newly appointed</p> <p>Independent</p> <p>Number of Years as Director:<br/>0 years</p> | <p>April 1997 Judge, Tokyo District Court</p> <p>June 2000 Registered as attorney-at-law (Daini Tokyo Bar Association)</p> <p>August 2002 Registered as attorney, New York State, U.S.A</p> <p>March 2015 International Fellow, The American College of Trust and Estate Counsel (ACTEC) (present position)</p> <p>April 2017 Academician, The International Academy of Estate and Trust Law (TIAETL) (present position)</p> <p>December 2020 Representative, Tokyo Heritage Law Firm (present position)</p> <p>June 2021 Outside Director, Audit and Supervisory Committee Member, TS Tech Co., Ltd. (present position)</p> | 0                                    |
| <p><b>The reasons for nomination as a candidate for an outside director who is an audit and supervisory committee member and expected roles</b></p> <p>Although Ms. Tomoko Nakada has not been directly involved in the management of a company in the past, she has a wealth of experience and a high level of expertise in law as a judge and as a lawyer, engaging in the practice of corporate legal affairs, general civil cases, and domestic and international inheritance cases. She is expected to reflect her knowledge of laws in the Company group's audit and supervision, thereby contributing to the enhancement of compliance. Thus, the Company believes that she is a suitable person as an outside director who is an audit and supervisory committee member, and therefore, has nominated her as a new candidate for an outside director who is an audit and supervisory committee member.</p> <p><b>Independence</b></p> <p>The Company has no special transactions with Ms. Tomoko Nakada or the law firm of which she is the representative. Therefore, the Company judges that she is sufficiently independent in light of the Independence Criteria of Independent Outside Directors specified by the Company. And since she also satisfies the requirements for independent directors/auditors specified by Tokyo Stock Exchange, Inc., the Company has registered her as an independent director.</p> |   |  |                                      |

Notes:

1. These candidates do not have any special interest in the Company.
2. Ms. Tomoko Nakada is a candidate for an outside director.
3. The Company has entered into a limited liability agreement pursuant to the Article 427, Paragraph 1 of the Companies Act with Mr. Yuichi Kurita. The upper limit of liability based on this agreement is the minimum liability as provided in the applicable laws and ordinances. If Ms. Tomoko Nakada is elected as an outside director who is an audit and supervisory committee member as originally proposed, the Company will conclude the said agreement with her.
4. The Company has concluded a directors and officers liability insurance contract as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance policy insures all Directors, Executive Officers and employees of the Company, including employees in managerial and supervisory positions, and all employees of Company subsidiaries, including executives and employees in managerial and supervisory positions, against legal damages and litigation expenses that may arise when the insured party assumes liability for the execution of her duties or is subject to a claim for the pursuit of said liability. However, the insurance policy has certain exclusions, such as providing no coverage for damages suffered by insured parties arising from actions taken by said insured parties with the knowledge that they were in violation of the law, to ensure that the insured parties execute their duties in an appropriate manner. The insurance premiums, including riders, are borne in their entirety by the company to which the insured party belongs, and no insurance premiums are borne by the insured parties themselves. Mr. Yuichi Kurita is currently a director who is an audit and supervisory committee member of the Company and is covered by the insurance policy as insured. If he is reappointed as Director who is an audit and supervisory committee member, he will continue to be covered by the insurance policy as insured. If Ms. Tomoko Nakada is elected as an outside director who is an audit and supervisory committee member as originally proposed, she will be covered by the insurance policy as insured. The Company plans to renew the insurance contract while the directors are in office.
5. The Company has concluded an indemnification agreement with Mr. Yuichi Kurita pursuant to the Article 430-2, Paragraph 1 of the Companies Act. Under the said agreement, the Company shall indemnify him against expenses listed in Item 1 of the Paragraph and losses listed in Item 2 of the Paragraph to the extent permitted by laws and regulations. If Ms. Tomoko Nakada is elected as an outside director who is an audit and supervisory committee member as originally proposed, the Company will conclude the said agreement with her.

**Agenda Item No. 3: Election of 1 director who is a substitute audit and supervisory committee Member**

The validity of the election of the current director who is a substitute audit and supervisory committee member expires at the commencement of this ordinary general meeting of shareholders. The Company requests that you elect one director who is a substitute audit and supervisory committee member to fill the vacancy, if the number of directors who are audit and supervisory committee members falls short of the quorum pursuant to laws and regulations. The Company has obtained the consent of the Audit and Supervisory Committee with respect to this agenda item. The election of the substitute audit & supervisory committee member may be cancelled by resolution of the Board of Directors' Meeting with the consent of the Audit & Supervisory Committee, provided that the party elected to assume the office has yet to do so. The candidate for director who is a substitute audit and supervisory committee member is as below.

|                |
|----------------|
| Name           |
| Nicholas Benes |

For the date of birth, brief personal history and other items to be described in the reference documents for the General Meeting of Shareholders for the above candidate, please see Agenda Item No. 1 "Election of 6 directors (excluding directors who are audit and supervisory committee members)" candidate number 5.

(Reference)

#### Skill Matrix of the Board of Directors following the General Meeting of Shareholders

In the nomination and selection of Directors and Senior Executive Officers, the Company recognizes that noteworthy issues around the corporate management and communication with stakeholders have to be taken into consideration, in addition to our Purpose & Mission, management strategies, and business strategies. Our business is indispensable for the manufacturing of semiconductors, which support the development of our society, and also assumes the important function of supporting the stable operation of the facilities and systems in our society and industries, creating great opportunities for growth even in the surrounding areas. The Company has selected the following nine areas for management activities which are considered important for the Company to grow the business in the medium to long term and realize the improvement of our corporate value: “Management & Corporate Strategy,” “Semiconductor,” “Technology,” “Sales & Marketing,” “Finance & Accounting,” “Legal & Compliance,” “Human Capital Management,” “Global Business,” and “Digital Transformation.” The Board of Directors and the Nomination and Compensation Committee have discussed the essential “insight and experiences” required for the execution of duties and the fulfilment of the responsibility of supervision in the nine areas, and established the required skill sets for Senior Executive Officers and Directors. If the election of all the candidates presented in this convocation notice is approved as originally proposed, the skills of the Directors will be as shown in the table below. Following the environmental changes, the skills required by the Company will be constantly updated.

## [Details of Skill]

| Areas for management activities   | Items   | Experience, knowledge, and abilities expected   |
|-----------------------------------|---|---|
| ① Management & Corporate Strategy | Top management  | Management experience at a company or legal entity (as a chairperson, president, representative director or equivalents)  |
|                                   | Management strategy   | Experience as a head of a management strategies department <sup>*1,2</sup>  |
|                                   | Experience and knowledge of business investment and M&A                   | Experience and knowledge of business investment and M&A   |
| ② Semiconductor                   | Knowledge of the semiconductor-related industries                         | Experience in semiconductor-related industries and knowledge of the semiconductor industry  |
| ③ Technology                      | Knowledge of the industries & technologies (incl. Environment and Energy) | Knowledge of the electrical/electronics related industry and ICT technologies   |
|                                   | Research & development  | Experience as a head of an R&D department <sup>*1,2</sup>   |
|                                   | SCM <sup>*3</sup> , production, and quality assurance                     | Experience as a head of SCM <sup>*3</sup> , production, production engineering, and quality assurance departments <sup>*1,2</sup>   |
| ④ Sales & Marketing               | Sales and marketing   | Experience as a head of a sales and marketing department <sup>*1,2</sup>  |
| ⑤ Finance & Accounting            | Finance and accounting  | Experience as a head of a finance and accounting department <sup>*1,2</sup> or as a certified public accountant   |
|                                   | Communication with the capital market                                     | Experience as a head of the department responsible for communicating with investors and shareholders <sup>*1,2</sup> , such as a head of IR (Investor Relations) or SR (Shareholder Relations) department |
| ⑥ Legal & Compliance              | Legal affairs, risk management, and compliance                            | Experience as a head of a legal affairs, risk management, or compliance department <sup>*1,2</sup> or as an attorney at law   |
| ⑦ Human Capital Management        | Human capital management  | Experience and knowledge as a head of an HR department <sup>*1,2</sup> , or in recruiting & developing human capital, and talent management   |
| ⑧ Global Business                 | Global business   | Experience at a global organization or experience working in a foreign country  |
| ⑨ Digital Transformation          | IT & DX   | Experience as a head of an IT department <sup>*1,2</sup> , and as a head of a DX promotion department <sup>*1,2</sup>   |

\*1 : The head of a large company or a company with complicated businesses or operations

\*2: The executive of a specialized service company in the relevant field

\*3: Supply Chain Management

|                   |                  | Fundamental managerial activities deemed essential for carrying out management duties and guiding/supervising our management team |             |   |                    |   |                     |   |   |  |                     |   |                        |  |                          | Key areas of our immediate management issues |                   |                         |
|-------------------|------------------|---|-------------|---|--------------------|---|---------------------|---|---|--|---------------------|---|------------------------|--|--------------------------|--|-------------------|-------------------------|
|                   |                  | ① Management & Corporate Strategy   |             |   |                    | ② Semiconductor                               |                     | ③ Technology  |   |  |                     | ④ Sales & Marketing   | ⑤ Finance & Accounting |  | ⑥ Legal & Compliance     | ⑦ Human Capital Management                   | ⑧ Global Business | ⑨ Digital Transformatio |
|                   | Attribute        | Management  |             |   |                    | R&D, Semiconductor, Industries & Technologies |                     |   |   | SCM, production, and quality assurance | Sales and marketing | Finance & Accounting, Communication with Capital Market                   |                        | Legal affairs, risk management, and compliance | Human capital management | Global business                              | IT & DX           |                         |
|                   |                  | Gender  | Nationality | Member of the Audit and Supervisory Committee | Independent member | Top management                                | Management strategy | Experience and knowledge of business investment and M&A | Knowledge of the semiconductor related industries |  |                     | Knowledge of the industries & technologies (incl. Environment and Energy) | Research & development |  |                          |  |                   | Finance and accounting  |
| Inside Directors  | Yoshiaki Yoshida | Male  | Japanese    |   |                    | ○   | ○                   | ○   | ○   |  |                     | ○   |                        | ○  |                          |  | ○                 |                         |
|                   | Douglas Lefever  | Male  | American    |   |                    | ○   | ○                   | ○   | ○   |  |                     | ○   |                        |  |                          |  | ○                 |                         |
|                   | Koichi Tsukui    | Male  | Japanese    |   |                    | ○   | ○                   |   | ○   |  |                     | ○   |                        |  |                          |  | ○                 |                         |
|                   | Yuichi Kurita    | Male  | Japanese    | ○   |                    |   | ○                   | ○   | ○   |  |                     | ○   | ○                      |  |                          |  | ○                 |                         |
| Outside Directors | Toshimitsu Urabe | Male  | Japanese    |   | ○                  | ○   | ○                   |   |   |  |                     |   |                        |  | ○                        | ○  | ○                 |                         |
|                   | Nicholas Benes   | Male  | American    |   | ○                  |   | ○                   |   |   |  |                     | ○   | ○                      |  |                          | ○  | ○                 |                         |
|                   | Naoto Nishida    | Male  | Japanese    |   | ○                  |   |                     | ○   | ○   | ○                                      |                     |   |                        |  |                          |  | ○                 |                         |
|                   | Sayaka Sumida    | Female  | Japanese    | ○   | ○                  |   |                     |   |   |  |                     | ○   |                        | ○  |                          |  | ○                 |                         |
|                   | Tomoko Nakada    | Female  | Japanese    | ○   | ○                  |   |                     |   |   |  |                     |   |                        | ○  |                          |  | ○                 |                         |

\*Skills of the Senior Executive Officers (excluding those concurrently serving as directors) as of June 27, 2023 will be as follows.

|                           |                   |      |          |  |  |   |   |   |  |   |   |   |  |  |   |  |   |   |
|---------------------------|-------------------|------|----------|--|--|---|---|---|--|---|---|---|--|--|---|--|---|---|
| Senior Executive Officers | Soichi Tsukakoshi | Male | Japanese |  |  |   |   | ○ |  |   | ○ | ○ |  |  |   |  | ○ |   |
|                           | Keith Hardwick    | Male | American |  |  |   | ○ | ○ |  |   |   | ○ |  |  | ○ |  | ○ |   |
|                           | Yasuo Mihashi     | Male | Japanese |  |  | ○ | ○ | ○ |  |   |   | ○ |  |  |   |  | ○ |   |
|                           | Juergen Serrer    | Male | German   |  |  |   |   | ○ |  | ○ |   |   |  |  |   |  | ○ |   |
|                           | Sanjeev Mohan     | Male | American |  |  |   |   | ○ |  |   |   | ○ |  |  |   |  | ○ |   |
|                           | Richard Junger    | Male | German   |  |  |   |   | ○ |  |   | ○ |   |  |  |   |  | ○ | ○ |
|                           | Yong Xu           | Male | Chinese  |  |  |   |   | ○ |  |   |   | ○ |  |  |   |  | ○ |   |
|                           | Makoto Nakahara   | Male | Japanese |  |  |   |   | ○ |  |   | ○ | ○ |  |  |   |  | ○ |   |

(Reference)

### Independence Criteria of Independent Outside Directors

Outside Director of Advantest Corporation (the “Company”) shall be judged to be independent provided none of the following conditions apply presently and recently.

#### 1. Major Business Partner

- (1) Entity transacts with the Company as Major Business Partner or Executive thereof
- (2) Major Business Partner of the Company or Executive thereof

#### 2. Expert

- (1) Consultant, Accountant or Lawyer who receives a large amount of money or other compensation from the Company. (In case that the receiver of such compensation is a legal entity or group such as union, the person who belongs to such entity.)

#### 3. Relative

- (1) Relative of person who falls in the condition set forth in 1 or 2 above.
- (2) Relative of Executive or Board Director of the subsidiary of Company
- (3) Relative of person who was an Executive or Board Director of Company or subsidiary of Company recently.

#### Notes

- \*1 “Recently” shall mean time range substantially identical to presently.
- \*2 “Major Business Partner” means partner whose revenue from the transaction with the Company shares the considerable part of revenue of the Company or partner supplying the Company with commodities or services indispensable to the Company’s business.
- \*3 “Executive” means the “executive” defined in the Ordinance for Enforcement of the Companies Act.
- \*4 “Relative” means the person’s relative within the second degree of kinship.

(Reference)

### Information on Shares the Company Group Holds (as of March 31, 2023)

Number and amount of shares the Company group holds for the purposes other than realizing direct investment gains

| Holder                     | Classification | Company               | Amount (Millions of yen) | Reason for holding shares      |
|----------------------------|----------------|-----------------------|--------------------------|--------------------------------|
|                            | Listed         | —                     | —                        | —                              |
|                            | Unlisted       | 6 companies           | 332                      | Mainly for transaction support |
| The Company                |                |                       | 332                      |                                |
|                            | NASDAQ (US)    | PDF Solutions, Inc.   | 18,723                   | For joint business development |
|                            | KOSDAQ (Korea) | Nepes Ark Corporation | 173                      | For sales transaction strategy |
|                            | Unlisted       | 2 companies           | 118                      | Mainly For transaction support |
| The Company’s subsidiaries |                |                       | 19,014                   |                                |

(Note) Shares held by the Company as strategic-shareholdings are unlisted, and the amount is stated in the book value in accordance with Japanese standards. The amount of shares held by the Company’s subsidiaries as strategic-shareholdings is stated in market value in accordance with IFRS. Investment return of above shares is evaluated regularly and reported to the Board of Directors.



(Attachments)

## **Business Report**

(April 1, 2022 through March 31, 2023)

### 1. Current Conditions of the Company group

#### (1) Business conditions during the fiscal year

##### (i) Operations and Results of Business

[Overall]

During Advantest's fiscal year ended March 31, 2023, the global economy suffered from worldwide inflation due to higher resource prices driven by heightened geopolitical risks as well as supply chain disruptions caused by COVID-19 restrictions. Mainly in Western countries, policymakers responded with interest rate hikes, and as 2023 opened, news of financial instability emerged from the United States, further heightening recessionary concerns.

Amidst this global economic situation, the semiconductor market saw a decline in demand for chips used in cornerstone consumer electronics products such as smartphones, personal computers and televisions, and from mid-2022, semiconductor manufacturers increasingly took steps to adjust inventories and revise their CapEx plans. On the other hand, shortages of certain automotive and industrial semiconductors continued. Despite this patchy demand picture, the decline of the semiconductor market overall gradually accelerated.

Advantest's semiconductor test equipment sales were also affected by the decline in demand for chips used in consumer electronics. Rising demand for our products against the backdrop of higher semiconductor performance compensated for the demand decline caused by reduced production volumes of consumer devices. However, parts shortages and logistical dislocations affected a wide range of supply chains, and our difficulties in procuring needed parts continued from the previous fiscal year through the third quarter.

Under these circumstances, Advantest responded to this situation by reinforcing our strategic procurement capabilities and adjusting our production plans in order to meet customer delivery date requirements as closely as possible, while tailoring our efforts to the relative strength and weakness of test demand for various types of semiconductors, and achieved our sales target through these efforts.

As a result, in the consolidated fiscal year ended March 31, 2023, net sales were JPY560.2 billion (34.4% increase in comparison to the previous fiscal year), operating income was JPY167.7 billion (46.2% increase in comparison to the previous fiscal year), income before income taxes was JPY171.3 billion (47.2% increase in comparison to the previous fiscal year) and net income was JPY130.4 billion (49.4% increase in comparison to the previous fiscal year). Although procurement costs rose, higher sales and yen depreciation boosted our performance. As a result, all the above results reached record highs for the consolidated fiscal year. Average currency exchange rates in the consolidated fiscal year were 1 USD to 134 JPY (112 JPY in the previous fiscal year) and 1 EUR to 140 JPY (130 JPY in the previous fiscal year). The percentage of net sales to overseas customers was 96.3% (96.1% in the previous fiscal year)

[Business conditions by Business Segment]

#### Semiconductor and Component Test System Segment

In this segment, sales of SoC semiconductor test equipment for advanced process devices greatly exceeded results in the previous fiscal year amidst further technological evolution and performance gains in HPC (High Performance Computing) devices and application processors. Furthermore, sales of test equipment for mature process products such as automotive and industrial devices, which are in great demand, also increased. Regarding memory semiconductor test equipment, despite a significant slowdown in the memory semiconductor market, customer CapEx executions in high-performance memory semiconductor test equipment continued throughout FY2022, supporting continued strong sales of our products. It is estimated that the CY2022 semiconductor test equipment market shrank year-on-year, but Advantest expanded our sales, resulting in market share gains.

As a result of the above, net sales were JPY404.3 billion (39.9% increase in comparison to the previous fiscal year), and segment income was JPY163.2 billion (54.5% increase in comparison to the previous fiscal year).

### Mechatronics System Segment

In this segment, sales of device interface products and test handlers increased due to strong customer demand for semiconductor test equipment. Sales of SEM metrology products also increased due to the adoption of EUV lithography technology by semiconductor manufacturers and rising demand for mature process photomasks. In terms of profit, increased sales and a more-favorable product mix contributed to higher segment profitability.

As a result of the above, net sales were JPY59.9 billion (41.5% increase in comparison to the previous fiscal year), and segment income was JPY15.0 billion (2.5 times increase in comparison to the previous fiscal year).

### Services, Support and Others Segment

In this segment, maintenance services delivered strong sales as Advantest's installed base grew. However, in our system-level test (SLT) business, which has high sales exposure to a limited number of customers, sales in the second half contracted rapidly due to a decline in consumer-related demand. Moreover, in addition to Advantest's ongoing investments in reinforcing SLT production and R&D capabilities in anticipation of mid/long-term business growth, which led costs to increase, the recording of inventory valuation losses for some products caused profit in this segment to decline significantly year-on-year.

As a result of the above, net sales were JPY96.1 billion (12.0% increase in comparison to the previous fiscal year), and segment income was JPY7.6 billion (57.2% decrease in comparison to the previous fiscal year).

### Sales Breakdown by Business Segment (consolidated)

| IFRS                                    |                             |                   |                             |                   |                                 |   |
|---|-----------------------------|-------------------|-----------------------------|-------------------|---------------------------------|---|
| Fiscal Year                             | FY2021<br>(the 80th)        |                   | FY2022<br>(the 81st)        |                   | Change from the previous period |   |
| Segment                                 | Amount<br>(Millions of yen) | Percentage<br>(%) | Amount<br>(Millions of yen) | Percentage<br>(%) | Amount<br>(Millions of yen)     | Percentage<br>increase<br>(decrease)<br>(%) |
| Semiconductor and Component Test System | 288,859                     | 69.3              | 404,252                     | 72.2              | 115,393                         | 39.9  |
| Mechatronics System                     | 42,305                      | 10.1              | 59,874                      | 10.7              | 17,569                          | 41.5  |
| Services, Support and Others            | 85,803                      | 20.6              | 96,104                      | 17.1              | 10,301                          | 12.0  |
| Intercompany transaction elimination    | (66)                        | 0.0               | (39)                        | 0.0               | 27                              | -   |
| Total                                   | 416,901                     | 100.0             | 560,191                     | 100.0             | 143,290                         | 34.4  |
| Overseas                                | 400,520                     | 96.1              | 539,669                     | 96.3              | 139,149                         | 34.7  |

(ii) Capital Expenditures

The Company group invested a total of JPY 25.0 billion in capital expenditures in FY2022 centering around new product development and production facilities, in addition to the expansion investment of manufacturing sites in the United States.

(iii) Financing

During the current consolidated fiscal year, the Company group concluded contracts for the establishment of commitment lines amounting to JPY 30.0 billion with financial institutions in order to secure the sufficient liquidity of funds. The Company group also raised funds amounting to JPY 20.0 billion through long-term borrowings from financial institutions during the current consolidated fiscal year.

(iv) Acquisition or disposal of shares or other equities or stock acquisition rights of other companies

The Company's subsidiary Advantest Europe GmbH acquired all the issued shares of CREA – Collaudi Elettronici Automatizzati S.r.l., a major supplier of power semiconductor test equipment, and made the company a wholly owned subsidiary, effective August 10, 2022.

(2) Conditions of Assets, Profit and Loss

Conditions of Assets, Profit and Loss of the Company group (consolidated)

|   | IFRS                 |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | FY2019<br>(the 78th) | FY2020<br>(the 79th) | FY2021<br>(the 80th) | FY2022<br>(the 81st) |
| Net sales (Millions of yen)   | 275,894              | 312,789              | 416,901              | 560,191              |
| Operating Margin (%)  | 21.3                 | 22.6                 | 27.5                 | 29.9                 |
| Net income (loss) attributable to owners of the parent<br>(Millions of yen) | 53,532               | 69,787               | 87,301               | 130,400              |
| Return on Equity (ROE) (%)  | 24.9                 | 27.3                 | 30.4                 | 39.3                 |
| Basic earnings per share (Yen)  | 270.12               | 353.87               | 449.56               | 697.41               |
| Total equity attributable to owners of the parent (Millions of yen)         | 231,452              | 280,369              | 294,621              | 368,694              |
| Total assets (Millions of yen)  | 355,777              | 422,641              | 494,696              | 600,224              |

(Notes)

1. The name of each item in the category above is presented according to the IFRS terminology.
2. The calculation of "Basic earnings per share" was based on the average number of shares issued during the relevant fiscal year less the average number of treasury shares held during the fiscal year.

### (3) Significant Subsidiaries

| Name of Subsidiary                      | Common Stock         | Percentage of Voting Rights (Note) | Principal Activities   |
|---|----------------------|------------------------------------|--|
| Advantest Laboratories Ltd.             | JPY 50 million       | 100%                               | Research and development of measuring and testing technologies |
| Advantest Pre-Owned Solutions Co., Ltd. | JPY 310 million      | 100%                               | Sales of the Company's used products                           |
| Advantest America, Inc.                 | USD 4,059 thousand   | 100%                               | Development and sales of the Company's products                |
| Advantest Test Solutions, Inc.          | USD 2,500 thousand   | 100%                               | Design and sales of the Company's products                     |
| Essai, Inc.                             | USD 500 thousand     | 100%                               | Design, production and sales of the Company's products         |
| Advantest Europe GmbH                   | EUR 10,793 thousand  | 100%                               | Development and sales of the Company's products                |
| Advantest Taiwan Inc.                   | NTD 500,000 thousand | 100%                               | Sales of the Company's products                                |
| Advantest (Singapore) Pte. Ltd.         | SGD 15,300 thousand  | 100%                               | Sales of the Company's products                                |
| Advantest Korea Co., Ltd.               | KRW 9,516 million    | 100%                               | Support for sales of the Company's products                    |
| Advantest (China) Co., Ltd.             | USD 8,000 thousand   | 100%                               | Support for sales of the Company's products                    |

(Note)

Percentage of voting rights includes indirectly held shares.

### (4) Issues to be Addressed

In FY2018, the Company group formulated a 10-year mid- to long-term management policy (FY2018-FY2027), its "Grand Design," which defines the commitments and strategies needed for the Company group to continue to be a company that embodies its corporate purpose & mission of "Enabling Leading-edge Technologies." Since then, the Company group has strived to enhance its corporate value under the policy.

In FY2021, the Grand Design was updated in response to the improvement of our business performance and changes in the Company group's environment, because the first mid-term management plan (FY2018-FY2020) (MTP1) had been successfully completed, and three years had passed since the formulation of the Grand Design. At the same time, the Company group formulated its second mid-term management plan (FY2021-FY2023) (MTP2), which was announced in May 2021, to ensure achievement of the Grand Design's goals. The entire company is working as one to achieve these targets.

#### **1. Grand Design (10 years) (FY2018-FY2027)**

<Vision Statement>

**Adding Customer Value in an Evolving Semiconductor Value Chain**

<Strategy>

The Company group is expanding its business domains beyond the development and sales of semiconductor volume production test systems to also include adjacent markets such as semiconductor design / evaluation processes and product / system level test processes, which are performed before and after semiconductor volume production processes, with the aim of expanding and growing corporate value.

To achieve the above, The Company group will engage with five strategic issues: reinforce core businesses, invest strategically; seek operational excellence; explore value to reach a higher level; pioneer new business fields; and further promote ESG initiatives.

We originally set annual sales of JPY 300 billion to JPY 400 billion as the ultimate goal of the Grand Design, and then in FY2021, revised the Long-Term Management Goal to “the early achievement of annual sales of JPY 400 billion” thanks to the favorable progress of its business performance spurred by the progress of digital revolution and market share expansion. However, we achieved the goal in FY2021, ahead of the originally intended FY2027, amid the sustained expansion of the semiconductor tester market, etc.

Changes in the business environment and society which have provided us with a lot of growth opportunities since the time of the development of the Grand Design are expected to continue, such as the expansion in demand for semiconductors in the medium to long term. The Company group will continue to further promote the above five growth strategies aiming at enhancing our corporate value under such circumstances.

## **2. Outline of Second Mid-Term Management Plan (MTP2, FY2021-FY2023)**

### <Targeted management metrics>

Under MTP2, the Company group will promote efforts to strengthen its business for further growth, expand growth investment as well as shareholder returns, and strive to increase corporate value. Given this framework, the management metrics that are emphasized in MTP2 are sales, operating margin, net income, return on equity attributable to owners of the parent (ROE), and earnings per share (EPS). The Company group has been endeavoring to grow all these numbers. In order to evaluate the progress of the plan from a mid/long-term perspective, the Company uses three-year averages so as to level the impact of single-year performance fluctuations.

Regarding the management metrics of MTP2, in May 2021, the Company initially announced the outlook of financial metrics calculated based on the medium-term forecast of market trends. However, in FY2021 as the first year of MTP2, the markets of semiconductors and related products remained brisk beyond the assumption in the development of MTP2, and our business expansion measures also evolved steadily. In July 2022, the Company revised the targeted management metrics of MTP2 as follows, taking into account the solid progress of the plan; the comprehensive consideration of the forecast of our business environment until FY2023 including a stronger downward resilience in the semiconductor test equipment market driven by the diversification of semiconductor applications, higher difficulty levels for testing high-end semiconductors, and strong motivation of major chip makers to invest in advanced technologies, and based on the assumption that the downturn of global economy since 2022 will remain within the range of normal economic slowdown.

|                          | FY2021-FY2023 average             |                                    | FY2021-FY2022 average performance (Note3) |
|--------------------------|-----------------------------------|------------------------------------|---|
|                          | Published in May 2021<br>(Note 1) | Published in July 2022<br>(Note 2) |   |
| Sales                    | JPY 350-380B                      | JPY 480-520B                       | JPY 488.5B                                |
| Operating Margin         | 23-25%                            | 27-30%                             | 28.7%                                     |
| Net Income               | JPY 62-70B                        | JPY 98-120B                        | JPY 108.9B                                |
| Return on Equity (ROE)   | 20% or more                       | 30-35%                             | 34.9%                                     |
| Earnings per share (EPS) | JPY 320-370                       | JPY 510-630                        | JPY 573                                   |

Note:

\*1 Exchange rate assumption at the announcement in May 2021 was 1 USD = 105 JPY and 1 Euro = 130 JPY.

\*2 Exchange rate assumption at the revision in July 2022 for results forecast from the second quarter to the fourth quarter of FY2022 and for FY2023 was 1 USD = 130 JPY and 1 Euro = 140 JPY. (Actual exchange rate for FY2021 was 1 USD = 112 JPY and 1 Euro = 130 JPY. Actual exchange rate for the first quarter of FY2022 was 1 USD = 124 JPY and 1 Euro = 134 JPY.)

\*3 Exchange rate assumption for the FY2021-FY2022 (average actual results): Actual exchange rate for FY2021 was 1 USD = 112 JPY and 1 Euro = 130 JPY; Actual exchange rate for FY2022 was 1 USD = 134 JPY and 1 Euro = 140 JPY.

### < Progress >

The Company group is working on MTP2 as the three years to strengthen the foundation for the greater growth of the Company group in the semiconductor market, which is expected to expand further in the medium to long term. In the period from FY2021 to FY2022, the Company group steadily implemented following initiatives, along with the five strategic issues raised in the Grand Design under the medium- to long-term perspective.

#### [Initiatives on strategic issues and their progress]

- (1) Strengthen core business, focus investment
  - From FY2021, we will continue to expand each test solution, including “V93000 EXA Scale”. Furthermore, in fiscal 2022, we will further strengthen our foundation for growth through the introduction of “inteXcell,” a new axis of memory test cells, and the acquisition of CREA, a major power semiconductor test equipment company.
  - Improve the ability to respond to customer needs by continuously increasing sales and support personnel.
- (2) Pursue operational excellence
  - Achieved the top position in the semiconductor manufacturing equipment industry for three consecutive years in the customer satisfaction survey of TechInsights.
  - Launched the Global Business Operations Initiative. Aiming to reform business processes.
- (3) Seeking value for further progress
  - In the System Level test business, steadily cultivate the AI/HPC, smartphone, and automotive-related markets.
  - To strengthen the test-interface business, we will acquire R&D Altanova in FY2021 and complete the acquisition of Shin Puu in the first quarter of FY2023.
  - Continuously expand the “Advantest Cloud Solutions™(ACS)” service infrastructure.
- (4) Cultivate new business areas
  - Establish a system to promote new businesses such as medical equipment such as fluorescence detection system.
- (5) Further promotion of ESG
  - Introduced a CxO system and clarified management accountability in order to strengthen the global headquarters management system.
  - Formulate and promote the "ESG Action Plan" that serves as the base for advancing ESG. Contribute to expanding social contribution through business and improving ESG external evaluation in FY2022.

In FY2023, as the final year of MTP2, the Company group will work toward the achievement of MTP2 targets, positioning FY2023 as the year to promote the stronger and more resilient business foundations.

\* Detailed Mid/Long-Term Management Policy is published in the column of Mid/Long-Term Management Policy in the Company's website.

URL: <https://www.advantest.com/investors/management-policy/management-policy.html>

### **3. Outlook**

Looking at the Company group's market environment going forward, the Company group anticipates that in the medium to long term, semiconductors will need to have even better functionality and reliability as they rise to the challenge of providing infrastructural support for the worldwide digital transformation and carbon-neutral movement. The Company group's expectations of mid/long-term growth remain unchanged. Indeed, the emergence of new AI-based applications has accelerated the digital transformation, while growing demand for Net Zero initiatives has increased the importance of semiconductor technology for better energy efficiency. Customers are also aggressively continuing to develop next-generation devices, including advances in miniaturization. The Company group expects demand for semiconductor test equipment, which ensures that semiconductors support our "safe, secure, and comfortable" environment and society, to grow in step with the growth of the semiconductor market.

In the short term, however, the outlook for our business environment is becoming increasingly uncertain due to global recessionary risks exacerbated by rising inflation and higher interest rates, as well as growing concerns about geopolitical risk factors and pronounced exchange rate fluctuations. As recessionary concerns intensify, semiconductor manufacturers are expected to continue their inventory and production adjustments for the time being. Therefore, the Company group expects the semiconductor tester market to contract year-on-year in CY2023. Regarding the tightening of restrictions on the export of semiconductor production

equipment to China by the United States and its allies, the direct impact on our FY2023 earnings is currently expected to be minor, but the Company group will continue to closely monitor the situation.

Amidst this uncertain market outlook, based on our outlook for each of our business segments, our full-year consolidated earnings forecast for FY2023 calls for net sales of JPY 480.0 billion, operating income of JPY 105.0 billion, income before income taxes of JPY 103.5 billion, and net income of JPY 78.0 billion. This forecast is based on exchange rate assumptions of 1 USD to 130 JPY and 1 EUR to 140 JPY.

The Company group did not recognize more than a minor direct impact on business results from COVID-19 and the situation in Ukraine in the fiscal year ended March 31, 2023. However, as mentioned above, our business environment is becoming increasingly uncertain. The Company group will pay close attention to changes in the external environment and respond quickly and flexibly with measures that may include cost controls as necessary.

## (5) Primary Areas of Business

The Company group manufactures and sells semiconductor and component test systems products and mechatronics-related products such as test handlers and device interfaces. The Company group also engage in research and development activities and provides maintenance and support services associated with these products.

### - Significant Sales Offices and Factories

#### (i) Japan

| Category   | Name of Office        | Location                    |
|--|-----------------------|-----------------------------|
| Head Office,<br>Sales Offices and<br>Service Offices | Head Office           | Chiyoda-ku, Tokyo           |
| R&D Centers,<br>Laboratories                         | Gunma R&D Center      | Meiwa-machi, Ora-gun, Gunma |
|  | Saitama R&D Center    | Kazo-shi, Saitama           |
|  | Kitakyushu R&D Center | Kitakyushu-shi, Fukuoka     |
|  | Sendai Laboratories   | Sendai-shi, Miyagi          |
| Factories  | Gunma Factory         | Ora-machi, Ora-gun, Gunma   |
|  | Sendai Laboratories   | Sendai-shi, Miyagi          |

#### (ii) Overseas

| Category  | Name of Office                  | Location  |
|---|---------------------------------|-----------|
| Sales Offices,<br>R&D Centers,<br>Laboratories and<br>Service Offices,<br>Factories | Advantest America, Inc.         | U.S.A.    |
|   | Essai, Inc.                     | U.S.A.    |
|   | Advantest Europe GmbH           | Germany   |
|   | Advantest Taiwan Inc.           | Taiwan    |
|   | Advantest (Singapore) Pte. Ltd. | Singapore |
|   | Advantest Korea Co., Ltd.       | Korea     |
|   | Advantest (China) Co., Ltd.     | China     |

### - Employees (as of March 31, 2023)

#### Employees of the Company group

| Number of Employees | Increase from end of FY2021 |
|---------------------|-----------------------------|
| 6,544 (548)         | 603(39)                     |

(Note) The numbers set forth above indicate the numbers of regular employees. The numbers in brackets indicate the annual average numbers of non-regular employees which are excluded from the numbers set forth above.

- Major Lenders (as of March 31, 2023)

| Lender            | Balance of borrowings |
|-------------------|-----------------------|
| MUFG Bank, Ltd.   | JPY 20,000 million    |
| Mizuho Bank, Ltd. | JPY 13,353 million    |

- Other significant matters with respect to the current status of the Company group

Not applicable.



## 2. Company Information

### (1) Equity Stock (as of March 31, 2023)

(i) Total number of issuable shares 440,000,000 shares

(ii) Total number of issued shares 191,542,265 shares

(Note) Total number of issued shares includes treasury shares (7,166,043 shares).

(iii) Number of shareholders 31,841

(iv) Major Shareholders (Top 10 shareholders)

| Name of Shareholder   | Number of Shares<br>(in: thousand shares) | Percentage of<br>Ownership (%) |
|---|---|--------------------------------|
| The Master Trust Bank of Japan, Ltd. (trust account)              | 61,338                                    | 33.26                          |
| Custody Bank of Japan, Ltd. (trust account)                       | 28,274                                    | 15.33                          |
| STATE STREET BANK WEST CLIENT - TREATY<br>505234                  | 3,201                                     | 1.73                           |
| HSBC HONGKONG-TREASURY SERVICES A/C<br>ASIAN EQUITIES DERIVATIVES | 2,938                                     | 1.59                           |
| NORTHERN TRUST CO. (AVFC) RE NON TREATY<br>CLIENTS ACCOUNT        | 2,821                                     | 1.53                           |
| STATE STREET BANK AND TRUST COMPANY<br>505225                     | 2,041                                     | 1.10                           |
| SSBTC CLIENT OMNIBUS ACCOUNT                                      | 1,899                                     | 1.03                           |
| Goldman Sachs Japan Co., Ltd. BNYM                                | 1,861                                     | 1.00                           |
| DZ PRIVATBANK S.A. RE INVESTMENTFONDS                             | 1,691                                     | 0.91                           |
| STATE STREET BANK AND TRUST COMPANY<br>505103                     | 1,644                                     | 0.89                           |

(Notes) 1. Number of Shares is rounded down to the nearest thousand.

2. Percentage of Ownership is calculated excluding treasury shares (7,166,043 shares).

3. Percentage of Ownership is rounded down to the second decimal place.

(v) Status of shares issued to officers as compensation for the execution of their duties during the fiscal year 2022

|  | Number of shares | Number of eligible officers |
|--|------------------|-----------------------------|
| Directors (excluding directors who are audit and supervisory committee members, and outside directors) | 10,595           | 4                           |
| Outside directors (excluding directors who are audit and supervisory committee members)                | 0                | 0                           |
| Directors who are audit and supervisory committee members  | 0                | 0                           |

(Note) Contents of the stock compensation of the Company is stated in 3. (3) of <Directors and Executive Officers Compensation Policy and Procedure> in (ii) of 2. (2) Directors and Audit and Supervisory Committee Members.

(vi) Important items regarding our shares

(i) The Company introduced stock remuneration plan, so called the “BIP (Board Incentive Plan) trust compensation system” for directors (excluding outside directors and directors who are audit and supervisory committee members), based on the resolution of the 76th Ordinary General Meeting of Shareholders held on June 27, 2018 and the resolution of the Board of Directors made in accordance with such shareholders’ resolution, and used the system from FY2018 to FY2020. The number of stocks of the Company that trust account for the BIP trust owns is 39,100 shares as of March 31, 2023.

(ii) The Company introduced stock remuneration plan, so called the “ESOP (Employee Stock Ownership Plan) trust compensation system” for officers and executive employees of the Company and its subsidiaries, based on the resolution of the Board of Directors, and used the system from FY2018 to FY2020. The number of stocks of the Company that trust account for the ESOP trust owns is 123,083 shares as of March 31, 2023.

- (iii) The Company purchased treasury stock as indicated below based on the resolution to purchase treasury stock in accordance with the Articles of Incorporation as stipulated in Article 459, Paragraph 1 of the Companies Act made at the meeting of the Board of Directors held on July 28, 2022.

|                                  |   |
|----------------------------------|---|
| Types of shares acquired:        | Shares of common stock  |
| Total number of shares acquired: | 6,327,200 shares  |
| Total cost of acquisition:       | JPY 49,999,528,987 (excluding brokerage commissions)  |
| Acquisition period:              | From August 1, 2022 to December 23, 2022  |
| Reason for acquisition:          | For shareholder returns, improving capital efficiency, and as shares to be distributed in restricted stock compensation plans in the future |

- (iv) Effective September 9, 2022, the Company canceled 8,000,000 shares of treasury stock, according to the resolution of the meeting of the Board of Directors held on July 28, 2022.

(3) Directors and Audit and Supervisory Committee Members

(i) Directors and Audit and Supervisory Committee Members (as of March 31, 2023)

| Title   | Name               | Assignment in the Company and significant concurrent positions  |
|---|--------------------|---|
| Representative Director   | Yoshiaki Yoshida * |   |
| Representative Director   | Douglas Lefever*   |   |
| Representative Director   | Koichi Tsukui*     |   |
| Director  | Osamu Karatsu      |   |
| Director  | Toshimitsu Urabe   | Outside Director, Japan Business Systems, Inc.  |
| Director  | Nicholas Benes     | Representative Director, The Board Director Training Institute of Japan   |
| Director  | Soichi Tsukakoshi* |   |
| Director  | Atsushi Fujita*    |   |
| Director<br>Standing Audit and<br>Supervisory Committee<br>Member | Yuichi Kurita      |   |
| Director<br>Audit and Supervisory<br>Committee Member             | Kouichi Nanba      | Special Counsel, Mori Hamada & Matsumoto Legal Firm   |
| Director<br>Audit and Supervisory<br>Committee Member             | Sayaka Sumida      | Outside Audit & Supervisory Board Member, Furukawa Electric Co., Ltd.<br>Outside Audit & Supervisory Board Member, The Nisshin OilliO Group, Ltd. |

- (Notes) 1. Mr. Yuichi Kurita has been appointed as a standing audit and supervisory committee member in order to enhance effectiveness of audits and supervisory function by the Audit and Supervisory Committee through information gathering by attending important meetings and conducting hearings about reports on operations received from execution departments as well as through strengthened collaboration between the independent auditor and the internal audit division.
2. Mr. Yuichi Kurita, a director who is an audit and supervisory committee member, has many years of experience in corporate planning, and finance, as well as experience serving as an officer of the Company responsible for administration. Ms. Sayaka Sumida, a director who is an audit and supervisory committee member, has experience as a certified public accountant working for an auditing firm. Both Mr. Kurita and Ms. Sumida have considerable knowledge regarding finance and accounting.
3. Mr. Osamu Karatsu, Mr. Toshimitsu Urabe, Mr. Nicholas Benes, Mr. Kouichi Nanba and Ms. Sayaka Sumida are outside directors.
4. The Company has registered Directors Osamu Karatsu, Toshimitsu Urabe, Nicholas Benes, Kouichi Nanba and Sayaka Sumida as independent directors with the Tokyo Stock Exchange.
5. Mr. Douglas Lefever and Mr. Koichi Tsukui have been appointed as representative directors of the Company since January 1, 2023.
6. The Company has in place an Executive Officers System and \* indicates a director who also serves as an Executive Officer.

7. The positions of Executive Officers are currently held as follows:

| Title                                  | Name                          | Assignment in the Company and significant concurrent positions  |
|--|-------------------------------|---|
| President & Group CEO                  | Yoshiaki Yoshida              | Group CEO (Chief Executive Officer)   |
| Corporate Vice President, Group COO    | Douglas Lefever               | Group COO (Chief Operating Officer)   |
| Corporate Vice President, Group Co-COO | Koichi Tsukui                 | Group Co-COO (Co-Chief Operating Officer)   |
| Senior Executive Officer               | Soichi Tsukakoshi             | CPO (Chief Production Officer)  |
| Senior Executive Officer               | Atsushi Fujita                | CFO & CCO (Chief Financial Officer & Chief Compliance Officer)  |
| Senior Executive Officer               | Keith Hardwick                | CHO (Chief Human Capital Officer)   |
| Senior Executive Officer               | Kimiya Sakamoto               | CCRO (Chief Customer Relations Officer)   |
| Senior Executive Officer               | Yasuo Mihashi                 | Co-CSO(Co-Chief Strategy Officer)   |
| Senior Executive Officer               | Juergen Serrer                | Sub Leader, ATE Business Group  |
| Senior Executive Officer               | Sanjeev Mohan                 | Co-CCRO (Co-Chief Customer Relations Officer)   |
| Senior Executive Officer               | Richard Junger                | CDO, CIO & Co-CPO (Chief Digital Officer, Chief Information Technology Officer & Co-Chief Production Officer) |
| Senior Executive Officer               | Yong Xu                       | China Business Strategy   |
| Executive Officer                      | Kazuhiro Yamashita            | Sub Leader, ATE Business Group  |
| Executive Officer                      | Michael Stichlmair            | Senior Vice President (Officer)(Europe), Sales Group  |
| Executive Officer                      | Suan Seng Sim (Ricky Sim)     | Managing Director (CEO), Advantest (Singapore) Pte. Ltd.  |
| Executive Officer                      | Makoto Nakahara               | Senior Vice President (Officer)(Asia), Sales Group  |
| Executive Officer                      | Masayuki Suzuki               | Executive Vice President, Memory Test Business Unit, ATE Business Group                                       |
| Executive Officer                      | Naruo Tanaka                  | Executive Vice President, New Area Business Development Initiative  |
| Executive Officer                      | Adachi Toshiaki               | Senior Vice President (Officer), SoC Test Business Unit, ATE Business Group                                   |
| Executive Officer                      | Wan-Kun Wu (Alex Wu)          | Chairman of the Board, President and CEO, Advantest Taiwan Inc.   |
| Executive Officer                      | Chien-Hua Chang (Titan Chang) | Executive Vice President, Field Service Group   |
| Executive Officer                      | Akio Osawa                    | Senior Vice President (Officer)(System Solution), Sales Group   |
| Executive Officer                      | Yasushi Yoshimoto             | Co-CHO (Co-Chief Human Capital Officer)   |
| Executive Officer                      | Jaehyuk Cha                   | Director, Advantest Korea Co., Ltd.   |

- (ii) Matters concerning policy for determining the details of individual compensation, etc. for directors (excluding directors who are audit and supervisory committee members)

The Company's policy for determining the details of individual compensation for directors (excluding directors who are audit and supervisory committee members) is as follows. This policy was approved by the Board of Directors held on May 21, 2021. The Nomination and Compensation Committee deliberated on individual compensation for directors (excluding directors who are audit and supervisory committee members) for FY2022 based on the policy and reported their findings to the Board of Directors. The Board of Directors deliberated on and determined compensation based on the Nomination and Compensation Committee's findings, and the Company believes that compensation is in line with the policy.

## < Directors and Executive Officers Compensation Policy and Procedure >

### 1. Basic policy

Based on the Company's corporate mission and vision, we aim to create a system for the compensation of directors and executive officers that contributes to the enhancement of corporate value. The ground rules of the system are as follows.

- (1) Compensation mix and compensation level that shall attract international human resources who support the Company's global business development.

In order to continue to grow globally in the complex and rapidly evolving semiconductor industry, we will appoint talented people from all over the world and compensate them appropriately by global standards.

- (2) Bonus that is strongly linked to business performance

Given the inevitability of fluctuations in business performance, strongly indexing bonuses to performance will fully reward the contributions of officers when business performance is strong and will reduce the burden on the Company during downturns in business performance.

- (3) Stock compensation that incentivizes directors and officers to share values with shareholders and promotes management from a medium- to long-term perspective

We will combine transfer-restricted stock compensation, which incentivizes the pursuit of medium- to long-term corporate value improvement, which is also beneficial to shareholders, and performance-linked stock compensation, which promotes the achievement of medium-term management goals that lead to corporate value improvement.

### 2. Policy on the system, timing, conditions, and determination of director compensation

- (1) For directors who also serve as executive officers, fixed compensation (monetary remuneration) appropriate to their duties and responsibilities will be paid monthly, in addition to the executive officer compensation specified in 3 below.
- (2) For outside directors (excluding directors who are Audit and Supervisory Committee members), fixed compensation (monetary remuneration) will be paid in consideration of their roles and independence. Fixed 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 (i.e. the level of compensation paid to people with similar responsibilities by companies of similar size in each country).
- (3) Fixed compensation (monetary remuneration) will be paid to directors who are Audit and Supervisory Committee members in consideration of their roles and independence. The individual compensation level of directors who are Audit and Supervisory Committee members will be decided through discussions with them.
- (4) In addition to the above, lump sum payments may be made based on special events such as the anniversary of the Company's founding.

### 3. Policy on the system, timing, conditions, and determination of executive officer compensation

The compensation of executive officers is as described by the basic policy set forth in 1 above. (1) Fixed compensation (monetary remuneration), (2) performance-linked bonuses (monetary remuneration), and (3) stock compensation shall all be set at appropriate levels. The ratio of fixed compensation, performance-linked bonuses, and stock compensation is approximately 1: 1: 1 for Senior Executive Officers (including the president) and 1: 0.8: 0.8 for other Executive Officers.

- (1) Fixed 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 (i.e. the level of compensation paid to people with similar responsibilities by companies of similar size in each country).

- (2) Performance-linked bonuses (monetary remuneration) are short-term incentives for the results of a single year, and are paid once a year after the performance of the Group for the relevant business year is confirmed.
    - a. The amount of bonuses is determined using net income as an index.
    - b. Target amounts will be set by referring to the net income targets of the single-year business plan and mid-term management plan. We will pay the standard amount when the target values are achieved, but the amount paid will fluctuate as described below when actual results undershoot or exceed the target values.
      - Actual results <50% of target values: 0% of standard amount
      - Actual results >150% of target values: 200% of standard amount
      - Actual results 50% -150% of target values: Varies between 0-200% of standard amount
  - (3) Regarding stock-based compensation, we will grant restricted stock (RS) and performance-linked stock compensation (PSU) with the intention of incentivizing the pursuit of medium- to long-term enhancement of corporate value in alignment with shareholder priorities. As a general rule, about half of the stock-based compensation should be RS and about half should be PSU.
    - a. Shares of RS will be granted every business year as described above. As a general rule, holding is obligatory during the term of office, and transfer restrictions will be lifted when an officer retires.
    - b. PSU will be based on indicators that determine the value of the Company's stock as described below, granted in the first year of the Company's 3-year mid-term management plan, and delivered after the conclusion of the period of the mid-term management plan according to the values of these indicators. PSU may fluctuate between 60 to 140% of the standard amount according to how close actual results come to mid-term management targets. The indicators for evaluating achievement of mid-term management targets are as follows, and the degree of fluctuation is determined by the total value of both indicators.
      - Main indicator: Earnings per share (EPS) during the mid-term management plan  
→ Fluctuation between 70% and 130% of the standard amount
      - Sub-indicator: Relative Total Shareholders Return (r-TSR) and ESG evaluation  
→ Fluctuation between -5% to 5% of the standard amount
- Note, officers who take office or retire in the second or third years of the medium-term management plan will be as standard performance, prorated according to the length of time they have served.
- (4) Compensation for non-residents in Japan may be different from the above due to laws and other circumstances.
  - (5) If there are changes in the Company's financial situation or business environment that are clearly judged to make it difficult to achieve the goals of the mid-term management plan, this system and its operation may be reviewed based on a resolution of the Board of Directors.
  - (6) In addition to the above, lump sum payments may be made based on special events such as the anniversary of the Company's founding.

#### 4. Procedures and methods for determining compensation

- (1) Individual compensation for directors (excluding directors who are Audit and Supervisory Committee members) and executive officers is deliberated by the Nomination and Compensation Committee based on consultation with the Board of Directors, and proposed to the Board of Directors. The Board of Directors deliberates on proposals from the Nomination and Compensation Committee and decides on compensation.
- (2) However, performance-linked bonuses are determined as follows:
  - a. Up to 30% of the total amount calculated and determined according to the policies above of performance-linked bonuses for executive officers, excluding the president, shall be redistributed based on individual evaluations conducted by the president and approved by the Nomination and Compensation Committee. Results of these evaluations and redistributions shall be reported to the Board of Directors.
  - b. 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.

#### 5. Reduction of compensation, clawbacks, etc.

The Company may reduce future compensation or claw back past compensation by resolution of the Board of Directors in the event of certain circumstances, such as violation of relevant laws and regulations or internal rules.

- (iii) Matters concerning policies for determining the details of individual compensation, etc. for directors who are audit and supervisory committee members

The Company has established a policy for determining the details of individual compensation for directors who are audit and supervisory committee members. Under the policy, the amount of compensation for each audit and supervisory committee member is determined through discussions by audit and supervisory committee members, taking into consideration the distinction between standing and non-standing positions, the assignment of auditing duties, the details and level of compensation paid to directors, and other factors. This policy was approved by a resolution of the audit and supervisory committee held on January 27, 2016.

- (iv) Total amount of compensation for directors

| Officer Category  | Company Category        | Total Compensation (Millions of yen) | Total Compensation by Category (Millions of yen) |                                |                       |                               |                                      | Number of Eligible Officers |
|---|-------------------------|--------------------------------------|--|--------------------------------|-----------------------|-------------------------------|--------------------------------------|-----------------------------|
|   |                         |                                      | Cash Compensation                                |                                | Non-Cash Compensation |                               |                                      |                             |
|   |                         |                                      | Fixed Compensation                               | Performance-based Compensation | Stock Options         | Restricted stock compensation | Performance-based Stock Compensation |                             |
| Directors (excluding audit and supervisory committee members) (excluding outside directors)               | the Company             | 695                                  | 184  | 162                            | 17                    | 137                           | 195                                  | 5                           |
|   | Consolidated subsidiary | 145                                  | 70   | 75                             | 0                     | 0                             | 0                                    |                             |
| Directors (audit and supervisory committee members) (excluding outside directors)                         | the Company             | 43                                   | 43   | 0                              | 0                     | 0                             | 0                                    | 1                           |
| Outside Directors (not audit and supervisory committee members) (audit and supervisory committee members) | the Company             | 72                                   | 72   | 0                              | 0                     | 0                             | 0                                    | 5                           |
|   |                         | (41)                                 | (41)   | (0)                            | (0)                   | (0)                           | (0)                                  | (3)                         |
|   |                         | (31)                                 | (31)   | (0)                            | (0)                   | (0)                           | (0)                                  | (2)                         |

- (Notes)
- Performance-based bonuses are paid to directors (excluding outside directors and directors who are audit and supervisory committee members) as performance-linked compensation. Performance-linked bonuses are cash compensation for achievements for a single year and paid out once a year after the corporate performance of the Company group for the said fiscal year is confirmed. Net income is used as the performance indicator of the said bonuses which are positioned as a short-term incentive. Changes in the performance indicator in the past are stated in 1. (2) Conditions of Assets, Profit and Loss. The content of the performance-linked bonuses is stated in 3. (2) of <Directors and Executive Officers Compensation Policy and Procedure> in (ii) of 2. (2) Directors and Audit and Supervisory Committee Members.
  - Stock options, restricted stock compensation, and performance-linked stock compensation are delivered to directors (excluding outside directors and directors who are audit and supervisory committee members) as non-cash compensation. For restricted stock compensation and performance-linked stock compensation, the amount recorded as an expense for FY2022 in accordance with IFRS standards is listed. For stock options granted by FY2019 and FY2020, the amount recorded as an expense for FY2022 in accordance with IFRS standards is listed. No stock options were granted in FY2022. Regarding restricted stock compensation and performance-linked stock compensation, the 79th Ordinary General Meeting of Shareholders held on June 23, 2021 resolved that (1) restricted stock compensation for the Company's directors (excluding outside directors and directors who are audit and supervisory committee members) shall be no more than JPY 200 million per year, and the total number of common shares of the Company to be delivered to eligible directors shall be within 50,000 shares per year; and (2) a performance share unit for the said directors shall be no more than JPY 600 million per year, and the total number of common shares of the Company to be delivered to eligible directors shall be within 150,000 shares for each medium-term management plan (three fiscal years). The number of directors (excluding outside directors and directors who are audit and supervisory committee members) at the end of the 79th ordinary general meeting of shareholders is five. The state of delivery of the said stock compensations in FY2022 is described in (v) of 2. (1) Equity Stock. The content of restricted stock compensation and performance-linked stock compensation is described in 3. (3) of <Directors and Executive Officers Compensation Policy and Procedure> in (ii) of 2. (2) Directors and Audit and Supervisory Committee Members.

3. At the 79th Ordinary General Meeting of Shareholders held on June 23, 2021, shareholders approved that the total amount of compensation for the Company's directors (excluding outside directors and directors who are audit and supervisory committee members) shall be no more than JPY 900 million per year. The number of directors (excluding outside directors and directors who are audit and supervisory committee members) at the end of the 79th ordinary general meeting of shareholders is five.
4. At the 79th Ordinary General Meeting of Shareholders held on June 23, 2021, shareholders approved that the total amount of compensation for the Company's outside directors (excluding directors who are audit and supervisory committee members) shall be no more than JPY 60 million per year. The number of outside directors (excluding directors who are audit and supervisory committee members) at the end of the 79th ordinary general meeting of shareholders is three.
5. At the 73rd Ordinary General Meeting of Shareholders held on June 24, 2015, shareholders approved that the total amount of compensation for the Company's directors who are audit and supervisory committee members shall be no more than 100 million yen per year. The number of directors who are audit and supervisory committee members at the end of this ordinary general meeting of shareholders is 3 (including 2 outside directors).
6. Individual compensation of directors (excluding directors who are audit and supervisory committee members) is deliberated by the Nomination and Compensation Committee with consultation to the Board of Directors and proposed to the Board of Directors. The Board of Directors deliberates on proposals from the Nomination and Compensation Committee and decides compensation. Regarding the performance-linked bonuses for Executive Officers (including those who concurrently serve as directors) except for President, Mr. Yoshiaki Yoshida, Representative Director, President and Group CEO, evaluates Executive Officers and reallocate individual amounts of performance-linked bonuses based on his evaluation before the Nomination and Compensation Committee approves the amount of bonuses, because the Company believes that it is most appropriate to reflect the evaluation by President, as the head of business execution, on the performance-linked bonuses of Executive Officers. Individual amounts of performance-linked bonuses which the Nomination and Compensation Committee approves are within the range decided by the Board of Directors, and the amounts are reported to the Board of Directors after the approval by the Nomination and Compensation Committee. The range of individual amounts of performance-linked bonuses which the Nomination and Compensation Committee approves is stated in 4. (2) a. of <Directors and Executive Officers Compensation Policy and Procedure> in (ii) of 2. (2) Directors and Audit and Supervisory Committee Members.

(v) Matters pertaining to outside directors and outside audit and supervisory committee members

(a) Significant concurrent positions held and relationship to the Company

| Name  | Concurrent position(s)   | Relationship to the Company   |
|---|--|---|
| Toshimitsu Urabe<br>(Outside Director)                                      | Outside Director, Japan Business Systems, Inc.                           | The Company has transactions with Japan Business Systems, Inc., including capital investments in IT operations, etc. The amount of such transactions with Japan Business Systems, Inc., in the current fiscal year is less than 1% of the total of the Company's consolidated cost of sales and selling, general and administrative expenses. |
| Nicholas Benes<br>(Outside Director)  | Representative Director, The Board Director Training Institute of Japan  | The Company has paid an annual fee to and received executive training from The Board Director Training Institute of Japan ("BDTI"). The amount of payment to BDTI in FY2022 was less than JPY1M.  |
| Kouichi Nanba<br>(Outside Director, Audit and Supervisory Committee Member) | Special Counsel, Mori Hamada & Matsumoto Legal Firm                      | There is no special relationship between Mori Hamada & Matsumoto Legal Firm and the Company.  |
| Sayaka Sumida<br>(Outside Director, Audit and Supervisory Committee Member) | Outside Audit & Supervisory Board Member, Furukawa Electric Co., Ltd.    | The Company has transactions with Furukawa Electric Co., Ltd., including the purchase of raw materials, etc. The amount of such transactions with Furukawa Electric Co., Ltd., in the current fiscal year is less than 1% of the total of the Company's consolidated cost of sales and selling, general and administrative expenses.          |
|   | Outside Audit & Supervisory Board Member, The Nisshin OilliO Group, Ltd. | There is no special relationship between The Nisshin OilliO Group, Ltd. and the Company.  |

## (b) Principal activities

| Name                                   | Attendance  | Participation at meetings   |
|--|---|---|
| Osamu Karatsu<br>(Outside Director)    | Meetings of Board of Directors:<br>14 out of 14 times | <p>Mr. Karatsu is expected to reflect his knowledge of the industry and his broad perspectives in the Company group's management, thereby contributing to the sustainable enhancement of the Company's corporate value and invigorating the activities of the Board of Directors.</p> <p>During FY2022, Mr. Karatsu performed his duties based on his role, including providing advice in view of the environment surrounding the semiconductor industry and the global situation, and brought a higher perspective to management.</p> <p>Mr. Karatsu expresses his opinions based on his knowledge of the semiconductor industry and from long-term and strategic perspectives.</p>  |
| Toshimitsu Urabe<br>(Outside Director) | Meetings of Board of Directors:<br>14 out of 14 times | <p>Mr. Urabe is expected to reflect his knowledge of corporate management, investment decisions and administrative management such as human resources and IT in the Company group's global management, thereby contributing to the sustainable enhancement of the Company's corporate value and invigorating the activities of the Board of Directors.</p> <p>As the Chairperson of the Nomination and Compensation Committee, during FY2022, Mr. Urabe performed his duties based on his role, including providing advice drawing from his experience in management and human resources field in relation to the formulation of succession planning and the enhancement of the CxO system. Mr. Urabe expresses his opinions mainly on business investment decisions, global management, and the promotion of DX, based on his management experience.</p> |
| Nicholas Benes<br>(Outside Director)   | Meetings of Board of Directors:<br>14 out of 14 times | <p>Mr. Benes is expected to reflect his knowledge of corporate governance and the shareholder-oriented perspective in the Company group's global management, thereby contributing to the sustainable enhancement of the Company's corporate value and invigorating the activities of the Board of Directors.</p> <p>During FY2022, Mr. Benes performed his duties based on his role, including M&amp;A advisory service based on his experience in investment banks, providing advice from the perspective of shareholders including institutional shareholders, and pointing out matters related to the global capital structure and capital allocation.</p> <p>Mr. Benes expresses his opinions based mainly on his knowledge of corporate governance.</p>  |



| Name  | Attendance   | Participation at meetings   |
|---|--|---|
| Kouichi Nanba<br>(Outside Director,<br>Audit and Supervisory<br>Committee Member) | Meetings of Board of Directors:<br>14 out of 14 times              | Mr. Nanba is expected to reflect his knowledge of laws and compliance in the Company group's audit and supervision, thereby contributing to the enhancement of compliance. During FY2022, as the Chairperson of the Audit and Supervisory Committee, Mr. Nanba performed his duties based on his role, including verifying whether a system for prompt and efficient business execution has been established by the introduction of CxO system, and the status of internal control of acquired affiliated companies overseas. Mr. Nanba expresses his opinions mainly in relation to law and compliance from a professional perspective, based on his many years of experience as an attorney-at-law. |
|   | Meetings of Audit and Supervisory Committee:<br>13 out of 13 times |   |
| Sayaka Sumida<br>(Outside Director,<br>Audit and Supervisory<br>Committee Member) | Meetings of Board of Directors:<br>14 out of 14 times              | Ms. Sumida is expected to reflect her knowledge of finance and accounting in the Company group's audit and supervision, thereby contributing to the enhancement of corporate accounting and internal controls. During FY2022, Ms. Sumida performed her duties based on her role, including providing advice on internal audit and disclosure documents such as the Annual Securities Report, based on many years of experience as a certified public accountant. Ms. Sumida expresses her opinions mainly in relation to corporate accounting and independent auditing from a professional perspective.   |
|   | Meetings of Audit and Supervisory Committee:<br>13 out of 13 times |   |

### (3) Policies on the distribution of surplus

Based on the premise that a sustainable level of business development and mid-to-long term enhancement of corporate value is fundamental to the creation of shareholder value, the Company practices management that is conscious of capital efficiency, financial soundness, and shareholder returns.

The Company has set the capital policy to prioritize business investment for growth such as R&D, facility enhancements, and M&A, while being flexible in utilization of liabilities (debt) from the viewpoint of balance sheet management that considers both capital efficiency and capital cost. In addition, the Company ensures an appropriate capital structure with maintaining financial soundness in order to strengthen the Company's business position and enhance its corporate value.

The shareholder return that is in congruence with second mid-term management plan for the three years starting from April 1, 2021, under the premise of stable business environment, is set to make stable and continuous dividend with a minimum amount of ¥50 per share for a semi-annual and ¥100 per share for annual. In addition to dividends, the Company set the target to achieve total annual return ratio (\*) of 50% or more, including share buybacks. However, there is a possibility that the Company may not be able to disburse shareholder returns due to the occurrence of investment growth opportunities that require more funds than expected and the deterioration of business performance for the changes in the market environment.

(\*) Total return ratio: (Dividend + share repurchase)/consolidated net income

- Stock Acquisition Rights

Stock acquisition rights held by directors and audit and supervisory committee members (as of March 31, 2023)

|   | Resolution at the meeting of the Board of Directors held on June 26, 2019  | Resolution at the meeting of the Board of Directors held on June 25, 2020                  |
|---|--|--|
| Date of issuance  | July 12, 2019  | July 13, 2020  |
| Issuance Price  | JPY 76,800 per unit  | JPY 206,500 per unit   |
| Holding status of stock acquisition rights by directors and audit and supervisory committee members | 410 units (2 persons)  | 430 units (4 persons)  |
| Directors (excluding audit and supervisory committee members and outside directors)                 | 410 units (2 persons)  | 430 units (4 persons)  |
| Outside directors (excluding audit and supervisory committee members)                               | 0 units (0 persons)  | 0 units (0 persons)  |
| Directors (audit and supervisory committee members)   | 0 units (0 persons)  | 0 units (0 persons)  |
| Class and aggregate number of shares to be issued or delivered upon exercise                        | 41,000 shares of common stock (each stock acquisition right is exercisable for 100 shares)   | 43,000 shares of common stock (each stock acquisition right is exercisable for 100 shares) |
| Exercise price to be paid upon exercise   | ¥3,090 per share   | ¥6,990 per share   |
| Exercise period   | July 13, 2021 to July 12, 2024   | July 14, 2022 to July 13, 2025   |
| Terms of exercise   | The stock acquisition rights may not be inherited.   |  |
| Reasons for the Company's acquisition of the stock acquisition rights                               | <p>The Company shall automatically acquire the stock acquisition rights, for no consideration, if:</p> <p>(a) the general meeting of the shareholders or, if approval by the shareholders' meeting is not legally required, then the board of directors resolves to approve (i) any merger agreement pursuant to which the Company shall dissolve, (ii) any agreement or a plan pursuant to which the Company shall split all or part of its business or (iii) any stock-for-stock exchange agreement or stock-transfer plan pursuant to which the Company shall become a wholly-owned subsidiary of another company;</p> <p>(b) the rights holder becomes a person who does not hold any position as a director, corporate auditor, officer, employee or any other similar position of the Company or its domestic or overseas subsidiaries; except when he/she resigns due to expiration of term of office, and when the Company deems that it is appropriate to allow him/her to exercise his/her stock acquisition rights and notifies him/her;</p> <p>(c) the rights holder dies.</p> |  |
| Restriction on the transfer of the stock acquisition rights   | Acquisition of stock acquisition rights by transfer shall require approval by the Board of Directors. Provided, however, if it is the Company acquiring the stock acquisition rights by transfer, such transfer shall be deemed to be approved by the Board of Directors.  |  |

- Overview of limited liability agreements

The Company entered into a limited liability agreement pursuant to Article 427, Paragraph 1 of the Companies Act, with outside directors Osamu Karatsu, Toshimitsu Urabe, Nicholas Benes, Kouichi Nanba and Sayaka Sumida, and a director who is a standing audit and supervisory committee member Yuichi Kurita. The upper limit of liability based on each agreement is the minimum liability as provided in the relevant laws and regulations.

- Overview of indemnification agreements

The Company has concluded indemnification agreements with directors Yoshiaki Yoshida, Douglas Lefever, Koichi Tsukui, Osamu Karatsu, Toshimitsu Urabe, Nicholas Benes, Soichi Tsukakoshi, Atsushi Fujita, Yuichi Kurita, Kouichi Nanba, and Sayaka Sumida pursuant to the Article 430-2, Paragraph 1 of the Companies Act. Under the said agreements, the Company shall indemnify them against expenses listed in Item 1 of the said Paragraph and losses listed in Item 2 of the said Paragraph to the extent permitted by laws and regulations. However, certain conditions of exemption are established to ensure that the appropriateness of the execution of duties by the insured persons is not impaired by the said agreements, and the amount of expenses and losses of no less than JPY 3 million requires the deliberation by the Board of Directors.

- Overview of the contents of the directors and officers liability insurance contracts

The Company has concluded a directors and officers liability insurance contract with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act, covering all employees of the Company, including Directors, Executive Officers, and employees in managerial and supervisory positions, and also all employees of Company subsidiaries, including executives and employees in managerial and supervisory positions.

The company to which the insured belongs bears the full amount of the insurance premium including the rider part, so there is no substantial insurance premium burden for the insured party.

The insurance policy covers legal damages and litigation expenses that may arise when the insured party assumes liability for the execution of his or her duties or is subject to a claim for the pursuit of said liability.

However, under such insurance contracts, measures are taken to ensure that the appropriateness of the execution of duties by the insured person is not impaired by establishing certain conditions of exemption, such as that damage to the insured person caused by an act committed by the insured person in recognition of a violation of laws and regulations is not covered.

- Independent Auditor

(i) Name of independent auditor

Ernst & Young ShinNihon LLC

(ii) Remuneration

|  | Amount         |
|--|----------------|
| Remuneration to the independent auditor for this fiscal year   | JPY155 million |
| Total amount of cash and other financial benefits payable by the Company and its subsidiaries to the independent auditor | JPY168 million |

(Notes) 1. Under the agreement between the Company and the independent auditor, as the Company has not drawn any distinction between the remuneration for the audit services pursuant to the Companies Act and that pursuant to the Financial Instruments and Exchange Act of Japan, the amount set forth above represents the aggregate amount of these audit services.

2. The Company's significant overseas subsidiaries have been audited by the Ernst & Young group.

(iii) Non-audit remuneration

The Company has entrusted consultancy services regarding ESG to Ernst & Young ShinNihon LLC, in addition to audit attestation services under Article 2, Paragraph 1 of the Certified Public Accountants Act.

(iv) Reason that the Audit and Supervisory Committee gave consent to the amount of remuneration to the independent auditor

The Audit and Supervisory Committee obtained necessary materials and received reports from directors, executive officers, the internal departments concerned, and the independent auditor, and reviewed appropriateness of the content of the audit plan of the independent auditor, the status of execution of independent audit duties, the basis for calculation of the estimated amount of remuneration. As a result, the Audit and Supervisory Committee concluded that the amount of remuneration to the independent auditor is appropriate and gave consent pursuant to Article 399, Paragraphs 1 and 3 of the Companies Act.

(v) Policies on dismissal or non-reappointment of the independent auditor

In the case that the independent auditor falls under any of the items according to Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee shall dismiss the independent auditor upon the unanimous consent of the audit and supervisory committee members. In such case, an audit and supervisory committee member who is appointed by the audit and supervisory committee shall report the dismissal and its reasons at the first general meeting of shareholders convened after such dismissal. In addition, other than the above, if it is deemed to be difficult for the independent auditor to conduct appropriate audits due to the occurrence of events that impair its qualification or independence, the Audit and Supervisory Committee shall determine the content of an agenda item about dismissal or non-reappointment of the independent auditor to be submitted to a general meeting of shareholders.

(5) The Board of Directors resolved a system that ensures the appropriateness of its business as follows:

Basic Policy for the System to Ensure the Appropriateness of Business

Holding “Enabling Leading-Edge Technologies” as our corporate mission, the Advantest Group established The Advantest Way that clarifies mission, vision, core values, guiding principle and ethical standards of the Advantest Group, and has strived to increase the transparency of its management and achieve a sustainable level of business development and mid-to-long term enhancement of corporate value. To further promote these efforts, the Company will prepare a framework as described in each paragraph below, implement the establishment, development and management of the internal control system, and ensure the sound operations of the Company.

1. Framework to the effective performance of duties by Board Directors of the Company and the Subsidiaries

(i) The Company promotes management efficiency by separating the management decision making function and supervisory function from the function of the execution of operations. The Board of Directors shall make management decisions and supervise management. Regarding execution of operations, executive officers and employees shall execute operations based on the Board of Directors’ clarification of the function and authority of the body executing operations, while delegating necessary authorities to ensure the prompt and efficient performance of duties.

(ii) The Board of Directors of the Company, as the management decision making body, shall make decisions on significant matters concerning the execution of business and basic management policies of Advantest Group, including the Internal Control System, and in its capacity to supervise management, the Board of Directors shall monitor and supervise execution of duties by Directors and executive officers.

(iii) The Board of Directors of the Company shall approve the basic management policy of the Advantest Group, receive reports on business results based on monthly closing account, financial

situation, status of the performance of duties by each department, and review the appropriateness of such plans.

2. Framework to ensure the compliance with applicable laws and ordinances as well as the articles of incorporation by directors, executive officers, and employees of the Company and the Subsidiaries in performing their duties
  - (i) To ensure compliance with all applicable laws and regulations as well as the articles of incorporation, and to ensure that actions are taken faithfully and ethically, the Company shall establish The Advantest Way for all directors, executive officers and employees of the Advantest Group, and notify such directors, executive officers and employees of these codes. Furthermore, the Company shall establish the “Code of Ethics for Executives” for directors and executive officers.
  - (ii) The Advantest Group shall establish subcommittees such as the Internal Control Committee and the Disclosure Committee in order to ensure the appropriateness of business of Advantest Group.
    - The Internal Control Committee shall report to the Board of Directors about the design and operation of Internal Control System as deemed necessary.
    - The Disclosure Committee oversees the proper disclosure by management and report to the Board of Directors as deemed necessary.
  - (iii) Regarding compliance, Chief Compliance Officer (CCO) supervises the compliance of laws and regulations and the implementation of The Advantest Way and report to the Board of Directors as deemed necessary.
  - (iv) The Company establishes a corporate ethics helpline for whistleblowing such that employees can report behaviors that are illegal or inappropriate in light of applicable laws, Articles of Incorporation or The Advantest Way. The Company stipulates that the reporter / consultant will not treat such persons adversely for having reported an incident or sought consultation regarding a potential violation, and will thoroughly disseminate it.
3. Rules relating to the management of risk of loss and other frameworks of the Company and the Subsidiaries
  - (i) With respect to potential risks behind management environment, business activities and corporate assets of Advantest Group, the Company shall identify and classify risk factors for each important business process, analyze the magnitude of risks, possibility of actual occurrence and frequency of such occurrence, etc., and create written policies and procedures regarding the appropriate response to and avoidance/ reduction of the risks, as part of the internal control activities.
  - (ii) With respect to emergency situations such as disasters, the Company shall establish the Risk Management Group, create written emergency action guidelines and prepare by implementing education and training programs on a regular base.
  - (iii) The Internal Control Committee shall thoroughly manage risks of the Advantest Group and report material risks to the Board of Directors.
  - (iv) The Company is making efforts to prevent occupational injuries, create a comfortable working environment, and promote the good health of its employees through the establishment of the Safety and Health Committee.
4. Framework regarding the retention and management of information with respect to the performance of duties by Board Directors of the Company
  - (i) The Company shall properly retain and manage the following information regarding the exercise of duties by directors, pursuant to the internal rules that stipulate details such as the period of retention, person in charge of retention and method of retention.
    - Minutes of general meetings of shareholders and reference materials
    - Minutes of meetings of the Board of Directors and reference materials
    - Other important documents regarding the exercise of duties by directors
  - (ii) The Company shall establish the Information Security Committee that is responsible for protecting personal information and preventing confidential information from leaking.
5. Framework to ensure the appropriateness of operations of the Company, and the group as a

whole, including its subsidiaries

- (i) The Advantest Group shall establish and operate the same quality of internal control system for the Company and each company of the Advantest Group in order to conduct the consolidated group management placing an emphasis on business evaluation based on consolidated accounting.
  - (ii) The internal control system of the Advantest Group is supported by each department of the Company that is responsible for each group company, and is established and operated as a unified system based on the policies of the group created by the Internal Control Committee. Significant matters concerning the status of each group company that is controlled by the Internal Control Committee shall be reported to the Board of Directors.
  - (iii) Auditing Group of the Company supervises an internal audit to each group company.
6. Matters relating to employee(s) who assist the Audit and Supervisory Committee  
The Company shall establish the Audit and Supervisory Committee and assign the employee(s) who assist it.
7. Matters relating to the independence of the employee(s) referred to in the preceding Section from Board Directors of the Company (excluding directors who are Audit and Supervisory Committee members) and the matters for ensuring the effectiveness of direction to the employee(s)
  - (i) The personnel matters including but not limited to assignment, transfer, performance appraisal and disciplinary action of the employee(s) referred to in Section 6 shall be subject to a prior consent of the Audit and Supervisory Committee.
  - (ii) The employee(s) referred to in Section 6 shall perform their duties exclusively pursuant to the instruction and order by directors who are Audit and Supervisory Committee members and their independence from any officers or employees other than the directors who are Audit and Supervisory Committee members shall be ensured.
8. Framework for reporting to the Audit and Supervisory Committee of the Company
  - (i) In the event that any violation or breach of applicable laws, Articles of Incorporation or The Advantest Way or the fact that could cause serious damage is detected or reported, such event shall be reported immediately to the Audit and Supervisory Committee.
  - (ii) The Company shall adopt a system that allows directors who are Audit and Supervisory Committee members to attend important meetings such as the Executive Management Committee and to keep abreast important matters regarding the execution of operations.
  - (iii) In the event that a report or consultation is made to the Corporate Ethics Helpline, the Company shall adopt a system that such report or consultation shall be reported immediately to the Audit and Supervisory Committee.
  - (iv) Under the provisions of section 8. (i) and (iii), The Company stipulates that the reporter to the Audit and Supervisory Committee will not treat such persons adversely for having reported an incident, and will thoroughly disseminate it.
9. Other frameworks to ensure the effective implementation of audit by the Audit and Supervisory Committee
  - (i) The Company shall ensure that the Audit and Supervisory Committee cooperates with the Accounting Auditors, the Auditing Group (an internal audit division of the Company) and the corporate auditor of each Advantest Group Company, and that there are opportunities to exchange opinions with them as deemed necessary.
  - (ii) The Company shall ensure that there are opportunities to exchange opinions between the Audit and Supervisory Committee and the Representative Director and shall strive for communication between them.
  - (iii) In case that a member of Audit Supervisory Committee requests a prepayment of expense necessary to perform his or her duties, the Company shall establish a necessary procedure of the prepayment and execute it without delay in accordance with the designated procedure.

- Status of implementation of the system to ensure the appropriateness of business

The status of implementation of the system to ensure the appropriateness of business during the fiscal year is as follows:

- (i) Framework for the effective performance of duties

To promote management efficiency, the Board of Directors performs management decision-making and supervision in accordance with Regulations of the Board of Directors and Executive Officers and employees execute business in accordance with the Global Organization and Authorization Rules.

The Executive Management Committee is positioned as a decision-making body for important business matters of the Company. Among Executive Officers, those who are deemed capable of leading the group management are nominated as Senior Executive Officers who serve as members of the Executive Management Committee. The Executive Management Committee has largely delegated authority to unit leaders to realize speedy management.

We changed the position of Mr. Douglas Lefever from Director, Senior Executive Officer to Representative Director, Corporate Vice President and Group COO, and Mr. Koichi Tsukui from Director, Senior Executive Officer to Representative Director, Corporate Vice President and Group Co-COO, in order to strengthen the management system in consideration of response to changes in management environments including business expansion, further acceleration of growth, and preparation for generation changes in the future.

- (ii) Framework concerning compliance

The Company established The Advantest Way, which articulates the Purpose & Mission, the Vision, the Core Values, the Guiding Principle, and the Ethical Standards, under which we raise INTEGRITY as our Core Values. We are promoting initiatives with the aim of materializing INTEGRITY in our daily operations and making INTEGRITY our true corporate culture. Specifically, we launched the “INTEGRITY award” to recognize and express appreciation for employees who have demonstrated INTEGRITY by recommendation from peer employees. As the framework to further promote the transformation of our corporate culture, instead of existing short-term projects, we also appointed the 32 “INTEGRITY Ambassadors” across the globe, and organized the “Culture Council” consisting of Group CEO, Senior Executive Officers, and Leaders of each country, etc. to support the Ambassadors.

In order to strengthen our system to quickly respond to compliance incidents, we have terminated the Compliance Committee and made Chief Compliance Officer (CCO) responsible for the control of compliance. We have transferred the role of information sharing on compliance which had previously been held by the Compliance Committee to the Internal Control Committee to the extent necessary.

The Company has established internal and external helplines. The Company has also transitioned the external helpline to more highly-confidential system since March 2023. The Company is working to thoroughly familiarize all officers and employees around the world of the role of the helplines and to establish an appropriate whistleblowing framework. In addition, continuing from the previous year, e-learning-based compliance education was provided to officers and employees and all of the eligible persons participated in the program.

- (iii) Framework for risk management

In addition to discussing a broad range of risks to the global economy and the overall business environment at Board of Directors and Executive Management Committee, the Internal Control Committee chaired by the representative director, President and Group CEO and attended by outside directors as observers identifies and analyzes important risks throughout the Company group and clarifies departments responsible for each risk and the policies and procedures for dealing with each risk. Moreover, the Company shall report to the Board of Directors on the design and operation status of internal control system and on

the cases where significant defects and significant deficiencies are found in the internal control evaluation process.

The Company has established the Risk Management Group headed by the representative director to respond to emergency disasters, such as flooding and pandemics. In FY2022, the Company started to restructure the Business Continuity Plan (BCP) in Japan.

(iv) Framework for retention and management of information

The Company retains and manages minutes of general meetings of shareholders and minutes of meetings of the Board of Directors and their reference materials, and important documents regarding the exercise of duties by directors pursuant to the internal rules. The Information Security Committee meets monthly and reviews and implements measures to protect personal information and prevent leakage of confidential information and maintains and enhances of security of IT systems.

In this current fiscal year, the Company conducted a simulation drill for dealing with cyberattacks and alerted all employees whenever phishing emails were received. In addition, e-learning-based information security education was provided to officers and employees and all of the eligible persons participated in the program.

The Company obtained a certification of ISO 27001, a standard for information security management system, in August 2021, and its subsidiary in Germany obtained the extended certification in May 2022.

(v) Framework to ensure the appropriateness of operations of the group

The Company establishes important business processes for Advantest as a whole, and by providing guidance on risk analysis and appropriate responses to such risks, Advantest group companies establish and operate the same internal control system. The Internal Control Committee monitors the status of internal controls of each company based on the CSA (Control Self-Evaluation) of important group companies conducted by the internal audit division. It also monitors the status through audits by the internal audit division and gives instructions so that each group company can operate in accordance with the policy for building internal control systems. The Internal Control Committee reports to the Board of Directors if important matters concerning internal control of each group company are discovered

The internal audit division reports the audit results to the President and CEO and the Audit and Supervisory Committee, and also to the Board of Directors.

(vi) Framework for the implementation of audit by the Audit and Supervisory Committee

The Company has put in place a system whereby a standing audit and supervisory committee member attends important meetings such as the meeting of the Executive Management Committee and keeps abreast of important matters regarding the execution of operations. The Audit and Supervisory Committee holds meetings with the independent auditor and the internal audit division, as necessary, to ensure good communication. The Company provides opportunities for the representative director, President & Group CEO and the Audit and Supervisory Committee to exchange opinions on a periodic basis or on an as-needed basis in order to ensure good communication.

The Company has established the Audit and Supervisory Committee Office to which a full-time employee who assists the Audit and Supervisory Committee is assigned. The employee who assists the Audit and Supervisory Committee performs his duties in accordance with instructions of the audit and supervisory committee members, and thus his independence from directors who are not audit and supervisory committee members and from other officers and employees is ensured.



## Consolidated Financial Statements

### Consolidated Statement of Financial Position

(As of March 31, 2023)

(Millions of Yen)

|                                     | FY2021<br>(reference) | FY2022  |   | FY2021<br>(reference) | FY2022   |
|-------------------------------------|-----------------------|---------|---|-----------------------|----------|
| Assets                              |                       |         | Liabilities                                       |                       |          |
| Current assets                      | 304,945               | 374,695 | Current liabilities                               | 150,882               | 174,689  |
| Cash and cash equivalents           | 116,582               | 85,537  | Trade and other payables                          | 70,352                | 89,262   |
| Trade and other receivables         | 82,155                | 102,152 | Short-term borrowings                             | 18,359                | 13,357   |
| Inventories                         | 95,013                | 169,082 | Income taxes payable                              | 26,814                | 30,635   |
| Other current assets                | 11,007                | 17,924  | Provisions  | 6,536                 | 9,093    |
| Subtotal                            | 304,757               | 374,695 | Lease liabilities                                 | 2,918                 | 4,587    |
| Assets held for sale                | 188                   | —       | Other financial liabilities                       | 3,276                 | 4,903    |
| Non-current assets                  | 189,751               | 225,529 | Other current liabilities                         | 22,627                | 22,852   |
| Property, plant and equipment, net  | 51,392                | 64,046  | Non-current liabilities                           | 49,193                | 56,841   |
| Right-of-use assets                 | 12,645                | 17,312  | Long-term borrowings                              | 12,239                | 20,000   |
| Goodwill and intangible assets, net | 85,307                | 95,767  | Lease liabilities                                 | 9,947                 | 12,900   |
| Other financial assets              | 14,565                | 21,488  | Retirement benefit liabilities                    | 22,341                | 16,812   |
| Deferred tax assets                 | 25,494                | 26,522  | Deferred tax liabilities                          | 3,445                 | 5,773    |
| Other non-current assets            | 348                   | 394     | Other non-current liabilities                     | 1,221                 | 1,356    |
|                                     |                       |         | Total liabilities                                 | 200,075               | 231,530  |
|                                     |                       |         | Equity  |                       |          |
|                                     |                       |         | Share capital                                     | 32,363                | 32,363   |
|                                     |                       |         | Share premium                                     | 44,995                | 44,622   |
|                                     |                       |         | Treasury shares                                   | (81,547)              | (59,099) |
|                                     |                       |         | Retained earnings                                 | 279,828               | 319,171  |
|                                     |                       |         | Other components of equity                        | 18,982                | 31,637   |
|                                     |                       |         | Total equity attributable to owners of the parent | 294,621               | 368,694  |
|                                     |                       |         | Total equity                                      | 294,621               | 368,694  |
| Total assets                        | 494,696               | 600,224 | Total liabilities and equity                      | 494,696               | 600,224  |

Consolidated Statement of Profit or Loss  
(From April 1, 2022 to March 31, 2023)

(Millions of Yen)

|   | FY2021<br>(reference) | FY2022    |
|---|-----------------------|-----------|
| Net sales   | 416,901               | 560,191   |
| Cost of sales                                       | (180,994)             | (241,130) |
| Gross profit  | 235,907               | 319,061   |
| Selling, general and administrative expenses        | (121,132)             | (152,042) |
| Other income  | 606                   | 1,003     |
| Other expenses                                      | (647)                 | (335)     |
| Operating income                                    | 114,734               | 167,687   |
| Financial income                                    | 1,912                 | 4,458     |
| Financial expenses                                  | (303)                 | (875)     |
| Income before income taxes                          | 116,343               | 171,270   |
| Income taxes  | (29,042)              | (40,870)  |
| Net income  | 87,301                | 130,400   |
| Net income attributable to:<br>Owners of the parent | 87,301                | 130,400   |

Consolidated Statement of Comprehensive Income  
(From April 1, 2022 to March 31, 2023)

(Millions of Yen)

|  | FY2021<br>(reference) | FY2022  |
|--|-----------------------|---------|
| Net income   | 87,301                | 130,400 |
| Other comprehensive income (loss), net of tax  |                       |         |
| Items that will not be reclassified to profit or loss  |                       |         |
| Remeasurements of defined benefit pension plan   | 4,509                 | 3,327   |
| Net change in fair value measurements of equity instruments at fair value through other comprehensive income | 3,296                 | 5,062   |
| Items that may be subsequently reclassified to profit or loss  |                       |         |
| Exchange differences on translation of foreign operations  | 12,180                | 8,093   |
| Total other comprehensive income (loss)  | 19,985                | 16,482  |
| Total comprehensive income for the year  | 107,286               | 146,882 |
| Comprehensive income attributable to:  |                       |         |
| Owners of the parent   | 107,286               | 146,882 |

**Consolidated Statement of Changes in Equity**  
(From April 1, 2022 to March 31, 2023)

(Millions of Yen)

|   | Equity attributable to owners of the parent |               |                 |                   |                            |          |              |
|---|---|---------------|-----------------|-------------------|----------------------------|----------|--------------|
|   | Share capital                               | Share premium | Treasury shares | Retained earnings | Other components of equity | Total    | Total Equity |
| FY2022  |   |               |                 |                   |                            |          |              |
| Balance as of April 1, 2022                                   | 32,363                                      | 44,995        | (81,547)        | 279,828           | 18,982                     | 294,621  | 294,621      |
| Net income  |   |               |                 | 130,400           |                            | 130,400  | 130,400      |
| Other comprehensive income (loss), net of tax                 |   |               |                 |                   | 16,482                     | 16,482   | 16,482       |
| Total comprehensive income for the year                       | —   | —             | —               | 130,400           | 16,482                     | 146,882  | 146,882      |
| Purchase of treasury shares                                   |   | (23)          | (50,006)        |                   |                            | (50,029) | (50,029)     |
| Disposal of treasury shares                                   |   | (1,835)       | 4,175           | (1,171)           |                            | 1,169    | 1,169        |
| Cancellation of treasury shares                               |   |               | 68,279          | (68,279)          |                            | —        | —            |
| Dividends   |   |               |                 | (25,434)          |                            | (25,434) | (25,434)     |
| Share-based payments  |   | 1,426         |                 |                   |                            | 1,426    | 1,426        |
| Other   |   | 59            |                 |                   |                            | 59       | 59           |
| Transfer from other components of equity to retained earnings |   |               |                 | 3,827             | (3,827)                    | —        | —            |
| Total transactions with the owners                            | —   | (373)         | 22,448          | (91,057)          | (3,827)                    | (72,809) | (72,809)     |
| Balance as of March 31, 2023                                  | 32,363                                      | 44,622        | (59,099)        | 319,171           | 31,637                     | 368,694  | 368,694      |

## Notes to Consolidated Financial Statements

### 1. Notes to significant matters based on which the consolidated financial statements were prepared

#### (1) Basis of presentation

The consolidated financial statements of Advantest Corporation (The "Company") and its consolidated subsidiaries (collectively, The "Company group") have been prepared on the basis of International Financial Reporting Standards ("IFRS"), pursuant to paragraph 1 of Article 120 of the Ordinance on Accounting of Companies (*kaisha keisan kisoku*). However, certain disclosures required on the basis of IFRS are omitted pursuant to the latter part of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies.

#### (2) Scope of consolidation

Consolidated subsidiaries

(a) Number of consolidated subsidiaries 39

(b) Names of major consolidated subsidiaries are described in "1. Current Conditions of the Company group, (3) Significant Subsidiaries" of the Business Report.

#### (3) Significant accounting policies

##### (i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at call with banks, and other short term highly liquid investments with maturities of 3 months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

##### (ii) Inventories

The cost of inventories includes purchase costs, processing costs and all other costs incurred to bring inventories to their present location and condition.

Inventories are measured at the lower of cost or net realizable value. If net realizable value is less than the cost, that difference is accounted for as a write off and recognized as an expense. The weighted average method is used to calculate cost. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and estimated costs necessary to make the sale.

##### (iii) Financial instruments

###### (a) Non-derivative financial assets

The Company group classifies non-derivative financial assets into the following categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

The Company group initially recognizes financial assets measured at amortized cost on the date that they are originated. All other financial assets are recognized initially on the trade date, the date on which the Company group becomes party to the contractual provisions.

The Company group derecognizes a financial asset when contractual rights to the cash flows from the asset expire. In transferring contractual rights to the cash flows from a financial asset, the Company group will derecognize the financial asset if neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset.

Financial assets and liabilities are offset and presented net in the consolidated statement of financial position only when the Company group has a legally enforceable right to offset the recognized amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

###### Financial assets measured at amortized cost

Financial assets are subsequently measured at amortized cost in case they meet the following requirements:

- The financial asset is held within a business model with the objective of collecting contractual cash flows.
- The contractual terms of the financial asset provide cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are initially measured at fair value (including direct transaction costs). The carrying amount of financial assets measured at amortized cost is subsequently measured using the effective interest method, and the expected credit losses are recognized as allowance for doubtful accounts. The expected credit losses are calculated based on historical loss experience or future recoverable amounts.

#### Financial assets measured at fair value through other comprehensive income

The Company group holds certain instruments with the purpose of expanding its revenue base by maintaining and strengthening business relations with the investees. These equity instruments are classified as financial assets measured at fair value through other comprehensive income by designation. They are initially and subsequently measured at fair value, and the changes in fair value are recognized in other comprehensive income (OCI). The cumulative amount of OCI is recognized in equity as other components of equity. If the Company group derecognizes financial assets, the cumulative gain or loss recognized in OCI is reclassified from other components of equity to retained earnings. Dividends on financial assets measured at fair value through other comprehensive income are recognized in profit or loss, except when they are considered to be return of the investment.

#### Financial assets measured at fair value through profit or loss

The other financial assets are classified as financial assets measured at fair value through profit or loss. These instruments are subsequently measured at fair value and the changes in fair value are recognized in profit or loss.

#### (b) Non-derivative financial liabilities

The Company group classifies non-derivative financial liabilities into the following categories: financial liabilities measured at amortized cost or financial liabilities measured at fair value through profit or loss.

The Company group recognizes debt securities on the day when issued. Financial liabilities other than debt securities are initially recognized on the trade date, the date on which the Company group becomes party to contractual provisions.

The Company group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

These financial liabilities measured at amortized cost are measured initially at fair value, less any directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method. The amortization charge for each period is recognized as financial expenses in profit or loss.

These financial liabilities measured at fair value through profit or loss are measured initially at fair value. After initial recognition, these are subsequently measured at fair value and the changes in fair value are recognized in profit or loss.

#### (iv) Property, plant and equipment (except right-of-use assets)

Except for assets that are not subject to depreciation such as land, assets are depreciated using the straight-line method over their estimated useful lives.

#### (v) Goodwill and other intangible assets

Goodwill is not amortized. Intangible assets (except right-of-use assets) for which useful lives can be determined are amortized by the straight-line method over their estimated useful lives from the date the assets are available for use.

#### (vi) Impairment

Property, plant and equipment, right-of-use assets, goodwill and intangible assets are tested for impairment if there is any indication of impairment for the assets. Goodwill is tested for impairment both annually and when there is any indication of impairment. An impairment loss is recognized if the recoverable amount of an asset, cash-generating unit (CGU) or CGU group is less than its carrying amount.

#### (vii) Provisions

Provisions are recognized when the Company group has present legal or constructive obligations as a result of past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and reliable estimates of the obligations can be made.

When the effect of the time value of money is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligations.

#### (viii) Post-employment benefits

The Company and certain of its subsidiaries have retirement and severance defined benefit plans covering substantially all of their employees. For each defined benefit plan, the present value of defined benefit obligations, related current service cost and past service cost are calculated using the projected unit credit method. The discount rates are the yields of high quality corporate bonds that have maturity terms approximating those of the obligations which the benefits are expected to be paid. Net defined benefit liability (asset) is measured at the present value of the defined benefit obligation less the fair value of plan assets. Remeasurements of net of liabilities or assets for

defined benefit plans are recognized in full as other comprehensive income in the period when they are incurred and reclassified to retained earnings immediately. Past service costs are recognized immediately in profit or loss.

(ix) Revenue

The Company group recognizes revenue based on the five-step model.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations (accounting treatment for goods or services separately)

Step 3: Determine the transaction price (amount of consideration)

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognize revenue when the entity satisfies a performance obligation

The Company group sells test system products of semiconductor and mechatronics-related products such as test handlers that handling semiconductor devices, the revenue for these is recognized when control of such products is transferred to customers as the performance obligation is satisfied based on contractual terms. The timing at which control of such products transferred to customers is determined upon delivery or acceptance.

Additionally, the Company group has performance obligation towards customers on the service contracts. Revenue from such service contracts is recognized over the contract term on the straight-line basis.

(x) Foreign currency translation

Assets and liabilities of foreign operations are translated into Japanese yen using the exchange rate at the end of the reporting period, and revenue and expense items are translated using the average exchange rates during the period. Gains or losses derived from translating foreign operations' financial statements are recognized in other comprehensive income and presented in other components of equity.

(xi) Income Taxes

With the FY2023 tax reform, the Income Tax Act corresponding to the Global Minimum Corporate Tax was established, and the Tax Reform Act "Act for Partially Amendment of the Income Tax Act, etc." (Act No. 3 of 2023) was enacted on March 28, 2023.

Considering IAS No. 12 does not offer specific guidance on accounting for the Global Minimum Corporate Tax, the Company group has determined appropriate accounting policies in accordance with IAS No. 8, "Accounting Policies, Changes in Accounting Estimates and Errors" and has concluded that not recording deferred taxes for the Global Minimum Corporate Tax provides the most relevant and reliable financial information.

2. Notes to accounting estimates

(1) Valuation of inventories

(i) Amount recognized in the consolidated financial statements as of March 31, 2023.

|             |                  |
|-------------|------------------|
| Inventories | ¥169,082 million |
|-------------|------------------|

(ii) Other information that deepens to the understanding of users of the consolidated financial statements regarding the content of accounting estimates

Inventories are measured at the lower of cost or net realizable value. If net realizable value is less than the cost, that difference is accounted for as a write off and recognized as an expense. The Company group may experience substantial losses in cases where inventories become overstocked because of a large number of orders or the net realizable value drops dramatically because of deterioration in the market environment against the forecast.

(2) Impairment of property, plant and equipment, right-of-use assets, goodwill and intangible assets

(i) Amount recognized in the consolidated financial statements as of March 31, 2023.

|                                     |                 |
|-------------------------------------|-----------------|
| Property, plant and equipment, net  | ¥64,046 million |
| Right-of-use assets                 | ¥17,312 million |
| Goodwill and intangible assets, net | ¥95,767 million |

(ii) Other information that deepens to the understanding of users of the consolidated financial statements regarding the content of accounting estimates

The Company group performs an impairment test for property, plant and equipment, right-of-use assets, goodwill and intangible assets when there is any indication that the recoverable amount is less than the carrying amount of the assets. Goodwill is tested for impairment both annually and when there is any indication of impairment.

The impairment test is performed by comparing the carrying amount and the recoverable amount of cash-generating unit (CGU) or CGU group. If the recoverable amount is less than the carrying amount, impairment loss is recognized. The recoverable amount is mainly calculated based on the discounted cash flow model. The estimated future cash flows associated with CGU or CGU group are discounted to present value using a pre-tax discount rate which reflects current market assessments of the time value of money and any risks specific to CGU or CGU group. The estimated future cash flows associated with CGU or CGU group are based on the business plan for 3 years approved by management and the growth rate after 3 years.

CGU that has significant goodwill as of March 31, 2023 are Advantest Test Solutions, Inc., Essai, Inc., and R&D Altanova group and the amount of goodwill allocated to these CGUs are ¥8,127 million, ¥13,642 million and ¥22,029 million, respectively. Essai, Inc. and R&D Altanova group also have significant intangible assets of ¥16,979 million and ¥8,473 million as of March 31, 2023, respectively.

The key assumptions in the impairment test of CGU above are the sales forecast to existing large-volume customers and prospects for new customers that form the basis of the three-year business plan, discount rate and

growth rate after 3 years. Generally, a reduction rate of capital expenditures of semiconductor manufacturers during downturns in the semiconductor industry, including investments in semiconductor test systems, is much greater than a reduction rate of worldwide semiconductor sales.

These assumptions are based on the best estimates and judgments of management, but they could be affected by variable and uncertain future economic conditions. Any changes in these assumptions may have a material impact on amount recognized in the consolidated financial statements in future periods. The recoverable amounts of Essai, Inc. and R&D Altanova group approximate their carrying amounts as of March 31, 2023 primarily due to the hike of discount rate as interest rate of USD rose.

(3) Post-employment benefits

(i) Amount recognized in the Consolidated Financial Statements as of March 31, 2023.

Retirement benefit liabilities ¥16,812 million

(ii) Other information that deepens to the understanding of users of the consolidated financial statements regarding the content of accounting estimates

The Company and certain of its subsidiaries have retirement and severance plans, which are defined benefit and defined contribution plans covering substantially all of their employees. For defined benefit plans, the present value of defined benefit obligations on each of these plans and the service costs are calculated based on actuarial assumptions. These actuarial assumptions require estimates and judgments on variables such as discount rates. The key assumptions are discount rate and rate of compensation increase.

The actuarial assumptions are determined based on the best estimates and judgments made by management; however, there is the possibility that these assumptions may be affected by changes in uncertain future economic conditions, which may have a material impact on amount recognized in the consolidated financial statements in future periods.

(4) Valuation of deferred tax assets

(i) Amount recognized in the Consolidated Financial Statements as of March 31, 2023

Deferred tax assets ¥26,522 million

(ii) Other information that deepens to the understanding of users of the consolidated financial statements regarding the content of accounting estimates

The Company group judges the recoverability of deferred tax assets depending on taxable income based on the business plan and tax planning.

Key assumption for estimates of taxable income is sales forecast of each business unit as the basis for business plan. Generally, a reduction rate of capital expenditures of semiconductor manufacturers during downturns in the semiconductor industry, including investments in semiconductor test systems, is much greater than a reduction rate of worldwide semiconductor sales due to significant demand volatility in the semiconductor industry. In addition, the semiconductor industry has been highly cyclical with recurring periods of excess inventory, which possibly have a severe effect on the semiconductor industry's demand for semiconductor test systems. Therefore, the Company group estimates the timing, period, and amount of taxable income taking into account deviation of past forecast and actual results as well as uncertainty due to future changes in economic conditions.

Differences in result and forecast of taxable income may have a material impact on the amount of deferred tax assets recognized in the consolidated financial statements in future periods.

(5) Other note

COVID-19 is not expected to have a material impact on our estimates and assumptions on each accounting estimates described above.

3. Notes to consolidated statement of financial position

Accumulated depreciation on property, plant and equipment: ¥88,759 million

(Accumulated impairment losses are included)



4. Notes to consolidated statement of changes in equity

(1) Total number of issued shares as of March 31, 2023

Ordinary shares 191,542,265 shares

(2) Dividends from surplus

(i) Dividends paid

| Resolution   | Class of shares | Amount of dividend | Dividend per share | Record date        | Effective date   |
|--|-----------------|--------------------|--------------------|--------------------|------------------|
| Board of Directors' meeting held on May 20, 2022     | Ordinary shares | ¥13,323 million    | ¥70                | March 31, 2022     | June 3, 2022     |
| Board of Directors' meeting held on October 27, 2022 | Ordinary shares | ¥12,151 million    | ¥65                | September 30, 2022 | December 1, 2022 |

- (Note) 1. Dividend of ¥29 million to treasury shares for the BIP Trust and the ESOP Trust was included in the amount of dividend which was resolved at the Board of Directors' meeting held on May 20, 2022.  
 2. Dividend of ¥10 million to treasury shares for the BIP Trust and the ESOP Trust was included in the amount of dividend which was resolved at the Board of Directors' meeting held on October 27, 2022.

(ii) Dividend with a record date in the current fiscal year and an effective date in the next fiscal year

| Resolution                                       | Class of shares | Source of dividend | Amount of dividend | Dividend per share | Record date    | Effective date |
|--|-----------------|--------------------|--------------------|--------------------|----------------|----------------|
| Board of Directors' meeting held on May 19, 2023 | Ordinary shares | Retained earnings  | ¥12,906 million    | ¥70                | March 31, 2023 | June 5, 2023   |

- (Note) Dividend of ¥11 million to treasury shares for the BIP Trust and the ESOP Trust is included in the amount of dividend.

(3) Stock acquisition rights outstanding as of March 31, 2023

(Excluding stock acquisition rights for which the exercise period has not begun)

Pursuant to the resolution adopted at the meeting of the Board of Directors of July 25, 2018

Ordinary shares 30,000 shares

Pursuant to the resolution adopted at the meeting of the Board of Directors of June 26, 2019

Ordinary shares 189,000 shares

Pursuant to the resolution adopted at the meeting of the Board of Directors of June 25, 2020

Ordinary shares 139,000 shares

5. Notes to financial instruments

(1) Financial instruments

The Company group limits its fund management to short-term instruments including deposits at financial institutions with high credit ratings. Credit risk of notes receivable and trade accounts receivable pertaining to customers are minimized through credit administration standards.

The Company group keeps track of fair values of shares and other securities it owns, and annually reviews them to determine whether the Company group should continuously hold them. In addition, the Company group obtains financing from bonds issued and bank loans when needed. Furthermore, the Company group will not make any speculative derivative transactions other than to conduct derivative exchange rate transactions in order to cope with actual demand risks, pursuant to its fund management guidelines with high credit rating financial institutions.

(2) Fair value of financial instruments

(Borrowings)

Short-term borrowings are settled on a short-term basis, and their fair values approximate their carrying amounts. The fair value of long-term borrowings with floating rates is assumed to be quite similar to the carrying amounts because it reflects market interest rates in a short period of time and the Company group's credit status is not significantly different after the execution. The fair values of long-term borrowings with fixed rates is calculated by the total sum of the principal and interest discounted by using the interest rates that would be applied if similar new borrowings were conducted.

(Other non-current liabilities)

The fair value of other non-current liabilities is calculated based on the present value discounted by interest rate of low-risk financial assets.

(Others)

Financial instruments other than above are settled mainly on a short-term basis, and their fair values approximate their carrying amounts.

(3) Fair value hierarchy of financial instruments

Financial instruments are classified into three levels of the fair value hierarchy based on the measurement inputs' observability and materiality as follows:

Level 1: Fair value measured at quoted prices for identical assets or liabilities in active markets

Level 2: Fair value measured by direct or indirect observable inputs other than Level 1

Level 3: Fair value measured by significant unobservable inputs

When several inputs are used for a fair value measurement, the level is determined based on the input with the lowest level in the fair value measurement as a whole.

The transfers between levels in the fair value hierarchy are deemed at the beginning of each quarter period.

There were no transfers of financial instruments between levels during the fiscal year ended March 31, 2023.

- (i) Financial assets and financial liabilities measured at amortized cost were classified by hierarchy as follows. The table does not include financial instruments whose fair values approximate their carrying amounts or are immaterial:

As of March 31, 2023

Millions of Yen

|  | Carrying amount | Level 1 | Level 2 | Level 3 | Total  |
|--|-----------------|---------|---------|---------|--------|
| Financial liabilities measured at amortized cost |                 |         |         |         |        |
| Long-term borrowings                             | 20,000          | —       | 20,000  | —       | 20,000 |
| Other non-current liabilities                    | 564             | —       | 524     | —       | 524    |
| Total financial liabilities                      | 20,564          | —       | 20,524  | —       | 20,524 |

- (ii) The financial assets and financial liabilities measured at fair value on a recurring basis were classified by hierarchy as follows:

As of March 31, 2023

Millions of Yen

|   | Level 1 | Level 2 | Level 3 | Total  |
|---|---------|---------|---------|--------|
| Financial assets that are measured at fair value through other comprehensive income |         |         |         |        |
| Derivative financial assets   | —       | 0       | —       | 0      |
| Equity instruments (Note)   | 18,896  | —       | 866     | 19,762 |
| Total financial assets  | 18,896  | 0       | 866     | 19,762 |
| Financial liabilities that are measured at fair value through profit or loss        |         |         |         |        |
| Derivative financial liabilities  | —       | 432     | —       | 432    |
| Total financial liabilities   | —       | 432     | —       | 432    |

(Note) The Company group holds equity instruments to accomplish expansion of revenue base by maintaining and enforcing relationships with investees. These equity instruments are designated as financial assets measured at fair value through other comprehensive income (“FVTOCI”).

The movement of financial assets categorized within Level 3 of the fair value hierarchy was as follows:

Millions of Yen

|                                   | Fiscal year ended<br>March 31, 2023 |
|-----------------------------------|-------------------------------------|
| Balance at beginning of year      | 1,082                               |
| Gains or losses                   |                                     |
| Other comprehensive income (Note) | 910                                 |
| Purchase                          | —                                   |
| Sales                             | (1,138)                             |
| Other                             | 12                                  |
| Balance at end of year            | 866                                 |

(Note) Gains or losses recognized in other comprehensive income are presented in net change in fair value measurements of equity instruments at FVTOCI of the consolidated statement of comprehensive income.

The movement of financial liabilities categorized within Level 3 of the fair value hierarchy was as follows:

Millions of Yen

|                              | Fiscal year ended<br>March 31, 2023 |
|------------------------------|-------------------------------------|
| Balance at beginning of year | 259                                 |
| Changes in fair value (Note) | 158                                 |
| Settlements                  | (452)                               |
| Other                        | 35                                  |
| Balance at end of year       | —                                   |

(Note) Changes in fair value are included in financial expenses of the consolidated statement of profit or loss.

#### 6. Notes to revenue recognition

##### (1) Disaggregation of revenue

The Company group has three reportable operating segments: “semiconductor and component test system business,” “mechatronics system business” and “services, support and others.” Net sales disaggregated by region and segment were as follows:

Millions of Yen

|              | Semiconductor<br>and Component<br>Test System<br>Business | Mechatronics<br>System Business | Services,<br>Support and<br>Others | Elimination and<br>Corporate | Consolidated |
|--------------|---|---------------------------------|------------------------------------|------------------------------|--------------|
| Main regions |   |                                 |                                    |                              |              |
| Japan        | 12,662  | 2,931                           | 4,968                              | (39)                         | 20,522       |
| Americas     | 17,167  | 7,423                           | 18,292                             | —                            | 42,882       |
| Europe       | 11,098  | 2,309                           | 3,921                              | —                            | 17,328       |
| Asia         | 363,325   | 47,211                          | 68,923                             | —                            | 479,459      |
| Total        | 404,252   | 59,874                          | 96,104                             | (39)                         | 560,191      |

The breakdown of semiconductor and component test system business was as follows:

SoC : \325,424 million

Memory : \78,828 million

Revenue is accounted for in accordance with the account policy described in (3) (ix) of note 1, “Notes to significant matters based on which the consolidated financial statements were prepared.”

The transaction price is measured based on the amount promised in the contracts with customers and includes no significant financing components because there are no contracts with long payment terms from the satisfaction of performance obligation to payment of transaction price. Payment terms are generally within 3 months. Additionally, there are no significant revenue including variable consideration.

In case there are multiple performance obligations in the contract, transaction price is allocated to each individual performance obligation based on the standalone selling price which is calculated from reasonably available information including prices of similar transactions.

##### (2) Contract balances

Receivables and liabilities from contracts with customers were as follows:

Millions of Yen

|   | As of March 31, 2022<br>(reference) | As of March 31, 2023 |
|---|-------------------------------------|----------------------|
| Receivables from contracts with customers |                                     |                      |
| - Notes and trade accounts receivables    | 77,763                              | 96,477               |
| Contract liabilities                      |                                     |                      |
| - Advance receipt                         | 21,387                              | 19,782               |

Contract liabilities are mainly cash received from customers before satisfied performance obligations or consideration paid for the unfulfilled service when the service is continuously provided. Both are included in the advance receipt.

Advance receipt is included in “Other current liabilities” in the consolidated statement of financial position. The Company group recognized ¥18,276 million as a revenue from the balance of contract liabilities as of April 1, 2022 in the fiscal year ended March 31, 2023, and the amount carried forward to the following fiscal years onward is insignificant.

There was no revenue recognized in the fiscal year ended March 31, 2023 from performance obligations satisfied or partially satisfied in past periods.

- (3) Transaction price allocated to the remaining performance obligations  
The Company group applies the practical expedients for exemption on disclosure of information on remaining performance obligations because it has no significant transactions with performance obligation terms exceeding one year. Additionally, the consideration from contracts with customers, which is not included in the transaction price, is insignificant.

7. Notes to per share information

Equity attributable to owners of the parent per share: ¥2,002.43

Basic earnings per share: ¥697.41

(Note) The treasury share deducted in the calculation of per share data includes the Company’s share which is being kept as performance share option compensation in trust account.

8. Notes to significant subsequent events

Not applicable.

9. Other notes

Amounts less than one million yen are rounded.

## Non-Consolidated Financial Statements

### Balance Sheet (Non-Consolidated)

(As of March 31, 2023)

(Millions of Yen)

| Items                                      | FY2021<br>(reference) | FY2022  | Items  | FY2021<br>(reference) | FY2022    |
|--|-----------------------|---------|--|-----------------------|-----------|
| Assets                                     |                       |         | Liabilities  |                       |           |
| Current assets                             | 250,435               | 312,825 | Current liabilities                                      | 173,800               | 198,518   |
| Cash and deposits                          | 80,993                | 53,569  | Trade accounts payable                                   | 40,721                | 58,903    |
| Trade notes receivable                     | 10                    | 2       | Short-term borrowings                                    | 18,359                | —         |
| Electronically recorded<br>monetary claims | 3,895                 | 2,304   | Current portion of long-term borrowings                  | —                     | 13,353    |
| Accounts receivable                        | 84,266                | 106,650 | Other accounts payable                                   | 11,859                | 15,608    |
| Merchandises and finished goods            | 15,904                | 21,379  | Accrued expenses   | 6,397                 | 7,191     |
| Work in progress                           | 23,078                | 27,142  | Income taxes payable                                     | 21,710                | 22,816    |
| Raw materials and supplies                 | 32,260                | 86,133  | Advance receipt  | 8,548                 | 7,803     |
| Other current assets                       | 10,029                | 15,646  | Deposits received  | 56,256                | 60,087    |
| Non-current assets                         | 209,374               | 221,035 | Accrued warranty expenses                                | 6,275                 | 8,877     |
| Property, plant and equipment              | 18,956                | 21,660  | Bonus accrual for directors                              | 236                   | 171       |
| Buildings and structures                   | 3,256                 | 5,178   | Provision for share-based remuneration                   | 798                   | 1,097     |
| Land                                       | 8,181                 | 8,089   | Other current liabilities                                | 2,641                 | 2,612     |
| Other property, plant<br>and equipment     | 7,519                 | 8,393   | Non-current liabilities                                  | 23,091                | 29,353    |
| Intangible fixed assets                    | 1,503                 | 1,183   | Long-term borrowings                                     | 12,239                | 20,000    |
| Patent right                               | 453                   | 61      | Provision for retirement benefits                        | 9,465                 | 7,705     |
| Other intangible fixed assets              | 1,050                 | 1,122   | Asset retirement obligations                             | 40                    | 40        |
| Investments and other assets               | 188,915               | 198,192 | Provision for share-based remuneration                   | 654                   | 1,131     |
| Investment securities                      | 307                   | 332     | Other non-current liabilities                            | 693                   | 477       |
| Investment in affiliated<br>companies      | 108,928               | 149,731 | Total liabilities  | 196,891               | 227,871   |
| Long-term loans receivable                 | 60,152                | 28,643  | Net assets   |                       |           |
| Deferred tax assets                        | 18,277                | 18,090  | Shareholders' equity                                     | 262,234               | 305,521   |
| Other non-current assets                   | 1,251                 | 1,396   | Common stock   | 32,363                | 32,363    |
| Total assets                               | 459,809               | 533,860 | Capital surplus  | 32,973                | 32,973    |
|  |                       |         | Capital reserve  | 32,973                | 32,973    |
|  |                       |         | Retained earnings  | 278,445               | 299,284   |
|  |                       |         | Legal reserve  | 3,083                 | 3,083     |
|  |                       |         | Other retained earnings                                  | 275,362               | 296,201   |
|  |                       |         | [Reserve for losses in<br>foreign investments]           | [27,062]              | [—]       |
|  |                       |         | [General reserve]  | [146,880]             | [—]       |
|  |                       |         | [Retained earnings<br>carried forward]                   | [101,420]             | [296,201] |
|  |                       |         | Treasury shares  | (81,547)              | (59,099)  |
|  |                       |         | Valuation and translation adjustments                    | —                     | 18        |
|  |                       |         | Valuation difference on<br>available for-sale securities | —                     | 18        |
|  |                       |         | Stock acquisition rights                                 | 684                   | 450       |
|  |                       |         | Total net assets   | 262,918               | 305,989   |
|  |                       |         | Total liabilities and net assets                         | 459,809               | 533,860   |

**Statement of Operations (Non-Consolidated)**  
(From April 1, 2022 to March 31, 2023)

(Millions of Yen)

| Items  | FY2021<br>(reference) | FY2022  |
|--|-----------------------|---------|
| Net sales                                    | 355,575               | 482,576 |
| Cost of sales                                | 161,528               | 216,685 |
| Gross profit                                 | 194,047               | 265,891 |
| Selling, general and administrative expenses | 105,124               | 131,808 |
| Operating income                             | 88,923                | 134,083 |
| Non-operating income                         |                       |         |
| Interest and dividends income                | 4,549                 | 15,762  |
| Foreign exchange gain                        | 1,375                 | 3,166   |
| Other  | 337                   | 538     |
| Non-operating expenses                       |                       |         |
| Interest expenses                            | 224                   | 2,669   |
| Rental expenses on facilities                | 270                   | 284     |
| Loss on disposal of non-current assets       | 200                   | 15      |
| Loss on valuation of investment securities   | 605                   | —       |
| Other  | 218                   | 213     |
| Ordinary income                              | 93,667                | 150,368 |
| Extraordinary loss                           |                       |         |
| Impairment loss                              | 398                   | —       |
| Income before income taxes                   | 93,269                | 150,368 |
| Income taxes - current                       | 24,106                | 34,354  |
| Income taxes - deferred                      | (1,651)               | 180     |
| Net income                                   | 70,814                | 115,834 |

**Statement of Changes in Net Assets**  
(From April 1, 2022 to March 31, 2023)

(Millions of Yen)

|   | Shareholders' equity |                 |                   |   |                 |                                   |                 |                            |
|---|----------------------|-----------------|-------------------|---|-----------------|-----------------------------------|-----------------|----------------------------|
|   | Common stock         | Capital surplus | Retained earnings |   |                 |                                   | Treasury shares | Total shareholders' equity |
|   |                      | Capital reserve | Legal reserve     | Other retained earnings                   |                 |                                   |                 |                            |
|   |                      |                 |                   | Reserve for losses in foreign investments | General reserve | Retained earnings carried forward |                 |                            |
| Balance at beginning of year                          | 32,363               | 32,973          | 3,083             | 27,062                                    | 146,880         | 101,420                           | (81,547)        | 262,234                    |
| Changes in the year                                   |                      |                 |                   |   |                 |                                   |                 |                            |
| Dividends from retained earnings                      |                      |                 |                   |   |                 | (25,474)                          |                 | (25,474)                   |
| Net income  |                      |                 |                   |   |                 | 115,834                           |                 | 115,834                    |
| Reversal of reserve for losses in foreign investments |                      |                 |                   | (27,062)                                  |                 | 27,062                            |                 | —                          |
| Reversal of general reserve                           |                      |                 |                   |   | (146,880)       | 146,880                           |                 | —                          |
| Purchase of treasury shares                           |                      |                 |                   |   |                 |                                   | (50,006)        | (50,006)                   |
| Disposal of treasury shares                           |                      |                 |                   |   |                 | (1,242)                           | 4,175           | 2,933                      |
| Cancellation of treasury shares                       |                      |                 |                   |   |                 | (68,279)                          | 68,279          | —                          |
| Changes of items other than shareholders' equity, net |                      |                 |                   |   |                 |                                   |                 |                            |
| Total changes in the year                             | —                    | —               | —                 | (27,062)                                  | (146,880)       | 194,781                           | 22,448          | 43,287                     |
| Balance at end of year                                | 32,363               | 32,973          | 3,083             | —   | —               | 296,201                           | (59,099)        | 305,521                    |

|   | Valuation and translation adjustments                 | Stock acquisition rights | Total net assets |
|---|---|--------------------------|------------------|
|   | Valuation difference on available-for-sale securities |                          |                  |
| Balance at beginning of year                          | —   | 684                      | 262,918          |
| Changes in the year                                   |   |                          |                  |
| Dividends from retained earnings                      |   |                          | (25,547)         |
| Net income  |   |                          | 115,834          |
| Reversal of reserve for losses in foreign investments |   |                          | —                |
| Reversal of general reserve                           |   |                          | —                |
| Purchase of treasury shares                           |   |                          | (50,006)         |
| Disposal of treasury shares                           |   |                          | 2,933            |
| Cancellation of treasury shares                       |   |                          | —                |
| Changes of items other than shareholders' equity, net | 18  | (234)                    | (216)            |
| Total changes in the year                             | 18  | (234)                    | 43,071           |
| Balance at end of year                                | 18  | 450                      | 305,989          |



## Notes to Non-Consolidated Financial Statements

1. Notes to significant accounting policies
  - (1) Valuation of securities
    - (i) Investments in subsidiaries: Stated at cost using the moving average method
    - (ii) Other securities
      - (a) Securities other than ones without market value  
Stated at fair value based on market prices at the end of the relevant period (evaluation difference is accounted for as a component of stockholders' equity; cost of other securities sold is determined using the moving average method)
      - (b) Securities without market value  
Stated at cost using the moving average method
  - (2) Valuation of inventories  
Stated principally at cost using the gross average method (balance sheet value of assets are calculated using a method in which book values are written down in accordance with decreased profitability)
  - (3) Depreciation and amortization of non-current assets
    - (i) Depreciation of plant and equipment  
Based on the straight-line method
    - (ii) Amortization of intangible fixed assets  
Based on the straight-line method  
However, software for internal use is amortized using the straight-line method over its estimated useful life of 5 years.
  - (4) Allowances/Provisions
    - (i) Allowance for doubtful accounts  
To prepare for credit losses on accounts receivable and loans, etc., an allowance equal to the estimated amount of uncollectible receivables is provided for general receivables based on a historical write-off ratio and for bad receivables based on a case-by-case determination of collectability.
    - (ii) Accrued warranty expenses  
To reasonably account for repair costs covered under product warranty in the respective periods in which they arise, the allowance for a given year is provided in an amount determined based on the ratio of repair costs in that year to net sales in the preceding year.
    - (iii) Bonus accrual for directors  
In preparation for the payment of bonuses to directors of the total amount expected to be paid, an estimated amount for the fiscal year ended March 31, 2023 is reported.
    - (iv) Provision for retirement benefits  
To provide for employee retirement benefits, an allowance is provided in an amount determined based on the estimated retirement benefit obligations and pension assets at the end of the fiscal year.  
Prior service cost is amortized on a straight-line basis over the average remaining service period of employees.  
Any actuarial gains and losses are amortized on a straight-line basis over the average remaining service period of employees, and the amount is recorded in the fiscal year subsequent to its occurrence.
    - (v) Provision for share-based remuneration  
In preparation for share benefit expected to be paid in the future, an estimated amount for the fiscal year ended March 31, 2023 is reported.

- (5) Revenue recognition  
 The Company has adopted ASBJ Statement No. 29 (revised 2020) Accounting Standard for Revenue Recognition (March 31, 2020) and ASBJ Guidance No. 30 (revised 2020) Implementation Guidance on Accounting Standard for Revenue Recognition (March 31, 2020) and recognized revenue of goods or services upon transfer of the control of the promised goods or services to customers.  
 For details, see (3) (ix) of note 1, "Notes to significant matters based on which the consolidated financial statements were prepared" in the Notes to consolidated financial statements.
2. Notes to changes in accounting policies  
 The Company has adopted the revised Accounting Standard Board of Japan (ASBJ) Guidance No. 31 Implementation Guidance on Accounting Standard for Fair Value Measurement (revised June 17, 2021) from the current fiscal year. There is no impact of this application on the non-consolidated financial statements.
3. Notes to accounting estimates
- (1) Valuation of inventories
- (i) Amount recognized in the non-consolidated financial statements as of March 31, 2023
- |                                 |                 |
|---------------------------------|-----------------|
| Merchandises and finished goods | ¥21,379 million |
| Work in progress                | ¥27,142 million |
| Raw materials and supplies      | ¥86,133 million |
- (ii) Other information that deepens to the understanding of users of the non-consolidated financial statements regarding the content of accounting estimates  
 See (1) (ii) of note 2, "Notes to accounting estimates" in the Notes to consolidated financial statements.
- (2) Impairment of property, plant and equipment and intangible assets
- (i) Amount recognized in the non-consolidated financial statements as of March 31, 2023
- |                               |                 |
|-------------------------------|-----------------|
| Property, plant and equipment | ¥21,660 million |
| Intangible fixed assets       | ¥1,183 million  |
- (ii) Other information that deepens to the understanding of users of the non-consolidated financial statements regarding the content of accounting estimates  
 See (2) (ii) of note 2, "Notes to accounting estimates" in the Notes to consolidated financial statements.
- (3) Provision for retirement benefits
- (i) Amount recognized in the non-consolidated financial statements as of March 31, 2023
- |                                   |                |
|-----------------------------------|----------------|
| Provision for retirement benefits | ¥7,705 million |
|-----------------------------------|----------------|
- (ii) Other information that deepens to the understanding of users of the non-consolidated financial statements regarding the content of accounting estimates  
 See (3) (ii) of note 2, "Notes to accounting estimates" in the Notes to consolidated financial statements.
- (4) Valuation of deferred tax assets
- (i) Amount recognized in the non-consolidated financial statements as of March 31, 2023
- |                     |                 |
|---------------------|-----------------|
| Deferred tax assets | ¥18,090 million |
|---------------------|-----------------|
- (ii) Other information that deepens to the understanding of users of the non-consolidated financial statements regarding the content of accounting estimates  
 See (4) (ii) of note 2, "Notes to accounting estimates" in the Notes to consolidated financial statements.
- (5) Valuation of investment in affiliated companies
- (i) Amount recognized in the non-consolidated financial statements as of March 31, 2023
- |                                    |  |
|------------------------------------|--|
| Investment in affiliated companies | ¥53,526 million (Advantest America, Inc. shares) |
|------------------------------------|--|
- (ii) Other information that deepens to the understanding of users of the non-consolidated financial statements regarding the content of accounting estimates  
 In valuing Advantest America, Inc. shares, the Company reflects the excess earning power of its subsidiaries Advantest Test Solutions, Inc., Essai, Inc. and R&D Altanova, Inc. in its valuation of real value. Determining whether the excess earning power is declining is based on estimated future cash flows based on a three-year business plan approved by management, growth rate after 3 years and discount rate.  
 The key assumptions in determining whether the excess earning power is declining are the sales forecast to existing large-volume customers and prospects for new customers that form the basis of the three-year business plan, discount rate and growth rate after 3 years. Generally, a reduction rate of capital expenditures of semiconductor manufacturers during downturns in the semiconductor industry, including investments in semiconductor test systems, is much greater than a reduction rate of worldwide semiconductor sales.  
 These assumptions are based on the best estimates and judgments of management, but they could be affected by variable and uncertain future economic conditions. Any changes in these assumptions may have a material impact on amount recognized in the non-consolidated financial statements in future periods.

4. Notes to balance sheet
- |  |                 |
|--|-----------------|
| (1) Accumulated depreciation on property, plant and equipment: | ¥26,236 million |
| (2) Short-term monetary receivables from affiliated companies: | ¥81,855 million |
| Long-term monetary receivables from affiliated companies:      | ¥28,612 million |
| Short-term monetary payables to affiliated companies:          | ¥82,660 million |
- (3) The Company has a commitment line agreement with a financial institution in order to ensure efficient procurement of funding for business activities. The unexecuted balance of borrowings at the fiscal year ended March 31, 2023 based on this agreement is as follows.
- |                                      |                 |
|--------------------------------------|-----------------|
| Total amount of loan limit           | ¥30,000 million |
| <u>Borrowing outstanding balance</u> | —               |
| Balance                              | ¥30,000 million |
5. Notes to statement of operations
- |  |                  |
|--|------------------|
| Transactions with affiliated companies |                  |
| Sales:                                 | ¥296,774 million |
| Purchases:                             | ¥149,900 million |
| Non-operating transactions:            | ¥17,819 million  |
6. Notes to statement of changes in net assets
- |   |                  |
|---|------------------|
| Total number of treasury stock as of March 31, 2023 |                  |
| Common stock  | 7,328,226 shares |
- (Note) The Company's share of 162,183 shares, which is being kept as performance share option compensation in trust account, is included in the number of treasury share at the end of fiscal period.
7. Notes to tax effect accounting
- (1) The breakdown of deferred tax assets and liabilities was as follows;
- |  |                   |
|--|-------------------|
|  | (Millions of Yen) |
| Deferred tax assets                                      |                   |
| Appraised value of inventories                           | 2,996             |
| Provision for retirement benefits                        | 2,347             |
| Fixed assets   | 14,835            |
| Other  | 6,800             |
| Subtotal of deferred tax assets                          | 26,978            |
| Valuation allowance for deductible temporary differences | (8,888)           |
| Subtotal of valuation allowance                          | (8,888)           |
| Total of deferred tax assets                             | 18,090            |
| Deferred tax liabilities                                 |                   |
| Total of deferred tax liabilities                        | —                 |
| Net deferred tax assets                                  | 18,090            |
- (2) The accounting treatment for corporate and local income taxes and tax effect accounting
- The Company has adopted the group tax sharing system from the consolidated tax system in the fiscal year ended March 31, 2023. Along with this, the Company has adopted "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021) for the accounting treatment and disclosure of corporate and local income taxes and tax effect accounting.
- In accordance with paragraph 32 (1) of ASBJ PITF No. 42, the changes in accounting policies resulting from the application of the ASBJ PITF No. 42 is not expected to have an impact.
8. Notes to transactions with related parties
- (1) Parent company and major corporate shareholders  
Not applicable.
- (2) Officers and major individual investors  
Not applicable.

(3) Subsidiaries

| Company name                    | Address                | Common stock                        | Principal Activities                       | Percentage of Voting Rights | Description of relationships                                     |  | Details of transactions       | Amount of transactions | Items                      | Balance at fiscal year end |
|---------------------------------|------------------------|-------------------------------------|--|-----------------------------|--|--|-------------------------------|------------------------|----------------------------|----------------------------|
|                                 |                        |                                     |  |                             | Officer of subsidiaries temporarily transferred from the Company | Business relationship                          |                               |                        |                            |                            |
| Advantest America, Inc.         | California, U.S.A.     | 4,059 thousand US Dollars           | Development and sale of test systems, etc. | 100.0%                      | Yes  | Development and sale of the Company's products | Sales                         | ¥100,606 million       | Accounts receivable        | ¥43,615 million            |
|                                 |                        |                                     |  |                             |  |  | Collection of cash            | ¥40,059 million        | Long-term loans receivable | ¥25,371 million            |
| Advantest Europe GmbH           | Munich, Germany        | 10,793 thousand Euro                | Development and sale of test systems, etc. | 100.0%                      | Yes  | Development and sale of the Company's products | Sales                         | ¥54,397 million        | Accounts receivable        | ¥15,131 million            |
|                                 |                        |                                     |  |                             |  |  | Purchasing                    | ¥51,281 million        | Accounts payable           | ¥8,711 million             |
|                                 |                        |                                     |  |                             |  |  | Subcontract cost for R&D etc. | ¥31,937 million        | Other accounts payable     | ¥6,890 million             |
| Advantest Taiwan Inc.           | Hsin-Chu Hsien, Taiwan | 500,000 thousand New Taiwan Dollars | Sale of test systems, etc.                 | 100.0%                      | Yes  | Sale of the Company's products                 | Sales                         | ¥103,003 million       | Accounts receivable        | ¥16,890 million            |
| Advantest (Singapore) Pte. Ltd. | Singapore              | 15,300 thousand Singapore Dollars   | Sale of test systems, etc.                 | 100.0%                      | Yes  | Sale of the Company's products                 | Depositing of cash            | —                      | Deposits received          | ¥47,153 million            |

Terms and conditions of transactions and determination of policies thereof

1. With respect to sales, the price is determined by referring to the market price, among others.
2. With respect to deposit, it is from cash management system, and the interest rate is determined by taking into account the market interest rate.

9. Notes to revenue recognition

The information that is the basis for understanding the revenue from contracts with customers are omitted, as it is described in note 6, "Notes to revenue recognition" in the Notes to consolidated financial statements.

10. Notes to per share information

Net assets per share: ¥1,658.61  
 Net income per share: ¥619.26

(Note) The treasury share deducted in the calculation of per share data includes the Company's share which is being kept as performance share option compensation in trust account.

11. Notes to significant subsequent events

Not applicable.

12. Other notes

Amounts less than one million yen are rounded.

## Audit Reports

### Copy of Report of Independent Auditors (Consolidated)

#### Independent Auditor's Report

May 17, 2023

The Board of Directors  
Advantest Corporation

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Toshiyuki Matsumoto  
Certified Public Accountant  
Designated and Engagement Partner

Minoru Ota  
Certified Public Accountant  
Designated and Engagement Partner

Hiroyuki Nakada  
Certified Public Accountant  
Designated Engagement Partner

#### **Opinion**

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and notes to the consolidated financial statements of Advantest Corporation (the "Company") applicable to the fiscal year from April 1, 2022 to March 31, 2023.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the group, which consisted of the Company and its consolidated subsidiaries (collectively, the "Group"), applicable to the fiscal year ended March 31, 2023, in accordance with the provisions of the latter part of Article 120, paragraph 1 of the Regulation on Corporate Accounting, which permits companies to omit some disclosure items required under International Financial Reporting Standards (IFRSs).

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

Other information comprises the business report and the related supplementary schedules. Management is responsible for the preparation and disclosure of the other information, and the Audit and Supervisory Committee is responsible for overseeing the execution of duties by Directors in designing and operating the reporting process of the other information. The other information is not included in the scope of our opinion for consolidated financial statements, and we do not intend

to express our opinion on the other information. Our responsibility in the audit of consolidated financial statements is to read the other information and consider whether there is a material inconsistency between the other information and the consolidated financial statements or our knowledge obtained in the audit, and in addition to such a material inconsistency, to remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the provisions of the latter part of Article 120, paragraph 1 of the Regulation on Corporate Accounting, which permits companies to omit some disclosure items required under IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by the provisions of the latter part of Article 120, paragraph 1 of the Regulation on Corporate Accounting, which permits companies to omit some disclosure items required under IFRSs, matters related to going concern. The Audit and Supervisory Committee is responsible for overseeing the duties of Directors in designing and operating the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with

the provisions of the latter part of Article 120, paragraph 1 of the Regulation on Corporate Accounting, which permits companies to omit some disclosure items required under IFRSs.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required in auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards to remove or reduce obstacles.

#### **Conflicts of Interest**

We have no interest in the Company and its consolidated subsidiaries which should be disclosed in accordance with the Certified Public Accountants Act.

(Note)

This is an English translation of the Japanese language Report of Independent Auditors issued by Ernst & Young ShinNihon LLC in connection with the audit of the consolidated financial statements of the Company, prepared in Japanese, for the year ended March 31, 2023. Ernst & Young ShinNihon LLC have not audited the English language version of the consolidated financial statements for the above-mentioned year.

Independent Auditor's Report

May 17, 2023

The Board of Directors  
Advantest Corporation:

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Toshiyuki Matsumoto  
Certified Public Accountant  
Designated and Engagement Partner

Minoru Ota  
Certified Public Accountant  
Designated and Engagement Partner

Hiroyuki Nakada  
Certified Public Accountant  
Designated and Engagement Partner

**Opinion**

Pursuant to Article 436, paragraph 2 (i) of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of operation, the statement of changes in net assets, and notes to the financial statements of Advantest Corporation (the "Company") applicable to the fiscal year from April 1, 2022 to March 31, 2023.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended March 31, 2023, in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

Other information comprises the business report and the related supplementary schedules. Management is responsible for the preparation and disclosure of the other information, and the Audit and Supervisory Committee is responsible for overseeing the execution of duties by Directors in designing and operating the reporting process of the other information. The other information is not included in the scope of our opinion for financial statements, and we do not intend to express our opinion on the other information. Our responsibility in the audit of financial statements is to read the other information and consider whether there is a material inconsistency between the other information and the financial statements or our knowledge obtained in the audit, and in addition to such a material inconsistency, to remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material



misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management, the Audit and Supervisory Committee for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern. The Audit and Supervisory Committee are responsible for overseeing the duties of Directors in designing and operating the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the components included in the financial statements to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of the components. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required in auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards to remove or reduce obstacles.

#### **Conflicts of Interest**

We have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

(Note)

This is an English translation of the Japanese language Report of Independent Auditors issued by Ernst & Young ShinNihon LLC in connection with the audit of the financial statements of the Company, prepared in Japanese, for the year ended March 31, 2023. Ernst & Young ShinNihon LLC have not audited the English language version of the financial statements for the above-mentioned year.

Audit Report

The Audit and Supervisory Committee of Advantest Corporation (the "Company") has audited the performance of duties by Directors during the 81st fiscal year (from April 1, 2022 to March 31, 2023). We hereby report the method and result thereof as follows.

1. Methods and Content of Audit

Regarding the content of the resolution of the Board of Directors relating to matters stipulated in Article 399-13, Paragraph 1, Item 1(b) and (c) of the Companies Act of Japan and the status of the system being developed pursuant to such resolutions (internal controls system), the Audit and Supervisory Committee periodically received reports from the Directors, Executive Officers, and employees and other personnel concerning the establishment and management of such system, sought explanations as necessary, and expressed opinions. In addition, the Audit and Supervisory Committee carried out audits according to the following method:

- (i) In compliance with the Rules for Audit by the Audit and Supervisory Committee established by the Audit and Supervisory Committee, pursuant to the audit policies, audit plans, priority audit items, 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, 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 by interview with the directors and opinion exchange meeting with 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 face to face or web conferences), and confirmed their state of business operations and assets.

As a result of these investigations and audit activities, we shared our views with directors and department heads on what we recognized as a need for feedback.

- (ii) In addition, we monitored and reviewed whether the Independent Auditors maintained their independent positions and conducted the audit properly, received reports from the Independent Auditors on the performance of their duties, such as audit plans, group audit status, quarterly review results, and year-end audit results, and requested further explanations as deemed necessary. Furthermore, we were informed by the Independent Auditors that they are establishing a "System to ensure the appropriate performance of duties" (*Syokumu no Suikou ga Tekisei ni Okonawareru Koto o Kakuho Suru Tameno Taisei*) (Matters as defined in each Item of Article 131 of the Company Accounting Regulations) pursuant to "Quality control standards of audit" (*Kansa ni Kansuru Hinshitsu Kanri Kijyun*) (the Business Accounting Counsel, October 28, 2005), and requested their explanations as deemed necessary. We also discussed key audit matters (KAM) with the Independent Auditors, received reports on the status of implementation of the audit related to such matters, and requested their explanations as deemed necessary, and actively communicated our views as the Audit and Supervisory Committee.

Based on the above methods, we reviewed the business report and the related supplementary schedules, the consolidated financial statements (the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, and notes to consolidated financial statements), and the non-consolidated financial statements (the balance sheet, statement of operations, statement of changes in net assets, notes to non-

consolidated financial statements) as well as the related supplementary schedules for the 78th fiscal year.

2. Results of Audit

(1) Results of audit of the business report and other documents

- (i) The business report and the related supplementary schedules of the Company accurately present the financial conditions of the Company in conformity with applicable laws and regulations and the Articles of Incorporation of the Company.
- (ii) No irregularity or material violation of applicable laws or regulations or the Articles of Incorporation of the Company was found with respect to the activities of the Directors.
- (iii) The contents of the resolutions of the meeting of the Board of Directors with respect to the internal control system are appropriate. In addition, there are no matters to be pointed out regarding the entries in the business report and the performance of duties of Directors with respect to the internal control system.

(2) Results of audit of the consolidated financial statements and the related supplementary schedules

The methods and results of audit performed by Ernst & Young ShinNihon LLC, the independent auditor of the Company, are appropriate.

(3) Results of audit of the financial statements and the related supplementary schedules

The methods and results of audit performed by Ernst & Young ShinNihon LLC, the independent auditor of the Company, are appropriate.

May 18, 2023

Audit and Supervisory Committee of Advantest Corporation

Yuichi Kurita   
Standing Audit and Supervisory Committee Member

Kouichi Nanba   
Audit and Supervisory Committee Member

Sayaka Sumida   
Audit and Supervisory Committee Member

Note: Audit and Supervisory Committee Members Kouichi Nanba and Sayaka Sumida are outside directors provided in Article 2, Item 15, and Article 331, Paragraph 6 of the Companies Act of Japan.