



Sustainability Report 2024

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Editorial Note

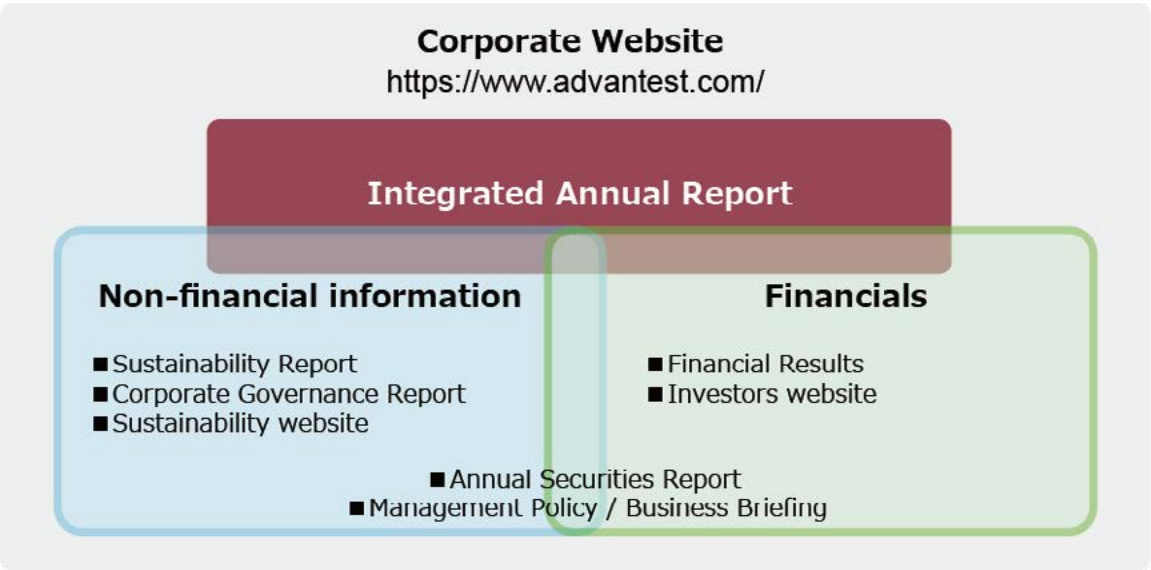
Advantest aspires to help realize a safe, secure, and comfortable society and sustainable future as well as to solve social issues by enhancing our semiconductor testing business while expanding our business into peripheral business areas. Just as the value of our semiconductor testing is hard to see, it is harder to discern what the value of non-financial information is. Precisely because of its uncertainty, we strive to disclose information on our approach and initiatives for sustainability in our Third Mid-term Management Plan (2024 to 2026) that is easy for our stakeholders to understand and access.

Our Sustainability Website shares our approach and initiatives for sustainability from an ESG perspective along with detailed performance data. It is updated as necessary with the aim of disclosing information on sustainability in a comprehensive and prompt manner.

Since FY2018, we have been disclosing the contents of our Sustainability Website as of the end of August each year in PDF format in October of each year as the "Sustainability Data Book". In light of changes in the content of the Sustainability Website, the report has been renamed as the "Sustainability Report" from FY2024, which will be published in December of each year. We refer to the GRI Standards along with other guidelines in disclosing the Sustainability Report and the website.

Relationship with the Integrated Annual Report

Advantest positions our "Integrated Annual Report" as a "One-stop Handbook" for disclosing our corporate value from financial and non-financial perspectives. The Sustainability Website and the Sustainability Report are appendices to the Integrated Annual Report, compiled with the aim of providing a comprehensive and detailed report on information related to sustainability.



About information disclosure

Scope of the Sustainability Report

Period covered	April 1, 2023 to March 31, 2024 Some of the initiatives and activities before the period covered as well as those up to October 2024 are also included.
Target organizations	Advantest Corporation and its major domestic and overseas consolidated subsidiaries
Issuance	Issued in December 25, 2024 as an annual report (Next issue scheduled in December 2025)

Guidelines Referenced

- GRI Standards
- SASB Standards
- IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and S2 "Climate-Related Disclosures"
- ISO26000 Guidelines
- Ten Principles of the United Nations Global Compact
- Ministry of the Environment of Japan, "Environmental Reporting Guidelines 2018"

Third-party Assurance

Third-party assurance has been obtained from Ernst & Young ShinNihon LLC to ensure increased reliability of selected social and environmental performance indicators included in the ESG Data on our website.

Contact Information

For inquiries related to sustainability
Sustainability Promotion Office

Send comments by email to: [✉ PDL-AT-esgsuishin@advantest.com](mailto:PDL-AT-esgsuishin@advantest.com)

Send comments by fax to: +81-276-84-1150

Advantest's Sustainability

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Management Message on Sustainability

Towards a "safe, secure, and comfortable society"

Advantest has consistently contributed to global prosperity by supporting the development of cutting-edge electronics technologies with our Group's measurement technology based on our purpose and mission of "Enabling Leading-Edge Technologies". We believe that semiconductors will continue to be essential to the present and future of a stunning array of industries and to a more sustainable future for humanity. Our business activities contribute to the creation and utilization of semiconductors with superior performance, and we believe this will continue to contribute directly to the safety, security, and comfort of people worldwide, as well as to our own growth.



In the revision of our Grand Design and the four strategies listed in the Third Mid-term Management Plan (MTP3) announced on June 25 this year, in addition to the three core strategies that focus on solving customer issues, "Outpace the growth in our core market", "Expand adjacently / new businesses" and "Drive operational excellence", we have added a fourth strategy of "Enhance sustainability". We have set the pillars of the strategy for the next mid-term management plan by strengthening various initiatives that will lead to the realization of a sustainable society and also to our own growth, and promote the four strategies in an integrated manner.

In order to achieve the fourth strategy of "Enhance sustainability", it is essential that we appropriately reflect the expectations and demands of all stakeholders in our business activities, including "shareholders and investors", "employees", "customers", "suppliers", "partners", "local communities" and "all the environments surrounding us". I would like to reiterate that the foundation of a corporation is to appropriately respond to the demands of society, which is ultimately our corporate social responsibility. We aim to expand the significance of our existence and the value we provide in a balanced and multifaceted manner both economically and socially. In addition, the following three elements are necessary for our specific activities: "to work on solving global social issues," "to understand the needs of each stakeholder in solving issues and to work together through communication," and "to strive for transparency and appropriate information disclosure in our efforts to solve these issues". It is important that all three of these elements be carried out in accordance with global standards.

In the announcement of our "Grand Design", we described the environment in which we find ourselves as the "Era of Complexity". This refers to the fact that today, the world is facing significant changes in its environment, including the abnormal imbalance in the natural world caused by climate change, energy shortages that will accompany future global population growth and economic development, global shortage of labor, and the rise in political, military, and social tensions that are becoming apparent in certain regions and the impact on the global economy itself. At the same time, the challenges for companies, such as appropriate procurement of resources and energy, sufficiency of human capital, and redeployment of

supply chains, are becoming dramatically more complex. That is why we must continue to take a broader perspective than ever before and perceive the social issues that are occurring globally, place importance on dialogue with all stakeholders, and continue to work to further strengthen corporate governance.

Finally, I would like to touch on the significance of our sustainability activities in relation to the word "innovation". Innovation is considered the most important mission of corporate activities. However, I believe that innovation is not only within our organizations, but innovation is the change we bring about outside our organizations. It is not science or technology per se, but about the contribution and value that a company can provide to the outside world through its business activities. Here, not only the management but also each and every employee plays a leading role. That is why we need to think about providing value not only to those within our organization, but also to the various stakeholders outside of our organization, and together with each stakeholder, we could do our utmost to realize a truly sustainable society.

Thank you for your continued support.

October 2024

Yasuo Mihashi

Senior Executive Officer, CFO & CSO

Executive Vice President, Corporate Strategy Group

Policy and System for Promoting Sustainability Initiatives

Advantest's Sustainability Journey

Semiconductors and Sustainability

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

In fact, almost all of our businesses are related to semiconductors, which are indispensable for the future development of various industries and for the realization of a more sustainable future society.

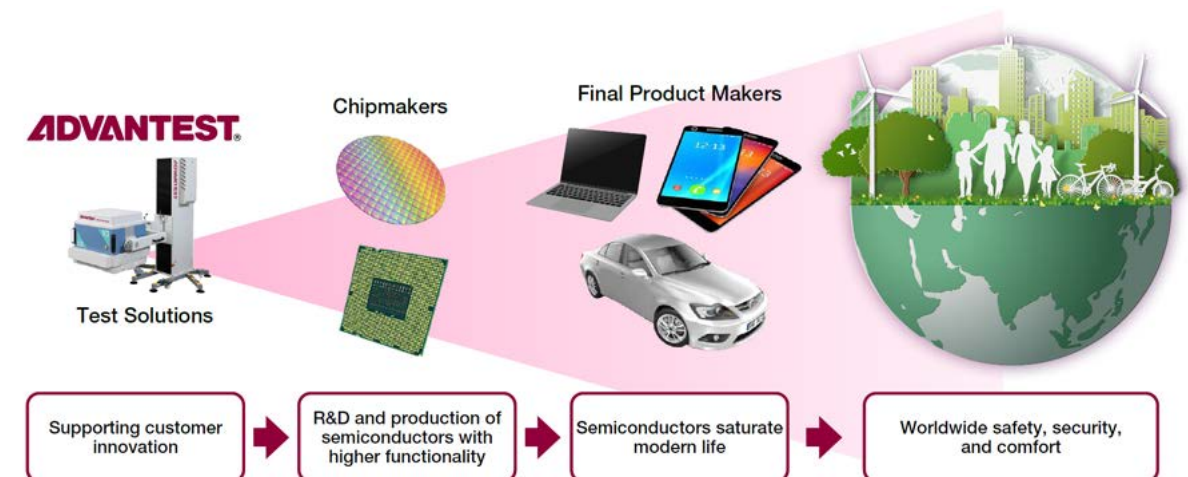
Semiconductors are now embedded in every part of our lives. They are indispensable components not only of personal computers and smartphones, but also domestic appliances, automobiles, and industrial equipment. We now live in a world where everything is connected to the Internet. As the number of networked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

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

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

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

Semiconductor Test Delivers Safety, Security, and Comfort



Our Approach to Sustainability

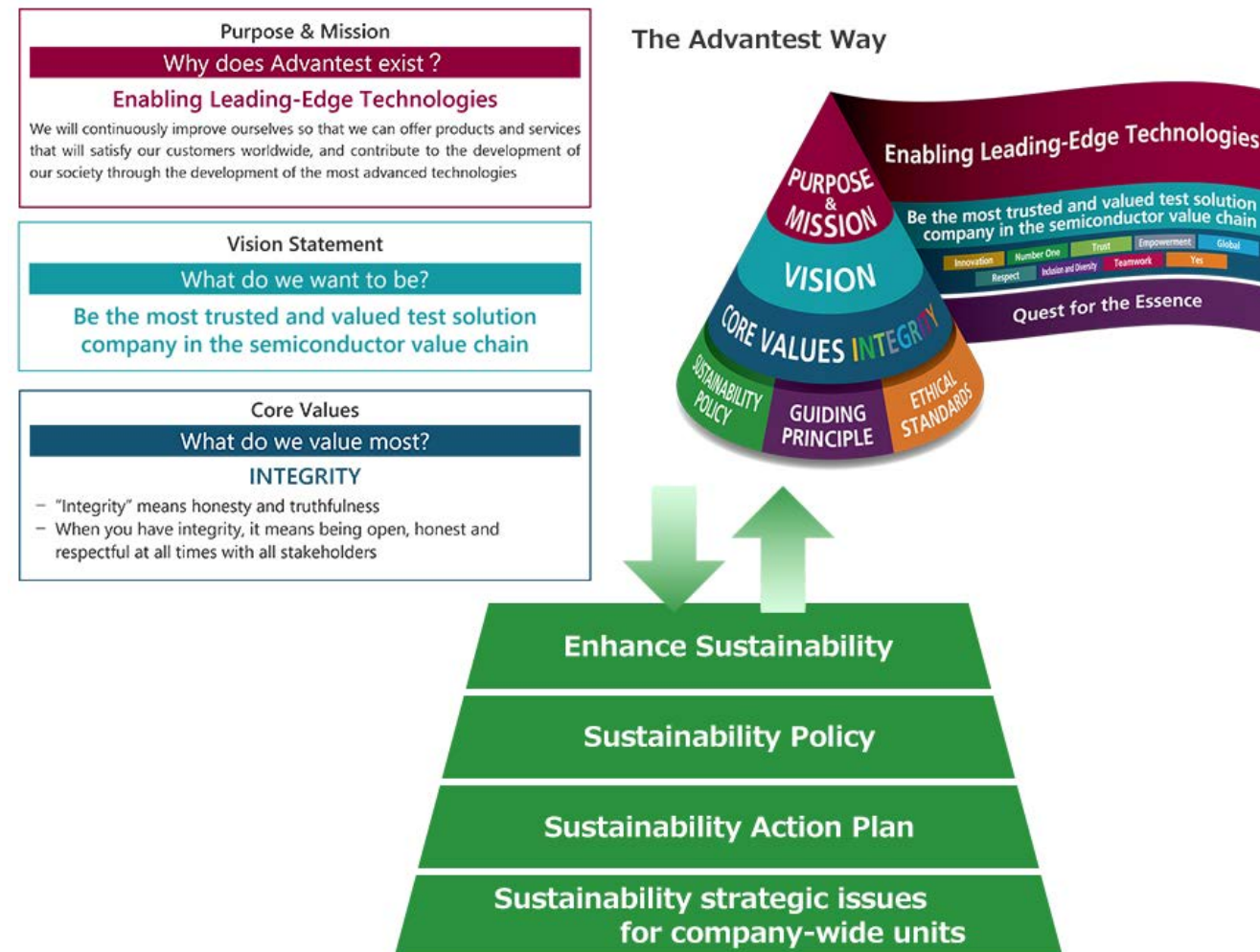
Advantest recognizes that attentive management based on our purpose and mission is essential for resolving sustainability issues, and creating corporate value over the medium to long term, and has formulated a mid/long-term management policy, our Grand Design, as well as a mid-term management plan. In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

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

We have laid out "Sustainability Policy" as one of the three foundations that support our vision. Advantest has formulated the sustainability policy as a component of "The Advantest Way" from the perspective of expanding our contribution to society and further creating value for its stakeholders, and is working to promote sustainable management on this basis. In addition, we will continue to identify issues related to the creation of business value, such as improving customer value; strengthening the business foundation, such as upgrading human capital; strengthening the management foundation, such as reviewing the management execution system; addressing social and environmental regulations and risks; and trends in international disclosure standards on sustainability, from the perspectives of both stakeholders and our own company. The issues identified as important from the perspective of both stakeholders and the company are organised into "Sustainability Action Plan", which is a subordinate plan of the Med-Term Management Plan. In formulating a new medium-term sustainability action plan, we have completely reorganised the themes to be addressed to be linked to the Grand Design and the Third Med-Term Management Plan (MTP3), from the

perspective of increasing the value provided to stakeholders, and have set new medium-term targets for each of these themes. New medium-term targets have been set for each of these themes. In conjunction with this, the name of the plan was changed to better reflect the content and scope of future initiatives.

Advantest will continue its sustainability journey based on Sustainability Policy.



[Sustainability Policy](#)

Sustainability Promotion System

Based on the Sustainability Policy, which sets medium-term targets, Advantest promotes overall activities while assigning each CxO, including the Group CEO, to be responsible for individual issues. Furthermore, by incorporating the Sustainability Action Plan into specific annual business plans for each unit, Advantest strives to make steady progress in our overall initiatives.

In addition, in order to promote sustainability-related initiatives in a flexible manner throughout the company, Advantest established the Sustainable Management Working Group (SMWG) in 2020, an organization directly linked to the Executive Management Committee, to promote both the growth of our own businesses and our contribution to social issues. This is a company-wide committee comprising the leaders of all business, functional and regional units, and is headed by the Group CEO. This committee regularly updates and discusses sustainability issues that need to be addressed across the company, based on analyses of the significance of ESG issues in each unit and other information, in order to further promote and deepen sustainable management.

The overall progress of sustainability initiatives in Advantest is regularly reported to the Executive Management Committee and corrective measures are discussed as necessary.



Reporting and Information Disclosure

Sustainability initiatives in Advantest are promoted with the involvement of the Board of Directors, with individual reports to and supervision from the Board of Directors depending on the importance of the matter. The [Sustainability Action Plan 2024-2026](#), which was formulated in synchronization with the third Medium-Term Management Plan (MTP3) starting in FY2024, was also reported to the Executive Management Committee and the Board of Directors on its content and targets. The contents and targets of the plan were discussed and decided by the Executive Management Committee and reported to the Board of Directors.

Advantest strives to disclose information on sustainability areas and issues that Advantest identifies as important, as well as their indicators and targets, to its stakeholders in a timely and appropriate manner through Integrated Reports and Sustainability Data Book. As part of this, third-party assurance is obtained for key indicators.

Materialities and the Sustainability Action Plan

The Mid-Term Management Plan is an initiative to achieve our Grand Design and to continue sustainable growth thereafter. In order to contribute to a sustainable future through our business, we made the four strategies in the third Mid-Term Management Plan, which began in fiscal 2024.

One of the four strategies is "Enhance Sustainability". To promote this, we have set up the Sustainability Policy and formulated the Sustainability Action Plan 2024-2026 as the overall picture of our med-term sustainability initiatives and their respective medium-term targets from 2024 onwards in line with this policy.

In developing a new medium-term sustainability action plan, we have completely reorganised the themes to be addressed to be linked to the Grand Design and the third Med-Term Management Plan (MTP3), from the perspective of increasing the value provided to stakeholders, and have set new medium-term targets for each of these themes. New medium-term targets have been set for each of these themes. In conjunction with this, the name of the plan was changed to better reflect the content and scope of future initiatives. We are currently identifying materiality for the entire Advantest Group in line with the priority themes in the new Sustainability Action Plan 2024-2026.

The Sustainability Reort describes the new Sustainability Action Plan 2024-2026 and reports on the results of our sustainability initiatives to date, based on the ESG Action Plan 2021-2023.



Sustainability Action Plan 2024-2026

Stakeholders	Priority Themes	Target	Executive in charge ^{*1}	KPIs	KPI Target (FY2026)
Shareholders and capital market	Mid-/long-term and sustainable enhancement of corporate value	Aiming further sales growth, improved profitability, and more efficient use of capital	CFO	In accordance with MTP3 Management Indicator	In accordance with MTP3 Management Indicator
	Enhancement of sustainability information disclosure	Timely and appropriate disclosure of financial and non-financial information	CFO	ESG evaluation by rating agencies	Maintaining and improving evaluations by major ESG evaluation by rating agencies
Employees	Respect for diversity	Promoting gender diversity	CHO	Ratio of female managers ^{*2}	11%
			CHO	Ratio of female employees among candidates (Level6) for executive and managerial positions ^{*3}	16%
	Employee Engagement	Fostering and instilling an attractive corporate culture	CHO	Turnover rate	Below semiconductor industry average
			CHO	Gallup Survey Scores ^{*4}	3.8
			CHO	INTEGRITY Award nominations/year ^{*5}	400

Stakeholders	Priority Themes	Target	Executive in charge ^{*1}	KPIs	KPI Target (FY2026)
Employees	Investment in human capital	Promoting health and wellbeing management and work-life balance	CHO	Japan: White 500 Certified (Japan) Global: To be decided during FY2024 ^{*6}	Japan: Certified as White 500
		Promoting human capital development based on the Advantest Development Framework	CHO	Education and training expenses	0.8 (Billions of yen)
Customers	Providing superior solutions	Provision of new products and integrated solutions that solve customer issues	CTO	Market position	Maintaining 'No.1 position in the focus markets'
	Customer satisfaction and trust	Provision of more value added and comprehensive customer support quickly and accurately	CCRO	Market position	Maintaining 'No.1 position in the focus markets'
	Climate change countermeasures and reduction of environmental impact	Improving the environmental performance of our products	CTO	Development of “power optimized products”	To be decided during FY2024
			CCRO	Promotion of products with excellent environmental performance	To be decided during FY2024
			CSO	Enhanced Product Life Cycle Assessment	Expansion of the life cycle assessment management scope and data refinement
Suppliers	Respect for human rights and fair deals in the supply chain	Responsible Mineral Procurement	CSCO	Supplier response rate to conflict minerals survey	99%
		Penetrating Sustainability in the Supply Chain	CSCO	Due diligence implementation rate for designated business partners ^{*7}	100%
			CSCO	Number of designated business partners ^{*7}	50 suppliers (Designated 42 suppliers as business partners in FY2023) ^{*7}
	Greenhouse Gas Emission Reduction (Scope 3)	Supply chain decarbonization	CSCO	Percentage of main business partners that have introduced renewable energy sources ^{*8}	60%
Partners	Creation of innovation and contribution to local communities and global society	Implementation of activities related to innovation and social good	CSO	The number of strategic partnerships	Maintain the same level as FY2023
			CCO	The number of employees' activities contributing to local communities (both inside and outside of work)	180 (FY2024-FY2026 Cumulative Total)
Global Environment	Greenhouse gas emission reductions (Scope 1+2)	Reducing GHG emissions from Scope 1+2	CSO	GHG emissions reduction rate	65% (vs. FY2018)
		Raising renewable energy usage	CSO	Renewable energy coverage rate	80%
		Reducing energy consumption by shortening the production period of major products	CSCO	Reduction of production period by reviewing production processes	Reducing production period by 20% (vs. FY2020)
	Contribution to the Circular Economy	Improvement of recycling rate through promotion of 3Rs (Reduce, Reuse and Recycle)	CSO	Waste recycling rate (Japan and overseas)	Japan:90% or more Other regions: 73% or more
		Maintaining company-wide water consumption at FY2016 levels	CSO	Water resource usage	Less than 288,000m ³ /year
	Conservation of biodiversity and natural capital	Preservation of biodiversity, promotion of nature conservation activities (protection of endangered species in biotopes, tree planting, beach cleanups, etc.)	CSO	Total number of participants in social contribution activities related to natural capital	600 (FY2024-FY2026 Cumulative Total)

	Priority Themes	Target	Executive in charge ^{*1}	KPIs	KPI Target (FY2026)
Governance	Promoting ethical management and business	Compliance with international/industry standards	CSO	Compliance with business codes of conduct and management system standards	Maintain and recertify ISO certification and pass RBA audit
		Implementation of Global Compliance Education Program (GCEP) *e-learning for all employees	CCO	e-learning participation rate	100%
		Fair and Transparent Workplace	CCO	Aiming to obtain third-party certification for whistleblowing system	Obtaining third-party certification for whistleblowing system
		Maintaining and improving occupational health and safety	CHO	Incidence of serious occupational accidents which result in absence from work (LTIR: Lost Time Incident Rate)	0%
		Fostering internal understanding of sustainability	CSO	Implementation of measures for different levels of the organization to promote understanding of sustainability	Implementation of the measures for different levels
	Continued enhancement of Corporate Governance structure	Enhancement of board structure and governance to increase effectiveness of corporate governance	COO	Ensuring the effectiveness of the Board of Directors	Enhancement of disclosure of effectiveness evaluation results
			COO	The board composition that satisfies the skill set required in line with management strategy and the business environment, and also ensures diversity	Periodic review by the Board of Directors and review and revision as necessary
	Enhancing risk management	Strengthening internal control	CCO	Risk clarification and response based on twice-yearly risk reviews	Implementation of risk review twice-yearly

*1 List of Executive in charge is described in [the Securities Report under "Item4 Status of the Company 4. Corporate Governance \(2\) Directors 1\) List of Directors."](#)

*2 The non-consolidated Female manager ratio and Differences in Wages between Male and Female Workers are described in ["Item 1. Company Overview 5. Status of Employee."](#)

*3 Advantest's qualification system is a 10-level system which is globally standardized, with Level 6 being the highest level of qualification for general employees."

*4 A group-wide survey is conducted every three years.

*5 This award system honors employees who embody INTEGRITY through nominations from other employees.

*6 As the White 500 is a certification system in Japan, the Company and its subsidiaries in Japan are subject to certification.

*7 Tier 1 suppliers, which represent the top 85% of suppliers in terms of transaction value, and Tier 2 suppliers, which are the main suppliers of the Tier 1 suppliers, are subject to due diligence. These suppliers are defined as designated business partners.

*8 The top 85% of suppliers by transaction value are defined as main business partners.

Our Activities

ESG Action Plan 2021-2023 Activity Results

ESG	Key Issue	Executive in charge	Goal	KPI	2023	
					Target Value	Results
E (Environment) <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> <div>15 LIFE ON LAND</div>	Climate Change (Scope 1 + 2)	CSO	Reduce GHG emissions from business activities by 60% by 2030 (vs. FY2018)	GHG emissions reduction amount/rate	40%	53%
			Raise renewable energy usage to 70% by 2030, Group-wide	Coverage rate by renewable energy	55%	65%
		CPO	Reduce production times 30% through production process reviews (vs. FY2020)	Production time reduction rate for target models (vs. FY2020)	30%	28%
	Value Chain (Scope 3)	CPO	Promote the use of renewable energy by suppliers and contractors	Number of suppliers who use renewable energy	40 companies	40 companies
		CTO	Reduce CO ₂ -equivalent emissions (basic unit) per test by 50% by 2030	Reduction rate in basic units (vs. FY2018)	20%	Goals under review ^{*1}
	Green Products	CTO	Develop products that are free from polluting substances	Total elimination of PFAS in coolant	Announce release plan	Release date undisclosed Considering Release date
	Resource Recycling	CHO	Improve in-house recycling rate by promoting the 3Rs	Waste recycling rate (Japan/overseas)	JPN:90% Other regions:73% or more	JPN:95% Other regions:61%
			Maintain Group-wide water usage at FY2016 levels	Water resource usage	288,000m ³ /year	279,740m ³ /year
	Biodiversity	CSO	Promote nature conservation activities (protection of endangered species in biotope, tree planting, beach clean-up, etc.)	Planning and implementation rate of nature conservation activities	18 activities planned, 80% implemented	20 activities planned, 80% implemented
	ESG management at Supply Chain	CPO	Share and solve/mitigate ESG issues (risk management, human rights/occupational safety, environment, fair trade, compliance, etc.)	Due diligence implementation rate for major suppliers	100%	100%
S (Social) <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div>	Diversity, protection, and respect for human rights	CHO	Fair treatment in gender	Female manager ratio	10.5%	9.4%
			Edification and practice of human rights	Participation rate of educational training	100%	100%
			Work-life balance	Return-to-work rate after maternity leave (JPN) ^{*2}	100%	100%
				Exercise rate of childcare leave by males (JPN) ^{*2}	25%	34%
		CPO	Conflict minerals elimination	Percentage of suppliers confirmed to be free of conflict minerals	100%	60%

ESG	Key Issue	Executive in charge	Goal	KPI	2023	
					Target Value	Results
	Customer satisfaction, employee engagement	CCRO	Raise customer satisfaction under New Normal circumstances	Ranking of TechInsights customer satisfaction survey	1st	1st
		CHO	Edification and improvement of attractive corporate culture	Score of Gallup survey	3.8	Survey not conducted (Implemented once every 3 years)
	Investing in human resources	CHO	Maintaining and enhancing occupational safety and health	Occupational accident rate (frequency rate)	0	1.03
			Promotion of health management	To be selected in White 500 (JPN) ^{*3}	Selected	Selected
			Employee capacity building	Education and training expenses (100MY)	6	5.5
	G (Governance)  	Group CEO	Provide outside directors with updates on business and management issues	3 times/year	3 times/year	3 times/year
			Intensify discussion through Off-site meetings by board members	2 times/year	2 times/year	1 times/year
			Succession planning	Policy/process making, planning, updates	Discussion at Nomination and Compensation Committee and report to the Board of Directors	Discussion at Nomination and Compensation Committee and report to the Board of Directors Decided to transition to new organization from April 2024
			Diversity of board members	Outside directors must include female representation (>40%)	At least 40% outside directors and 1 female	Outside directors 56%, 2 females
			Add ESG performance assessment to compensation	Start from FY2021	ESG linked performance assessment	Implemented
	Corporate culture and Code of Conduct, compliance, risk management	CHO	Work Shop/training for all employees (The Advantest Way, Law, Regulations, Information securities, etc.)	Participation rate for e-learning (100%)	100%	100%
		CCO	Strengthening Internal Control	Regularly discuss internal control issues	Regular discussion	2 times/year
	Promotion & support of ESG management (Sustainable Management Working Group)	CSO	Support & Report group-wide Policy, Strategy, Plan and implementation	Report to Executive Management Committee and BoD (once a year)	2 times/year	2 times/year
			Timely and appropriate disclosure (Integrated Annual Report, Sustainability Databook)	Issuance every year	Publication of Integrated Report, Sustainability Data Book, etc.	Published

*1 It is difficult to calculate the reduction rate in basic unit, so we are reviewing the goal.

*2 Figures are on a non-consolidated basis due to differences in personnel systems between the Company and its subsidiaries.

*3 As the White 500 is a certification system in Japan, the Company and its subsidiaries in Japan are subject to certification.

Stakeholder Engagement

We strive to earn the trust of our stakeholders by providing value to them. As part of our efforts to enhance stakeholder engagement, we are implementing the following types of communication.

Stakeholders	Main communication methods
Shareholders and capital market	<ul style="list-style-type: none"> ● Communication with shareholders <ul style="list-style-type: none"> - General Meeting of Shareholders - Financial results briefing - Meetings with domestic and overseas institutional investors and major shareholders - Dialogue through various briefings ● Timely and appropriate disclosure of financial and non-financial information <ul style="list-style-type: none"> - Annual financial securities reports - Financial results - Corporate governance reports - Website, Integrated Annual Report, Sustainability Report
Employees	<ul style="list-style-type: none"> ● Investment in human capital ● Labor-management negotiations ● Employee Engagement Survey ● Internal newsletter, intranet
Customers	<ul style="list-style-type: none"> ● CSR questionnaire ● User group meetings (VOICE) ● Exhibitions (SEMICON, etc.) ● Providing customer service via the website
Suppliers	<ul style="list-style-type: none"> ● Implementation of due diligence ● Suppliers New Year Meeting
Partners	<ul style="list-style-type: none"> ● Establishment of a strategic partnerships ● Social contribution activities <ul style="list-style-type: none"> - Science craft classes and other next-generation education - Community contribution activities - Activities through industry groups - Dissemination of information through publications and websites
Global Environment	<ul style="list-style-type: none"> ● Reduction of greenhouse gas emissions through business ● Promotion of the introduction of renewable energy ● Nature conservation activities (tree planting, bamboo grove conservation, biotopes, etc.)

Shareholders and capital market

General Meeting of Shareholders

The 2024 General Meeting of Shareholders was held immediately after the announcement of the Mid-term Management Plan, and the Group CEO gave an explanation of the Mid-term Management Plan. At the General Meeting of Shareholders, we answered questions from shareholders. After the General Meeting of Shareholders, we held the round-table discussion with our shareholders, which had been suspended after the COVID-19 pandemic, to receive various opinions directly from our shareholders and engage in interactive communication.

In order to promote dialogue with our shareholders, we are implementing the following initiatives.

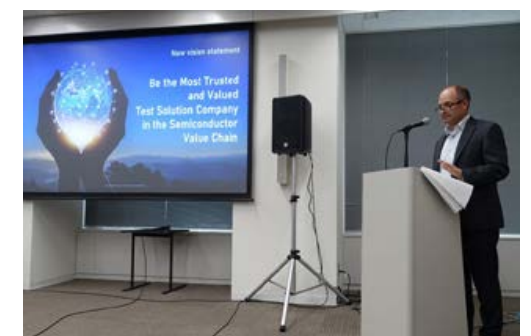
- Holding a virtual general meeting
- Holding the meeting in an area with good access
- Disclosure of the notice of convocation at least three weeks before the general meeting
- Disclosure of the Annual Securities Report prior to the General Meeting of Shareholders
- English translation of the entire Convocation Notice and Annual Securities Report

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

IR activities

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

Specifically, we will disclose important information in a timely, fair and appropriate manner to shareholders and investors both in Japan and overseas, and hold a financial briefing every quarter, during which senior Advantest managers will give presentations. We also hold individual meetings with domestic and overseas institutional investors (approximately 640 meetings in fiscal 2023), as well as business and technical



For securities analysts and institutional investors, we held a briefing on Mid-to Long-Term Management Policy in a hybrid format in June 2024.

briefings, in order to promptly disseminate updates and industry trends in semiconductor technologies, which are closely related to our business, to the stock market.

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

Employees

We believe that improving employee engagement is an important foundation for our sustainable growth. Every three years, Advantest conducts the Gallup Q12® employee survey, which we use to improve employee engagement.

In addition, we continue to expand learning opportunities for our employees through a variety of training programs designed to enhance their competencies. We have also introduced an e-learning platform that provides educational content for all employees, and we also provide access to external paid e-learning tools for those who wish to use them, so that we can continue to support our employees as they grow as professionals.

In order to promote communication with our employees, we send out messages from the Group CEO and CxOs, and hold dialogue sessions throughout the year. In Japan, we hold monthly Morning Meetings and all hands meetings at each office, as well as New Year's greetings (January), Spring Labor Talks (starting in February), the ceremony to mark the company's founding (July), the Central Labor Negotiations and social gathering (September), etc. In 2024, events to celebrate our 70th anniversary were held at each location. In Japan, we held an "Employee Appreciation Day", with around 2,000 employees, their families and alumni gathering at Saitama Super Arena, and celebrated the 70th anniversary with an online connection between sites and venues in various countries.

Customers

Advantest continuously strives to strengthen relationships with our customers in various ways so that we can contribute to solving their challenges in this ever-changing market.

We hold an annual user group conference, "VOICE," together with our voluntary customers, where we present the latest market information, including technical papers and the latest testing solutions. We also provide opportunities for our engineers and participants to interact and communicate with customers and partner companies.

We also organize technical seminars for our customers in various countries around the world and co-host technical exchange meetings with our customers to strengthen our relationships with them.

Suppliers

We would like to develop together with our suppliers through close collaboration. We periodically conduct CSR surveys for our suppliers and hold interviews based on the results of the surveys, with the goal of building a more resilient supply chain.

Furthermore, we facilitate opportunities for suppliers and our top management to engage in dialogue to foster sustainable relationships with our business partners.

We will continue to maintain strong partnerships with our business partners.

Partners

To foster further innovation, we continue to collaborate not only with our customers and suppliers, but also with industry organizations, educational institutions, and other ecosystem/business partners. We have established partnerships with academic institutions and private companies in Japan and overseas, and are working to develop the electronics industry through joint research and development and regular technology exchange meetings.

In addition, our involvement in local communities allows us to contribute to the creation of a society in which people can live more prosperous lives. We provide academic support and support for the development of the next generation through donation of lectures and educational programs to higher education institutions in Japan and overseas, as well as the hosting of science and craft education for elementary school students near our business sites in Japan. We also provide humanitarian assistance, including support for those affected by war and for victims of large-scale disasters.

Global Environment

We perceive the global environment as one of our major stakeholders and are committed to contributing to a sustainable global environment through our business activities and global environmental conservation activities. We are working to reduce greenhouse gas emissions through the introduction of renewable energy and the reduction of energy consumption by shortening the manufacturing periods for our major product lines. We also contribute to the realization of a circular economy by improving recycling rates, eliminating hazardous substances, and providing green products. In addition to our business activities, our employees in Japan and overseas are involved in efforts to protect the global environment, and we also conduct activities in the community, such as tree planting and beach cleanup activities. For instance, the Gunma R&D Center, our research and development base, has one of the largest biotopes of any private company in Japan, contributing to the preservation of the local ecosystem.

Involvement with External Initiatives

Commitment to External Initiatives

Advantest's management goal is to improve corporate value over the medium to long term by contributing through our business activities to a sustainable society that is safe, secure, and comfortable. As part of this, we hope to develop balanced relationships with all stakeholders through activities such as our sponsorship for and participation in various domestic and international statements and guidelines, and international standardization activities.

UN Global Compact

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

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



[UN Global Compact](#)

Report at the United Nations Global Compact Annual Forum 2024

In March 2024, the Annual Local Network Forum (ALNF), the annual meeting of the United Nations Global Compact, was held in Japan, and approximately 153 members from the United Nations Global Compact and local networks in 58 countries around the world came to Japan.

Group CEO (at the time) Yoshiaki Yoshida attended the high-level meeting held in conjunction with the ALNF, and reported on the company's initiatives to address climate change to the executives of each company, including Assistant Secretary-General and CEO of the United Nations Global Compact Sanda Ojambo.

Task Force on Climate-related Financial Disclosures (TCFD)

In April 2020, Advantest announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*1. We analyze the risks and opportunities posed by climate change on our business from the perspectives of strategy, risk management, and governance and globally deploy proactive measures. We also promote the enhancement of information disclosure based on the recommendations of the TCFD to achieve sustainable growth for the Advantest Group, enhance corporate value, and foster a sustainable society.



*1 Task Force on Climate-related Financial Disclosures (TCFD)

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

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

RE100

In August 2020, Advantest participated in RE100*2, an international initiative that aims to procure 100% renewable electricity for its energy consumption in business activities.

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



*2 RE100

An international initiative led by The Climate Group, a climate-related non-profit organization, in partnership with CDP, a non-profit organization that promotes global information disclosure and actions concerning environmental impacts. It was established in 2014. The number of participating companies is 399 globally and 78 from Japan (as of March 1, 2023).

[RE100](#)

SBTi

In November 2021, Advantest obtained certification from the Science Based Targets Initiative (SBTi)*3, a global corporate climate initiative that strives for science-based targets which provide a pathway for companies to reduce greenhouse gas (GHG) emissions, for committing to its 1.5-degrees Celsius target. This certification recognizes that Advantest's greenhouse gas reduction goals are based on scientific evidence and will contribute to achieving the target, as determined by the Paris Agreement.



*3 Science Based Targets Initiative (SBTi)

A global body enabling businesses to set emissions reduction targets in line with climate science, which seeks to restrain rising global temperatures to within 1.5-degrees Celsius of pre-industrial levels.

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

Green Power Partnership (U.S. EPA)

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

Advantest America, Inc. (AAI) joined Green Power Partnership in 2012.

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



Semiconductor Climate Consortium (SCC)

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

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

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



[SEMI](#)

Japan Climate Initiative

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

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

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



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

30by30 Alliance for Biodiversity

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

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



[30by30, 30by30 Alliance](#)
[15th meeting of the Conference of the Parties to the UN Convention on Biological Diversity \(CBD-COP15\)](#)

RBA

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

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

Responsible Mineral Sourcing

Advantest conducts an annual survey of our business partners on the use of conflict minerals using the RMI*5 reporting template (the Conflict Minerals Reporting Template (CMRT)).

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

Efforts in International Standardization Work

Advantest believes that engaging in international standardization activities is an important mission in terms of considering the various stakeholders. We hope to contribute to the development of the global market and realize innovations that help solve social issues by collaborating new social norms with diverse stakeholders around the world and providing solutions that meet international standards.

International Standardization Activities

International standards for electronic devices such as semiconductors are developed and managed by the International Electrotechnical Commission (IEC). There are two working groups (WG) under IEC/TC91 that are involved in international standardization activities related to semiconductor design automation (EDA), and Advantest plays a major role in both WGs.



Working Group Name	Activities	
IEC/TC91/WG13 (Design Automation: Design Languages)	Convener	Leads the activities as a convener in collaboration with members in the United States. WG13 considers the harmonization of component, circuit, and system description languages, and models. - Consideration of interoperability between languages
IEC/TC91/WG15 (Design Automation: Electronic Product Testing)	Convener	Leads the activities as a convener in collaboration with British members. WG15 considers the Automatic Test Markup Language (ATML), a system test description language.

One of Advantest's directors received the IEC 1906 Award*6 from IEC in October 2016. This was in recognition of many years of his contribution to the automation of design testing. In October 2023, a manager of Advantest received the Industrial Standardization Award from the Director-General of the Industrial Science and Technology Policy and Environment Bureau at METI (Japan's Ministry of Economy, Trade and Industry)*7. He was recognized for his work in establishing IEC63055 (a language that can be used universally between LSI, packages and boards), the design standard for IEC/TC91/WG13, and for promoting its application domestically and internationally.

*6 The IEC 1906 Award is given to experts on individual technical committees who have made significant contributions to the IEC and its efforts to standardize electrical and electronic technology.

*7 The Industrial Standardization Award is given to individuals and organizations that have contributed to the development and promotion of these standards.

External Recognition

Recognition by Rating Agencies

Received "AA" Rating in MSCI ESG Ratings

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

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



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Selected for S&P Sustainability Yearbook 2024

Advantest was selected for inclusion in the S&P Sustainability Yearbook 2024, which recognizes companies with ESG evaluation scores within the top 15% of their industries.



Advantest selected again as the highest-rated Supplier Engagement Leaderboard in CDP's Supplier Engagement Rating

Advantest was selected as the highest-rated Supplier Engagement Leaderboard in the Supplier Engagement Rating (SER) conducted by the international environmental non-profit organization CDP for the third consecutive year.

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



CDP is an international not-for-profit charity that runs a global disclosure system for investors, companies, nations, regions, and cities to manage their environmental impacts. CDP surveys companies and cities on their environmental protection practices for climate change, water source protection, forest preservation, and so on, and discloses the assessment results to investors.

Advantest earns Bronze Medal Sustainability Rating from EcoVadis

Advantest has been awarded the Bronze Medal in the Sustainability Rating by EcoVadis (headquartered in France), an internationally recognized sustainability ratings provider.

EcoVadis has comprehensively assessed more than 130,000 suppliers across 180 countries to date. Their sustainability assessment is based on four themes: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. Many global companies refer to this assessment as an important criterion in selecting their suppliers.



The Bronze Medal rating is awarded to companies that rank in the top 35% of the companies evaluated by EcoVadis' scoreboard, and we recently received a rating within the top 25% of companies in our industry, which led us to receive the Bronze Medal.

Inclusion in Investment Indexes

Selected as A Constituent Stock of DJSI Asia Pacific

Advantest was selected for the second consecutive year as a constituent stock of the Dow Jones Sustainability Asian Pacific Index (DJSI Asia Pacific) for 2023, which is operated by S&P Dow Jones Indices in the United States.

The Dow Jones Sustainability Indices (DJSI) are composed of companies selected for their excellent sustainability performance on both general and industry-specific criteria. Since their launch in 1999, the DJSI has been recognized worldwide as an important indicator of corporate sustainability performance.



Selected for FTSE4Good Index Series

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

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



[FTSE4Good Index Series](#)

Selected as A Constituent of the FTSE Blossom Japan Index

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

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



[FTSE Blossom Japan Index](#)

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

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

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



**FTSE Blossom
Japan Sector
Relative Index**

[FTSE Blossom Japan Sector Relative Index](#)

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

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

**2024 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX**

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

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Selected as Component of MSCI Japan ESG Select Leaders Index

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

**2024 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX**

The MSCI Japan ESG Select Leaders Index is an index representing the performance of companies with excellent ESG evaluations from among the constituents of the parent index (MSCI Japan IMI Index), with the overall target of 50% of the constituents in each GICS® industry classification.

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Selected for Inclusion in MSCI Japan Empowering Women Index (WIN)

Advantest was selected as a constituent of the MSCI Japan Empowering Women Index (WIN).

MSCI Japan Empowering Women Index (WIN) is constructed by Japanese companies that have excellent performance in gender diversity selected from each GICS® Sector of the parent index (MSCI Japan IMI Index).

2024 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

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

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

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



Selected as A Constituent Stock of the Morningstar Japan ex-REIT Gender Diversity Tilt Index

Advantest was selected as a constituent stock of the Morningstar Japan ex-REIT Gender Diversity Tilt Index (hereinafter, "Index").

The Index utilizes data and evaluation methodologies provided by Equileap and is designed to enable investors to assess and focus on companies with established gender diversity policies that are embedded in their corporate culture and are committed to equal opportunities for their employees regardless of gender.

Selected to be part of the SOMPO Sustainability Index

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

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



Recognition and awards for our activities

Advantest Named THE BEST Supplier of Chip Making Equipment and #1 ATE Supplier for 5th Consecutive Year from TechInsights

In the TechInsights Customer Satisfaction Survey, Advantest captured the No.1 spot of global semiconductor companies for the fifth consecutive year. The company was also named on the 10 BEST Suppliers list of large suppliers of test equipment for the 36th consecutive year.



The TechInsights Customer Satisfaction Survey is the industry's only available opportunity since 1988 to receive feedback from semiconductor manufacturers. It evaluates and ranks equipment suppliers among 14 categories based on three key factors: supplier performance, customer service, and product performance. The categories span a set of criteria including cost of ownership, quality of results, field engineering support, trust, and partnership.

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

Advantest has been recently recognized under the 2024 Certified Health & Productivity Management Outstanding Organizations Recognition Program, which is jointly implemented by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council), as one of the organizations in the large enterprise category. At the same time, METI has certified Advantest as one of the "White 500"--the top 500 corporations recognized under the program--for the fourth consecutive year. This year, as with last year, all seven of Advantest's domestic subsidiaries were certified.



Ever since the formulation of the Declaration of Health and Productivity Management Policy in September 2019, Advantest has been working together with domestic subsidiaries, health insurance unions, and labor unions to encourage employees to get health checkups, improve the adoption rate of specific health guidance, and implement mental health measures. In addition, the company has built up a portfolio of activities that directly affect the health of employees and their families, such as online diet and smoking cessation programs, exercise promotion using health promotion apps, and health literacy education.

Advantest actively promotes support programs for balancing work and private life by setting up days when all employees are encouraged not to work overtime and to take more paid leaves. We have acquired "Certification level 2 (two stars)" of the "Eruboshi" certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace in November 2020, and was also granted the "Kurumin"

certification based on the "Act on Advancement of Measures to Support Raising Next Generation Children" in October 2022.

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

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

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

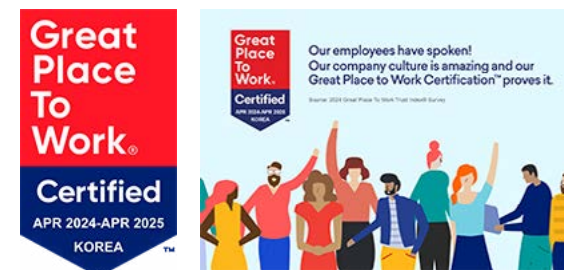
The award is by Great Place to Work®, a global survey institution, to evaluate the workplace culture of companies of various sizes in all industries. The companies are ranked on workplace culture based on credibility, respect, appreciation, team spirit, and unity between the company and its employees.

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



Advantest Korea Co., Ltd. receives certification as a "Great Place to Work®"

Following our Germany subsidiary, Advantest Korea Co., Ltd. also received certification as a "Great Place to Work®" in April 2024.



Advantest (China) Co., Ltd. received the "Outstanding ESG Practice Award" at the 2024-2025 China Healthiest Workplace Award

In July 2024, Advantest (China) Co., Ltd. (ATC) was awarded the "Outstanding ESG Practice Award" at the 2024-2025 China Healthiest Workplace Award hosted by Mercer China. The China Healthiest Workplace Award has been held since 2016 by Mercer, a global leading professional consulting firm specializing in human resources, employee health, and welfare. The event focuses on workplace health and aims to identify and honor outstanding employers who have created comprehensive, excellent health and well-being environments for their employees. 330 companies applied for the 2024-2025 China Healthiest Workplace Award, and the award-winning companies were selected through a screening process and presentations by the applying companies.



ATC successfully connected health promotion activities together with carbon footprint records and are making continuous efforts to construct a strong health working culture and wonderful working place.

The ATC Outstanding ESG Practice Award was given in recognition of ATC's continuous efforts and investment in occupational health to provide professional support on both physical and mental health with both online and offline solutions.

Environment

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Mitigation of Climate Change (Prevention of Global Warming)

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

Approach to Climate Change

Based on "The Advantest Way," Advantest continuously engages in long-term initiatives to alleviate and adapt to climate change in order to contribute to tackling important social challenges related to environmental issues.
For [disclosures related to climate change based on the TCFD Recommendations](#), please refer to "Risk Management" on the "Governance" page.

International initiatives and Advantest's efforts on climate change

As a mid/long-term climate change countermeasures target, Advantest has set a goal to reach net-zero Scope 1+2 GHG emissions by FY2050. In addition, we have set targets to reduce Scope 1+2 GHG emissions by 65% by FY2026 compared to FY2018.
Furthermore, Advantest has established Scope 3 GHG emissions reduction targets for FY 2030. However, in light of changes in the business environment, we are currently reviewing our Scope 3 targets and considering specific measures to achieve these targets.

Name of institution	Advantest's efforts
TCFD The Task Force on Climate-Related Financial Disclosures	As part of our efforts to ensure information disclosure, we analyze the impacts of climate change on business continuity as well as management risks and opportunities associated with laws and regulations based on the temperature increase scenarios outlined by the IPCC.
SBTi Science-based Targets Initiative	We formulate CO ₂ emissions reduction goals based on scientific insights and implement relevant measures as we work to achieve the goal of limiting temperature increases adopted in the Paris Agreement. In November 2021, Advantest obtained certification from the Science Based Targets initiative (SBTi), which recognized that Advantest's greenhouse gas reduction goals will contribute to achieving the target.(Scope1,2 : 1.5-degrees Celsius, Scope3 : 2-degrees Celsius) For the latest information on Scope 1, 2, and 3, please refer to " Environmental efforts on our products (Initiatives to Address Supply Chain Emissions) ".
RE100 Renewable Energy 100%	We formulate and implement plans for transitioning to renewable energy sources for the electricity consumed upstream and downstream in our business operations and in our supply chain.
CDP Carbon Disclosure Project	We proactively disclose information on initiatives for risks associated with climate change, such as the TCFD Recommendations, SBTi, and RE100. In the Climate Change Report 2023, Advantest received a score of B and was selected as the highest-rated Supplier Engagement Leaderboard in the Supplier Engagement Rating (SER).
IPCC Intergovernmental Panel on Climate Change	The IPCC is an intergovernmental organization established by the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP). With the contributions of scientists from all over the world, it regularly produces reports and provides evaluations of the latest scientific findings on climate change. Advantest also leverages these evaluation reports and scenarios published by the IPCC as a basis for analysis of physical and transition risks.
The Paris Agreement (COP21)	An international agreement adopted in 2015 with the goal of limiting the global average increase in temperature to 1.5-degrees Celsius, a level that is well below 2-degrees Celsius, compared to pre-industrial levels.

Initiatives Through Industry Groups

Japan Climate Initiative

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

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

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

Semiconductor Climate Consortium

The Semiconductor Climate Consortium (SCC) is a consortium established by the Semiconductor Equipment and Materials International (SEMI) to speed industry value chain efforts to reduce greenhouse gas emissions from the semiconductor ecosystem. Advantest joined the SCC, as one of the founding members, bolstering climate change measures along with member companies to achieve the 1.5-degrees Celsius target.



[Involvement with External Initiatives](#)

Environmental Management

Advantest has formulated the Sustainability Action Plan 2024-2026 to aim for the sustainability of the company and society through the enhancement of sustainability initiatives. The action plan's specific targets and indicator settings are based on international standards, such as those for climate change countermeasures. The results are reported to and discussed with the Sustainable Management Promotion Working Group twice a year. The Working Group will then report them to the Executive Management Committee and the Board of Directors in accordance with the Sustainability Policy, and discussed as part of our sustainability strategy. We use the ISO14001 management system as a tool to track our progress toward these goals.

For more information on international standards for climate change countermeasures, please refer to ["Approach to Climate Change"](#).



Acquisition of ISO14001 Certification

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

ISO14001 as an important management tool that serves as a driving axis for our sustainability initiatives and a cycle for checking its progress. We intend to maximize its use as an international standard that can be widely utilized in Japan and our overseas locations.

Acquisition of ISO14001 certification



As of June 28, 2024

Company	(Base)	First acquisition of ISO14001 certification
ADVANTEST CORPORATION (Including business affiliates)		1998/4
	Head Office	
	Sendai Laboratory	
	Gunma R&D Center	
	Saitama R&D Center	
	Kitakyushu R&D Center	
	Gunma Factory	
Advantest America, Inc.		2008/10
	San Jose, U.S.A.	
Advantest Test Solutions, Inc.		
	Lake Forest, U.S.A.	
Advantest Europe GmbH		2008/4
	Munich, Germany	
	Amerang, Germany	
	Boeblingen, Germany	
Advantest (Singapore) Pte. Ltd.		2008/6
Advantest (M) Sdn. Bhd. (Penang - Malaysia)		2008/9
Advantest Korea Co., Ltd.		2008/7
Advantest Taiwan Inc.		2006/12
Advantest (China) Co., Ltd.		2008/5
	Shanghai, China	
	Beijing, China	
	Xi'an, China	
Advantest (Suzhou) Co., Ltd.		
	Suzhou, China	
	Shanghai, China	



Bureau Veritas Certification (copy)

Advantest Corporation ISO14001 certifications scope

As of June 28, 2024

Applicable standards	ISO14001:2015
Certification number	15841998
Certification scope	Research, development, design, manufacture and services of semiconductor and component test systems and mechatronics systems
Certifying body	Bureau Veritas Certification Holding SAS
Date of first certification	April 21, 1998
Date of integrated certification	Integrated as Advantest Group as of December 8, 2000.
Applicable business locations	Head Office, Sendai Laboratory, Gunma R&D Center, Saitama R&D Center, Kitakyushu R&D Center, Gunma Factory (Including each business affiliate)

Addition of S (Society) and G (Governance) targets to ISO14001 Management Targets

At the ESG Global Meeting, a measure to achieve the ESG Action Plan (at that time) using the ISO14001 Management Program mechanism was proposed, given that ISO14001 is an existing mechanism involving the PDCA cycle and has already been in operation at major sites. We decided to expand the scope of management not only for E (Environment) but also to S (Society) and G (Governance). Taking this opportunity, the scope of management by ISO14001 has expanded to the U.S. and in Japan in FY2023. We will make maximum use of ISO14001 management targets to enhance our sustainability initiatives.

* S and G targets are not subject to ISO14001:2015 certification audit.

Adoption of ISO14001in the U.S.

America, Inc. (AAI) updated its ISO14001 program and integrated it into its ESG program. At the same time, AAI expanded the scope of application of ISO14001 to all its manufacturing locations, and these locations have launched environmental initiatives.

Adoption of ISO14001 in Japan

In expanding the scope of ISO14001management program to ESG, we have devised a method for setting our goals. While environmental target themes are attributed to "Significant Environmental Aspects," S and G target themes are attributed to higher-level targets. We have also improved the process so that the ESG action plan (at that time) at the corporate level is firmly incorporated into unit strategies at the unit level and management programs at the division level.

Specifically, a joint briefing session was held with outside experts, followed by a goal-setting meeting with each department. The external experts and the ESG leader of the Sustainable Management Working Group (SMWG) also attended the meeting to review and discuss the targets, and the meeting, which had become a mere formality, was transformed into a forum for communication. As a result, in FY2024, 70% of all ESG management program departmental targets were attributed to higher-level targets.



Examples of Targets and their Attributed Strategies

	Sustainability Action Plan	Unit ESG Strategy	ESG Management Program
E	GHG emissions reduction as covered in Scopes 1 and 2	Low power consumption design	Promote green design so that environmental assessment results for new products are at least 90 points above the eco-label standard
S	Fostering and instilling an attractive corporate culture	Revitalization of communication	Hold an exchange meeting with other departments once a quarter
G	Strengthening internal control	Compliance for product safety	Blend the requirements of regulations/laws of each country into the design and achieve zero violations per year

Environmental Policy Based on ISO14001 Standard Requirements

Advantest has established our environmental policies as an entire group and promotes environmental conservation in view of realizing a sustainable society. Based on the Sustainability Policy, Advantest continuously makes efforts to set long-term goals for environmental priority issues through our business. We have clarified KPIs for the three-year period of our third mid-term management plan (MTP3) (2024 to 2026), with the goal of contributing to the climate change mitigation and a decarbonized society.

Please refer to "[Materiality and ESG Action Plan](#)" and "[Our Activities](#)" for the Sustainability Action Plan (formerly ESG Action Plan) and fiscal 2023 results, respectively.

Environmental policies of the Advantest Group

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

1. Promoting Environmental Management

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

2. Reduction of Customers' Environmental Burden

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

3. Better Workplace Procedures

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

4. Environmental Protection and Sustainable Use of Resources

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

5. Complying with Environmental Laws and Regulations and Preventing

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

Revision of the Environmental Policy

The Group CEO shows his firm commitment to the Advantest Group Environmental Policy.

In addition, the policy is reviewed when any of the following events occur, and in principle, the details of the changes are deliberated and decided by the Executive Management Committee before being disclosed internally and externally.

- When there is a significant change in the environmental impact of our products, activities, or services
- When the ISO 14001 standard is revised and differences from the requirements of the standard arise
- When there is a change of the Group CEO

Environmental Education (ESG Education)

In Advantest, education is being addressed within the larger framework of ESG promotion as well as the environment since 2022. In FY2023, it became one component of the Global Compliance Education Program (GCEP), which is a basic education program common to all Group companies.

For details of GCEP, please refer to "[Compliance Education](#)".

Basic Stance on ESG Education

The Advantest Group believes that it is essential for our employees to understand ESG issues in view of realizing a sustainable society. We promote global awareness-raising activities while holding the following two matters in mind.

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

The Advantest Group addresses "1" not only by providing environmental education but also in terms of ESG education in general and "2" by using our in-house social networking platform, "My LIFE. ON.", to provide a place for sharing individual employees' efforts.

Major Environmental Education Programs

We use the ISO14001 standard to promote our efforts to reduce the environmental impact. For details on ISO14001, please refer to "[Environmental Management](#)".

Program name	Educational Contents
Training for new employees	Education for new employees on the Advantest Group's approach to ESG
ESG Education	Understanding of "sustainability through promotion of ESG" as stipulated in the Second Mid-Term Management Plan as a basic education that should be understood by the entire Advantest Group, and the Advantest Group's environmental policy, as well as general ISO14001 environmental education
General ISO14001 environmental education	Country-specific education as part of ISO14001 general environmental education
Management of chemical substances	Education on the handling and safety management of chemical substances
Capability training for specific tasks	Education to maintain and improve the skills that are needed by those engaged in specific tasks such as energy management, pollution control and waste management

ESG Education (e-learning)

ESG educational materials are created in video format and are available in 16 languages. The video provides a basic understanding of ESG and sustainability initiatives in an easy-to-understand manner using animations and voice-over, allowing employees to understand ESG and experience a hands-on fun learning. We achieved 99.7% attendance rate in FY2023.



ESG Education Video

Environment	Includes general environmental education as an element of ISO14001, and covers the five activities based on the Advantest Group's environmental policy. We also promote environmental awareness through understanding of the SDGs and global warming.
Society	Explains Advantest's relationship with various stakeholders, as well as diversity and social issues in the entire supply chain.
Governance	Risk management and compliance adherence are also covered in this area, explaining how addressing ESG as a company enhances corporate value from a long-term perspective.

Participation in General Environmental Education for fiscal 2023

	Target employees	Number of participants	Participation ratio (%)
Japan	2,805	2,791	99.5
Overseas	4,079	4,073	99.9
Overall	6,884	6,864	99.7

Other ESG Educational Activities

Usage of The Interactive Digital Globe

We purchased an interactive digital globe, that reflects real-time Earth data, and installed it in our Gunma R&D Center, our research and development base. This tool, which allows us to learn about global temperature changes and the past, present, and future of the Earth, is used to promote environmental education on a global scale.

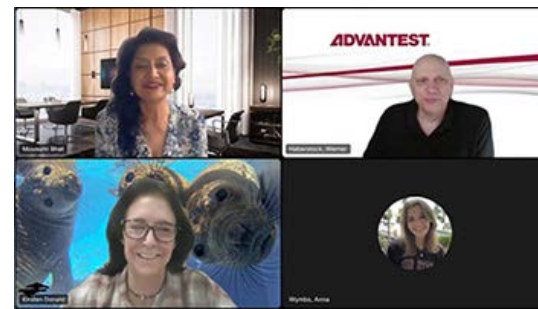
For details, please refer to "[Developing the Next Generation](#)" under "Examples of Social Contribution Activities".



Interactive digital globe

Online Earth Day Event in 2024

In the U.S., we hosted an online Earth Day event for our employees, as we did last year. The event provided a good opportunity for many employees to raise their awareness of environmental conservation, with the Marine Mammal Center, an NGO which rescues, researches, and conserves marine animals, introducing ocean conservation through marine animal rehabilitation, and the SEMI Climate Consortium explaining the semiconductor industry's environmental initiatives.



Speakers at online event

World Environment Day and World Oceans Day Commemorative Events

Employees in Singapore, Malaysia, the Philippines, and Thailand jointly held an online discussion on ESG in July 2023 to commemorate World Environment Day and World Oceans Day. Approximately 160 employees participated in the event, enjoying a quiz and learning more about the environment and oceans. Participants also contributed to removing plastic pollution by challenging themselves to live plastic-free for a week.



Employees who participated in the plastic free challenge

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

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

Establishment of a Global Promotion System

The Advantest Group has built a global system to encourage employee participation. Together with SDG promotion members at eight global locations, many employees use the in-house SNS as a place to introduce and share their activities in the community.



In fiscal 2023, employees worldwide continued to implement a variety of social contribution activities and shared them on My LIFE.ON. In Japan, "Aim for Zero Garbage!" My LIFE.ON. posting event was held to commemorate the Environment Month in June. Employees posted many unique ideas for reducing waste, such as "I used reusable tableware" and "I bring my own bottle to work".



Post on the use of reusable tableware

We also received many posts from our employees in China about their contributions for forest conservation. Japanese employees post in Japanese, while Chinese employees post in English and/or Chinese. My LIFE.ON. is a unique global exchange platform, which enables us to share information about our contribution activities in multiple languages.



Post submitted in Chinese by an employee in China

Besides the above, other active contributions to society, such as one by an employee who participated in a hair donation program, donating her two-year long hair to help provide medical wigs to children experiencing hair loss due to illness, and another by an employee who achieved 100 blood donations, and receiving a commemorative gift from the Japanese Red Cross Society for his proud 100th milestone, were well received.



Submitted post regarding
the 100th blood donation



Submitted post regarding
the hair donation program

Environmental efforts on our products

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

Green Products

Basic Stance

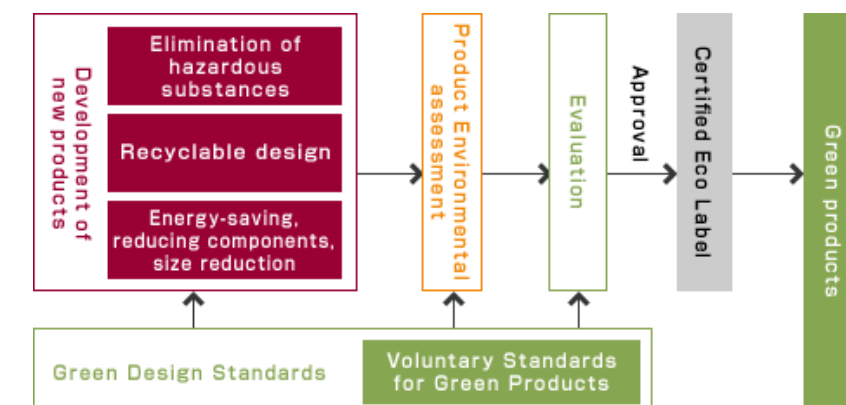
Contributing to the sustainable development of society and conducting environmentally friendly business operations are essential issues that need to be addressed in modern business management. The Advantest Group works to develop products from the perspective of environmental conservation while prioritizing high precision and high quality, and certifies as green products those products that are environmentally friendly in terms of the three key aspects of energy and resource saving, improving recyclability, and elimination of hazardous substances. There is demand in society for the supply of green products because they provide both a reduction in the environmental footprint and an improvement in economic value. The Advantest Group has been promoting business activities based on the belief that providing green products will be in response to these demands and beneficial for its customers since 2005.

Development Flow of Green Products

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

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

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



Development flow of green products

Advantest Group Eco Label

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

Energy and Resource Saving

Voluntary Standards
Energy saving design
Reducing component design
Size reduction design



Recyclable Design

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

Elimination of hazardous substances (Green Procurement)

Voluntary Standards
Improved rates of green procurement
Elimination of banned substances

Energy and Resource Saving

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

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

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

Note: The above reduction ratios are values based on performance computation.

Recyclable Design

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

Elimination of Hazardous Substances (Green Procurement)

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

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

Green Products Certified During Fiscal 2023

In fiscal 2023, a total of five products related to semiconductor test systems, test handlers, and electronic measurement and medical equipment were certified as green products.

Product Recycling

Advantest has been recycling products through Advantest Pre-Owned Solutions Co., Ltd. (APO), our affiliate. We work with the Field Service Group to respond to a variety of customer requests, with the support for products that have been shipped to the market at the core, until the shipped products are no longer in use. Recycling is one solution that we provide for customer inquiries for products they no longer need. Currently, recycling is a domestic Japan-only solution, but we will continue consider its global applications and expand our activities.

Basic Stance

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

Recycling policy

1. Achieve 100% collection of recyclables through manual dismantling.
2. Clarify to whom recycling is to be commissioned, and ensure traceability.
3. Promote the conservation of the global environment in collaboration with customers.
4. Properly dispose of harmful substances.
(Hazardous substances: mercury relay, ion type smoke detector, internal cooling water, and Fluorinert)

Efforts to Eliminate Plastic

For more than 15 years, Advantest Gunma Factory has used reinforced cardboard packaging to transport our products, such as test systems, contributing to the elimination of plastics and the reduction of waste. In addition, reinforced cardboards are also used for the pallets on which the products are mounted, thus achieving a reduction in plastics.

The cardboard boxes are manufactured in appropriate sizes with the cooperation of our cardboard suppliers, which serve vital roles in providing safe and efficient deliveries. Moreover, the cardboard boxes are about half the weight of the wooden boxes used in the past, not only contributing to reducing CO₂ emissions during product delivery but also reducing the burden on employees since they are not just easy to pack, but are also easy to unpack at the shipping destination. A single cardboard packaging material is used only once for transporting a single product, and is recycled based on the rules of the customer.

Recycling Results for Fiscal 2023

The following is a list of our achievements in resource recycling, as requested by our customers.

For details of our 3R activities, please refer to "[Customers' Contribution to 3R](#)".

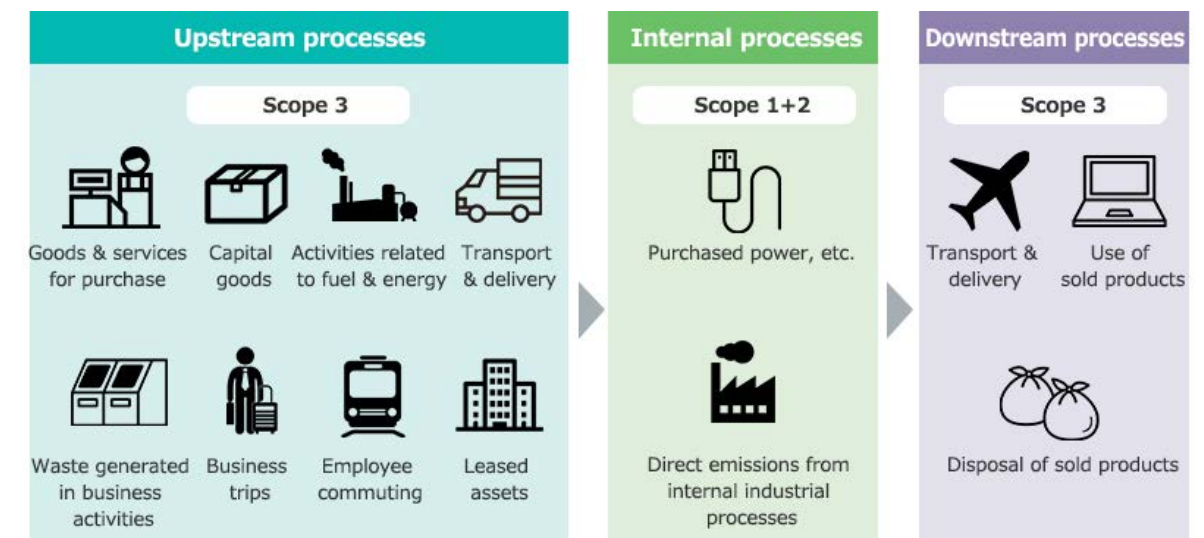
Year and month of processing	Number of units processed	Gross weight (kg)
April 2023	24	27,460
August 2023	10	32,040
October 2023	1	3,080
December 2023	18	15,460
Total	53	78,040



Product recycling flow in practice

Initiatives to Address Supply Chain Emissions

Efforts by individual companies alone to address climate change will have only a limited effect, which prompts us to engage in initiatives involving the entire supply chain and industry associations. The Advantest Group will proactively work to reduce our environmental footprint over the medium to long term through our supply chain in order to achieve our GHG (Green House Gas) emissions reduction targets.



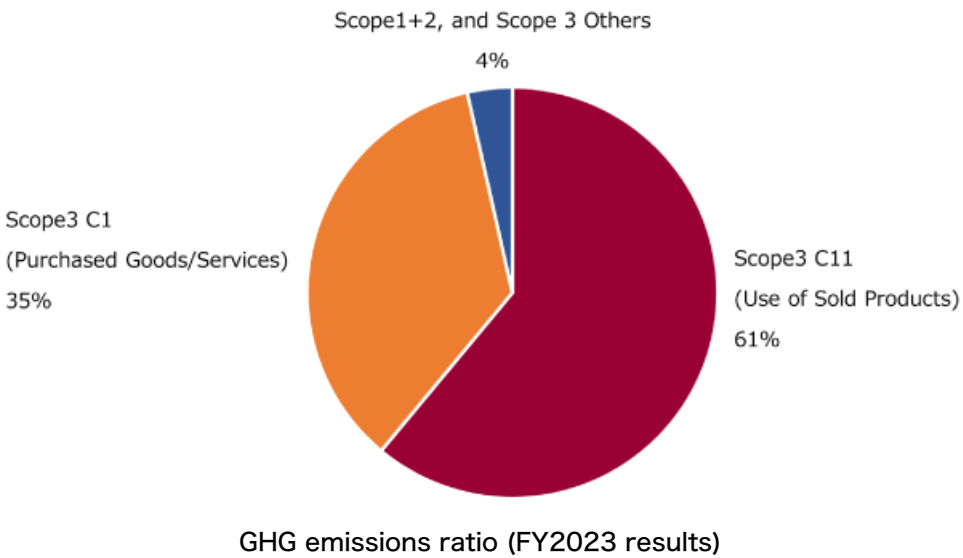
Emissions throughout the supply chain

Supply chain emissions = Scope 1, 2 and 3 emissions

Task Force to Promote Supply Chain Emissions Reduction Activities

We have established a task force in FY2021 to promote supply chain emission reduction activities and have been working on these activities throughout our supply chain ever since to achieve the SBTi certification targets for Scope 1 + 2, 3.

In our entire supply chain, Scope 3 "Category 1 (C1): Purchased goods/services" and "Category 11 (C11): Usage of products" account for the majority of GHG emissions. In addition to our own Scope 1+2 emissions reduction, reduction in Scope 3 "Category 1 (C1): Purchased goods/services" and "Category 11 (C11): Usage of products" represent a significant challenge for us.



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

ESG Action Plan 2021-2023						
Key Issue	Objective	KPI		2021	2022	2023
Value chain (Scope3)	Reduce CO ₂ -equivalent emissions (basic unit) per test by 50% by 2030	Reduction rate in basic units (vs. FY2018)	Target	Set basic unit calculation definition		20%
			Result	Set basic unit calculation definition	Defined basic unit calculation definition	Targets under review

Sustainability Action Plan					
Stakeholder	Key Issue	Objective	Executive in charge(*1)	KPI	Target (FY2026)
Customer	Climate change mitigation / Environmental impact reduction	Improving the environmental performance of our products	CTO	Development of power optimization products	To be determined during FY2024

Task Force 1 will collaborate with our R&D departments worldwide to promote the reduction of GHG emissions. As for the targets set in the ESG Action Plan 2021-2023, we have determined that it is difficult to calculate the reduction rate on a per-unit basis, therefore, we have revised the targets and set a new Sustainability Action Plan with the goal of improving the environmental performance of our products. We will develop power optimization products and contribute to GHG reduction through product development.

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

ESG Action Plan 2021-2023						
Key Issue	Objective	KPI		2021	2022	2023
Value chain (Scope3)	Promote the use of renewable energy by suppliers and contractors	Number of suppliers who use renewable energy	Target	10	20	40
			Result	12	22	40

Sustainability Action Plan					
Stakeholder	Key Issue	Objective	Executive in charge(*1)	KPI	Target (FY2026)
Suppliers	GHG emission reduction (Scope 3)	Supply chain decarbonization	CSCO	Percentage of designated business partners that have introduced renewable energy sources(*2)	60%

Task Force 2 will work with the procurement department to support the reduction of GHG emissions by promoting the use of renewable energy among our suppliers. We have achieved the goals set forth in our ESG Action Plan 2021-2023 and have introduced renewable energy to 40 of our suppliers in FY2023. In our Sustainability Action Plan, we will continue our activities with the goal of decarbonizing our supply chain. We conduct an annual "Supply Chain CSR Survey" among our major suppliers, to which we have added questions on the implementation status of renewable energy and greenhouse gas emissions since FY2021, thereby enhancing the questionnaire on our suppliers' climate change initiatives. Through this questionnaire, we have ascertained the status of suppliers' introduction of renewable energy and provided individual feedback based on analysis and evaluation of the survey results. By means of these activities, we will promote suppliers' use of renewable energy by gaining their understanding of the necessity and importance of reducing greenhouse gas emissions. In addition, in Scope 3 Category 1 (purchased goods/services), the challenge is to break away from the method of calculating GHG emissions, which increases in proportion to the purchase price. We will consider promoting reductions by establishing a calculation method in which the Scopes 1, 2, and 3 values of our suppliers are reflected in the GHG emissions of Scope 3 Category 1 (purchased goods/ services), and by requesting suppliers' cooperation in reducing GHG emissions as listed under Scopes 1, 2, and 3.

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

Task Force 3 will work together with the sales department to promote the reduction of GHG emissions through collaboration with our customers. Through dialogue with our customers, we shared their requirements and expectations for Advantest as their supplier of suppliers as well as their policies and goals regarding climate change. While considering our desires and expectations for their suppliers, we will distill and incorporate them into the roles we ought to play and the issues we ought to tackle through our strategies, and will reflect them in our ESG activities. We will also aim to understand our customers' climate change policies and targets, and contribute to reduction through collaboration with our customers as a member of the supply chain. In addition, in Scope 3 Category 11 (use of sold products), the challenge is to break away from the calculation method of CO₂ emissions that increases in proportion to the number of units sold. We will consider promoting reductions by establishing a calculation method that reflects customers' renewable energy values in Scope 3 Category 11 (use of sold products) and by requesting cooperation in increasing customers' renewable energy installation rates.

(4) Task Force 4: Reduction of CO₂ Emissions in Business Activities (Scope1+2)

ESG Action Plan 2021-2023

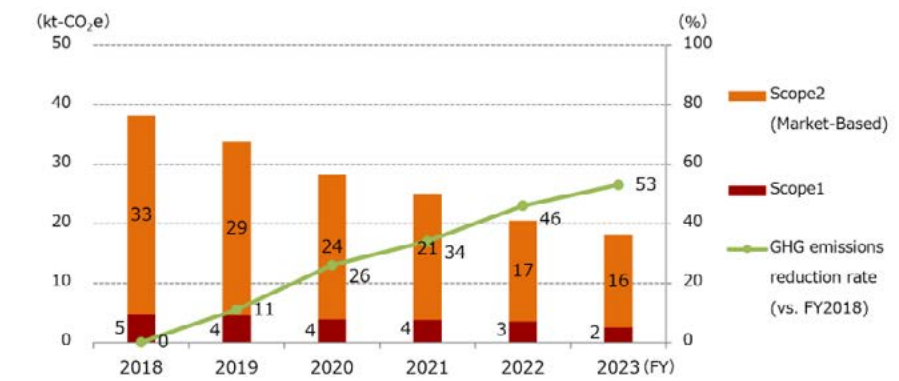
Key Issue	Objective	KPI		2021	2022	2023
Climate change (Scope1+2)	Reduce GHG emissions from business activities by 60% (vs. FY2018)	GHG emissions reduction amount/rate	Target	35%	38%	40%
			Result	34%	46%	53%
	Raise renewable energy usage to 70% by 2030, Group-wide	Coverage rate by renewable energy	Target	50%	53%	55%
			Result	54%	63%	65%

Sustainability Action Plan

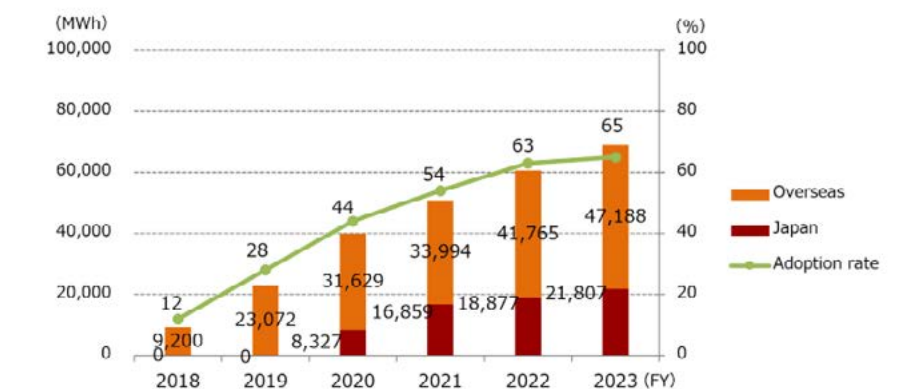
Stakeholder	Key Issue	Objective	Executive in charge ^(*)	KPI	Target (FY2026)
Global environment	GHG emission reduction (Scope 1+2)	Reduction of GHG emissions in Scope 1+2	CSO	GHG emission reduction rate ^(*)	65% (compared to FY2018)
		Introduction of renewable energy	CSO	Renewable energy introduction rate	80%

Task Force 4 aims to reduce GHG emissions from our business activities through the introduction of energy-saving equipment and renewable energy. We have achieved the goals set forth in the ESG Action Plan 2021-2023, achieving a GHG emissions reduction rate of 53% and a renewable energy adoption rate of 65% in FY2023. In our Sustainability Action Plan, we will continue our activities to further raise our previous targets, setting the goals of reducing GHG emissions in Scope 1+2 and introducing renewable energy. In order to

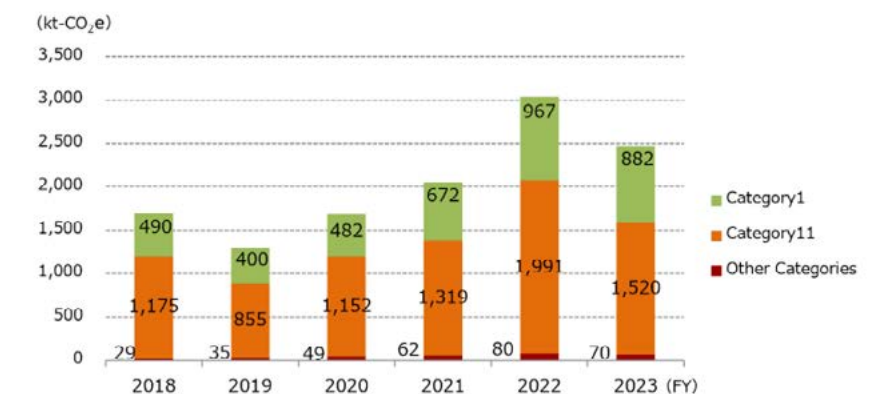
further reduce emissions going forward, we will be expected to introduce more renewable energy, however, the challenge is to introduce renewable energy in regions such as South Korea, Taiwan, and Singapore, where renewable energy supply is inherently limited and difficult to purchase. Through RE100 initiatives, of which we are a member, we expect to encourage governments to increase the supply of renewable energy, while we continue to survey the status of renewable energy in each country to find clues to promote the introduction of renewable energy.



GHG emissions and reduction rate over time (Scope 1+2)



Renewable energy volume and renewable energy introduction rate over time



GHG emissions (Scope 3)

(*1) The list of executives in charge is as described in "Item4 Status of the Company 4. Corporate Governance (2) Directors 1) List of Directors" of the Annual Securities Report.

(*2) Tier 1 suppliers, which represent the top 85% of suppliers in terms of transaction value, are defined as our designated business partners.

Climate change initiatives at our domestic locations

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

From 2021, 100% of the electricity used at the Gunma Factory is powered by renewable energy sources. Generated by the hydroelectricity facilities on the factory premises, this CO₂-emissions-free renewable energy is produced and consumed locally. The electricity fees for the environmental added value (the increase in fees) will be utilized in future creation initiatives by Gunma Prefecture.



Climate change initiatives at our overseas locations

Sites with renewable energy installations

In an effort to reduce environmental impacts associated with electricity use, Advantest America, Inc. (AAI) has purchased Green Electricity Certificates for wind power generation since 2012. AAI sources approximately 90% of its electricity from renewable energy sources. Furthermore, in 2012, AAI joined the Green Power Partnership of the United States Environmental Protection Agency (EPA), which is an initiative to promote renewable energy, and has contributed to expansion of green electricity.



Tradable Green Certificate
(United States)

Advantest Europe GmbH (AEG) has been implementing renewable energy since 2019. AEG has introduced renewable energy sources such as solar power generation, and sourced approximately 100% of its electricity used from renewable energy sources ever since.



Tradable Green Certificate
(Germany)

Advantest (China) Co., Ltd. (ATC) has been implementing renewable energy since 2022. ATC has purchased a Green Electricity Certificate for solar power generation, and sourced 100% of its electricity used at the business sites from renewable energy sources.



Tradable Green Certificate
(China)

Recycling Resources

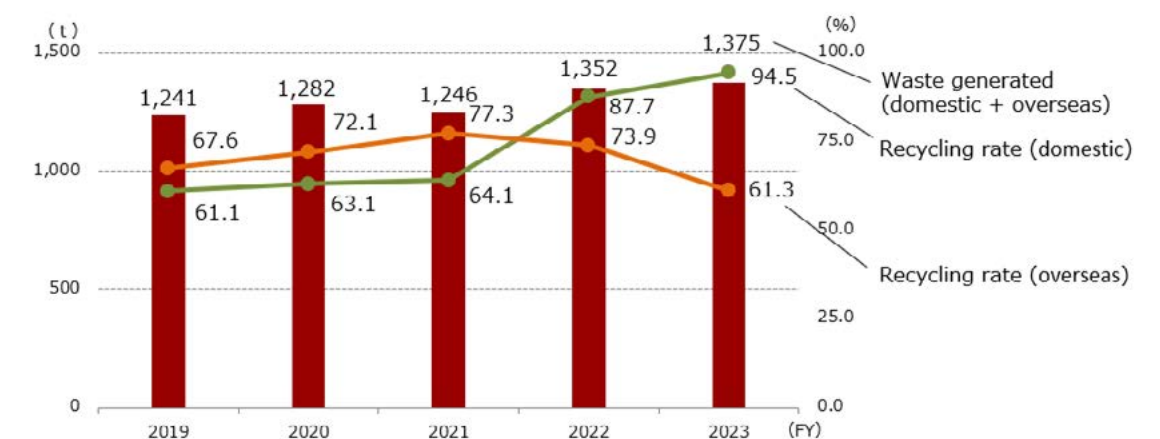
The Advantest Group pursues operations encompassing the "3Rs" (reduce, reuse, and recycle) with the aim of realizing a recycling society.

Waste recycle initiatives

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

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

Trend in waste generated and recycling rate



Data range for tabulation: Advantest Group data

* The amount of waste generated, and the amount of waste recycled in Japan were calculated excluding valuable materials.

* We found, through an inquiry to a waste disposal contractor, that some generated waste which had been allocated to the recycled quantity was not in fact recycled. We have recalculated and restated the past figures accordingly.

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

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

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

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

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



Notebooks made from
recycled paper



Operating the recycled
paper manufacturing
machine

Proper Disposal of Waste Plastics and Material Recycling

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

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

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

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

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



Proper Disposal of Equipment Containing PCB

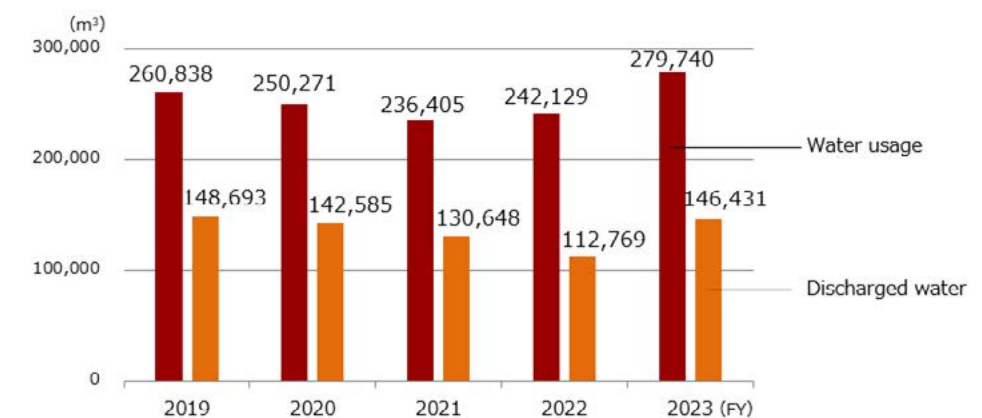
Advantest owned three capacitors, fluorescent lights, and stabilizers that contained polychlorinated biphenyls (PCBs), but all pieces of the equipment that contained PCBs were properly disposed of during FY2017.

Effective Use of Water Resources

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

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

Trend in water usage/discharged water



Data range for tabulation: Advantest Group data

Initiatives on Environmental Risk Management

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

Management of Legal Compliance Regarding Environmental Impacts

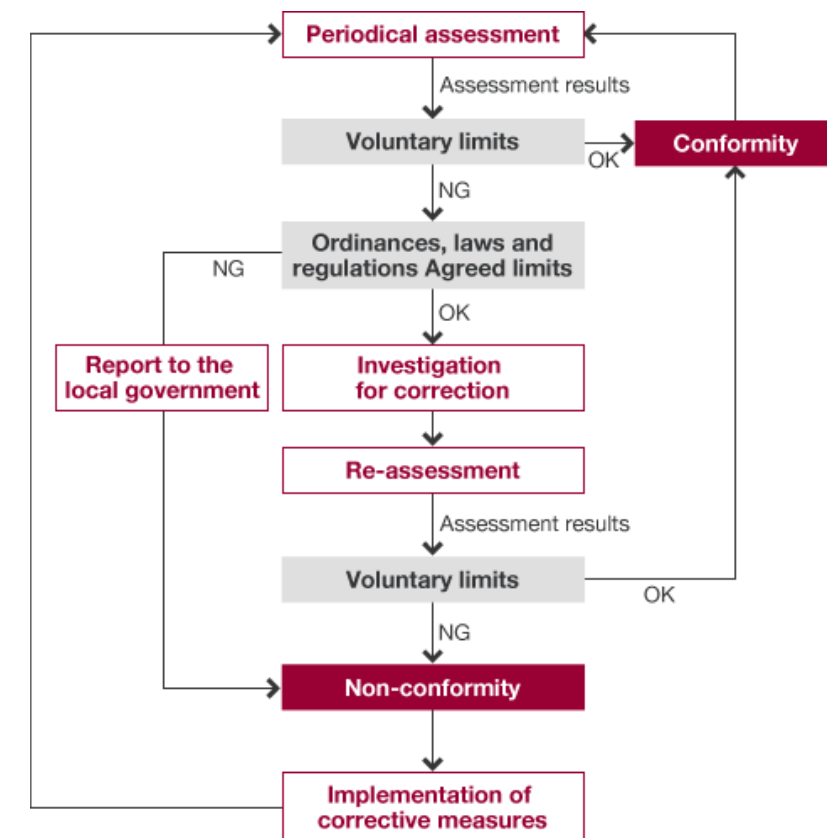
Basic Policy for Environmental Risk Management

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

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

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

Compliance management at business sites



In fiscal 2023, there were two cases which exceeded our voluntary standards for water quality. The two cases were restored to within the standard values as a result of immediate corrective measures. There were no cases which exceed our voluntary standards for air quality.

Items	Boundary	FY2019	FY2020	FY2021	FY2022	FY2023
Emissions into the atmosphere	Japan	0	0	0	0	0
Waste water to water area	Japan	0	0	0	0	2

Management of Chemical Substances

Basic Policy for Chemical Substance Management

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

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

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

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

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

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

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

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



Strict chemical controls



Controls applied to each and every container

Chemical substance control ranks

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

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

Efforts to Address PFAS

Efforts to Eliminate PFAS Coolant in New Products

Advantest has set the "development of products that are free from polluting substances" as one of the goals of the ESG Action Plan. We upheld the total abolition of PFAS coolant by fiscal 2030 as our KPI, and instead adopt water as the coolant to be used in next-generation testers. In fiscal 2022, we confirmed the cooling performance and durability of the indirect cooling technology using water. New products incorporating this technology are scheduled to be shipped from fiscal 2024.

The Challenges of Supplying PFAS Cooling Fluid

While we aim to eliminate PFAS cooling fluid, we are tasked to address the challenges of supplying PFAS cooling fluid for our current models.

To this end, the following measures continue to be taken by working cross-sectionally throughout the organization.

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

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

Efforts to Monitor Emissions

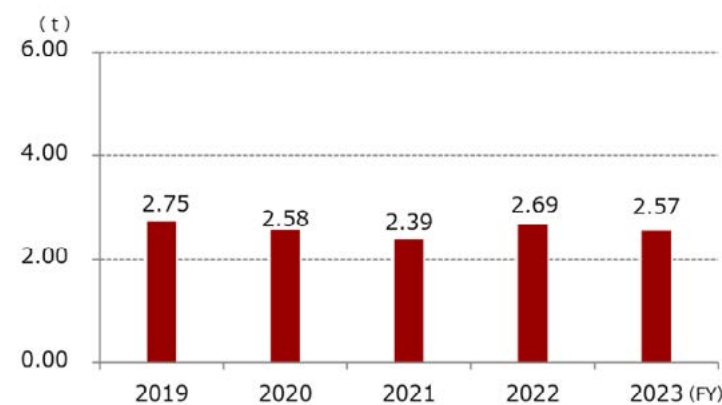
Efforts to Reduce VOC (Volatile Organic Compounds) Emissions

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

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

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

VOC data



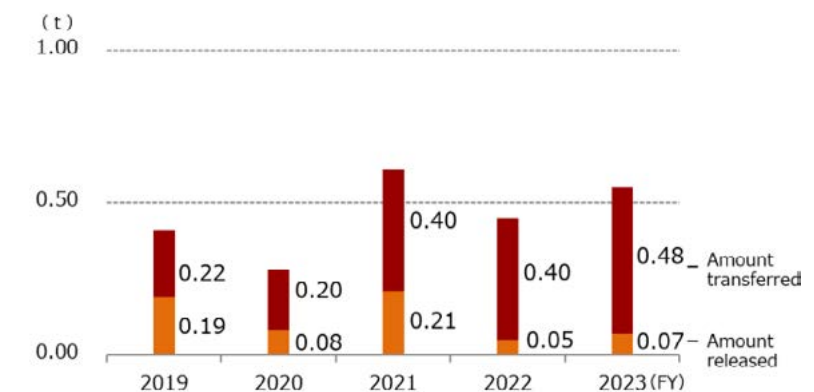
Data range for tabulation: Advantest Group (Japan) data

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

PRTR Report

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

PRTR data



Data range for tabulation: Advantest Group (Japan) data

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

Implementation of General and Specialist Chemical Substance e-learning Education

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

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

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

In fiscal 2023 we conducted general education for all new employees in Japan and specialist training for 271 employees who handle chemical substances.



Materials used in training on chemical substances

Content

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

Involving Our Business Partners

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

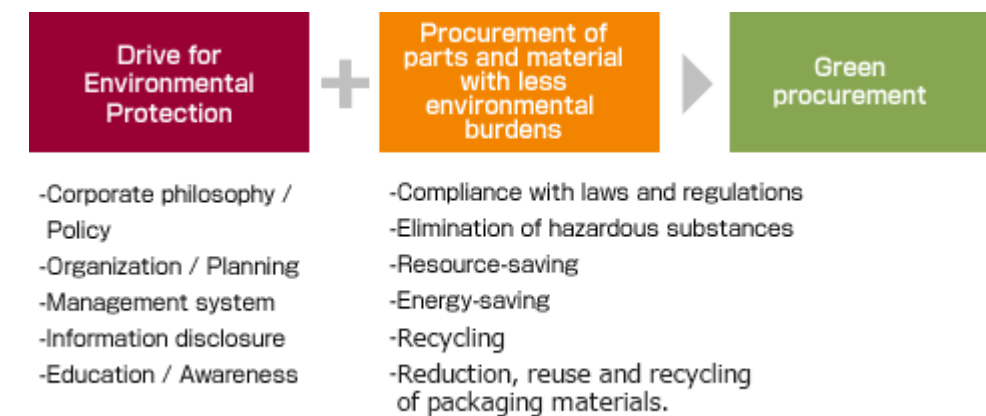
At Advantest we are striving to eliminate hazardous substances across our manufacturing activities including suppliers of components and assembly and processing partner companies, and wish to connect this to the development of green products. We engage in communication with our business partners, and formulated the Advantest Green Procurement Guidelines in fiscal 2002 to facilitate this process. We operate according to these guidelines in order to give consideration to the environmental aspects in addition to quality, cost, and delivery throughout the whole process of production, including the purchasing of components and materials that are used for our products. Changes to the guidelines, if any, are notified to our suppliers via the electronic transaction and technical information exchange system (portal site) seeking for their cooperation.

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

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

* The GSE provides Advantest's general requirements for restricting or prohibiting certain substances as constituents of parts, components, and materials in products and packaging purchased by Advantest worldwide, including specific reporting and labeling requirements.

The Principles of the Green Procurement



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

Component Registration in Green Procurement

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

Banned and Restricted Substances

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

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

Survey of Suppliers on Hazardous Substances

Starting with the RoHS Directive, there have recently been additions and revisions of electrical and electronic regulations. On February 6, 2023, Advantest, in line with the revised IEC62474, revised its questionnaire on hazardous substances and informed our business partners.

Compliance with the Environmental Regulations in Each Country

In complying with environmental laws and regulations, the Advantest Group is working towards eliminating the use of hazardous materials while also pursuing environmental conservation efforts that involve reducing the consumption of energy and resources. More specifically, we have been working with our suppliers since the autumn 2003 on initiatives to investigate and eliminate the use of restricted hazardous materials. We are in compliance with the European RoHS Directive*.

Collaboration with Overseas Subsidiaries

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

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

Chemical Substances Contained in Product

EU-RoHS

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

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

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

China RoHS

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

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

REACH Regulation

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

Advantest products may contain the following SVHC:

- Diarsenic pentaoxide
- Diarsenic trioxide
- Boric acid
- Hexavalent chromium compound
- Disodium tetraborate, anhydrous
- Lead chromate
- Bis (2-ethylhexyl) phthalate (DEHP)
- Dibutyl phthalate (DBP)
- Butyl benzyl phthalate (BBP)
- Diisobutyl phthalate (DIBP)
- 1,2-Benzenedicarboxylic acid, di-C7-11-branched and linear alkyl esters (DHNUP)
- Zirconia aluminosilicate, refractory ceramic fibers
- Trixylyl phosphate (2-chloroethyl) (TCEP)
- 4- (1,1,3,3-tetramethylbutyl) phenol
- Bis (2-ethylhexyl) phthalate (DEHP)
- Sulfurous acid, lead salt, dibasic
- 1,2-dimethoxyethane; ethylene glycol dimethyl ether (EGDME)
- Pentalead tetraoxide sulphate
- Boric anhydride
- N,N-dimethylformamide
- Diisopentyl phthalate (DIPP)

- N-pentyl-isipentyl phthalate
- Lead titanate, lead titanium trioxide
- Lead titanate zirconate
- Lead oxide sulfate
- (Phthalato (2-))dioxotrilead
- Di-n-hexyl phthalate (DnHP)
- Methylhexahydrophthalic anhydride
- Cadmium
- Cadmium oxide
- Dipentyl phthalate (DPP)
- 4-Nonylphenol, branched and linear, ethoxylated
- Cadmium sulfide
- Trixylenyl phosphate
- Imidazolidine-2-thione, 2-imidazoline-2-thiol
- 10-ethyl-4,4-dioctyl-7-oxo-8-oxa-3,5-dithia-4-stannatetradecanoic acid 2-ethylhexyl (DOTE)
- 2-(2H-benzotriazol-2-yl)-4,6-di-tert-pentylphenol (UV-328)
- 1,2-benzenedicarboxylic acid, di-C6-10-alkyl esters, mixed decyl and hexyl and octyl diesters
- Benzo[def]chrysene (Benzo[a]pyrene)
- Dicyclohexyl phthalate (DCHP)
- 4,4'-isopropylidenediphenol (BPA)
- 1,6,7,8,9,14,15,16,17,17,18,18Dodecachloropentacyclo[12.2.1.16,9.02,13.05,10]octadeca-7,15-diene ("Dechlorane Plus" ™)
- Octamethylcyclotetrasiloxane (D4)
- Decamethylcyclopentasiloxane (D5)
- Dodecamethylcyclohexasiloxane (D6)
- Terphenyl, hydrogenated
- Lead
- 2,2-bis(4'-hydroxyphenyl)-4-methylpentane
- Tris(4-nonylphenyl, branched and linear) phosphite (TNPP) with >= 0.1% w/w of 4-nonylphenol, branched and linear (4-NP)
- Tetraboron disodium heptaoxide hydrate
- Dioctyltin dilaurate, stannane, dioctyl-, bis(cocoacyloxy) derivatives, and any of the other stannane, dioctyl-, bis(fatty acyloxy) derivatives, wherein C12 is the predominant carbon number of the fatty acyloxy moiety
- 4,4'-(1-methylpropylidene)bisphenol
- Medium-chain chlorinated paraffins (MCCP)
- 4-nonylphenol (branched and linear)
- 6,6'-di-tert-butyl-2,2'-methylenedi-p-cresol

Regarding the California Law "Regulation of Handling Perchlorates"

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

The following label or mark is necessary
Perchlorate Material - special handling may apply, See www.dtsc.ca.gov/hazardouswaste/perchlorate.

The following Advantest products may also contain perchlorate.

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

Regarding the California Law "Proposition 65"

Proposition 65 is a law that protects the citizens of California from serious exposure to chemical substances that are known to trigger cancer, congenital anomalies or reproductive disorders.
The law requires companies and people conducting business in California to provide clear and reasonable warnings before knowingly and purposely exposing California's citizens to chemical substances on the Proposition 65 list.

Although Advantest products may contain chemical substances that are included in the Proposition 65 list, there is no risk of human exposure through skin contact, ingestion or inhalation if the products are used according to Advantest recommendations.
For this reason, Advantest has deemed that a warning label stating that a product contains chemical substances listed in Proposition 65 is unnecessary.

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

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

Environmental Communication

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

Environmental Initiatives

Basic Policy on Environmental Information Disclosure

The Advantest Group discloses information on environmental burdens and environmental protection activities by including such information in our reports and website, holding exhibitions, and so forth.
We believe it is important to share environmental information with our stakeholders and to reflect such information in our environmental management in order to continuously grow as a company without compromising our integrity.
We also engage in communication with local communities through various environmental protection activities.

Number of environmental compliance initiatives					
	FY2019	FY2020	FY2021	FY2022	FY2023
Complaints from stakeholders	0	0	0	0	0
Serious violations of environmental laws	0	0	0	0	0

* Aggregation scope: Advantest Group

Environmental Information Disclosure

[Publication of the Sustainability Report](#)

Environmental Contribution Activities

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

Food recycling

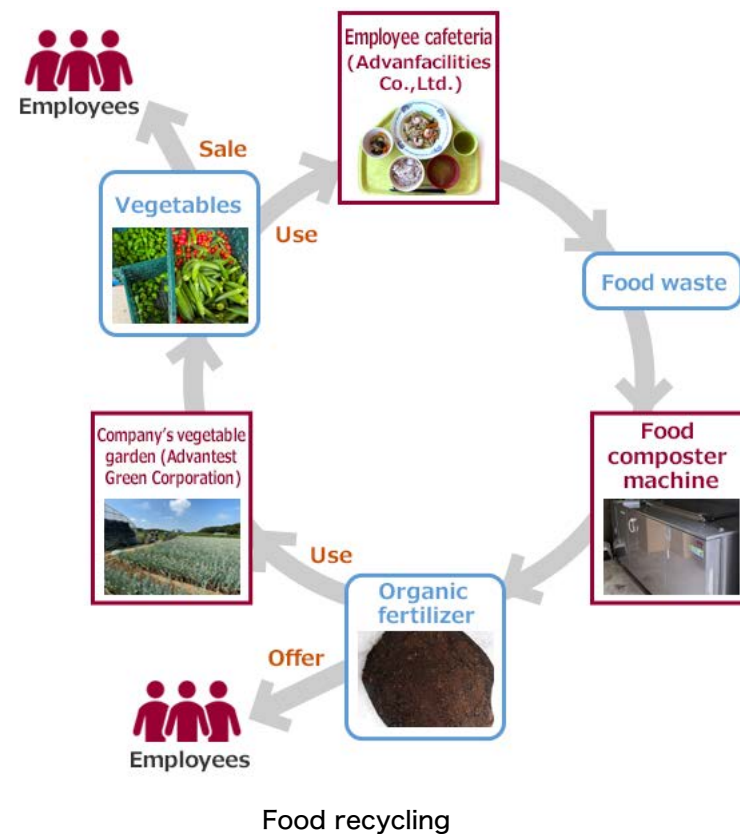
Having updated the food composter machines in September 2020, the Gunma R&D Center engages in food recycling by composting kitchen waste from the employee cafeterias of three facilities in Gunma and Saitama prefectures. Processed garbage is converted into compost, which is provided to interested employees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



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

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

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



MSC/ASC Certified Sustainable Seafood Served at Employee Cafeterias

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

Currently, the employee cafeterias at our three offices in Gunma and Saitama regularly offer menus using sustainable seafood, contributing to the sustainability of fishery resources. In fiscal 2023, although it was difficult to provide new ingredients due to soaring purchase prices, we offered the menu every month by devising a variety of ways to creatively arrange the menu, such as by changing the flavors of the ingredients. As a result, a total of 1,653 employees ate sustainable seafood being offered, an increase of approximately 200 from the previous year. Being accustomed to sustainable seafood in the employee cafeteria has led our employees to make SDGs-conscious choices, such as purchasing marine products with the MSC / ASC certification label at supermarkets in our daily lives.



An example of a sustainable seafood menu



ASC-C-02276-075



MSC-C-57334-075

Environmental Impact Assessment

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

[Advantest's biotope](#)

Initiatives for Biodiversity

The Advantest Group's Guidelines of Action for Biodiversity

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

1. Understanding Environmental Impact

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

2. Understanding Biodiversity

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

3. Reduction of Environmental Impact

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

4. Cooperation with Stakeholders

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

Participation in the 30by30 Alliance for Biodiversity

Since April 2022, Advantest has joined the [30by30 Alliance for Biodiversity](#), a coalition of volunteer companies incorporated in the 30by30 Roadmap formulated by the Ministry of the Environment.



[30by30, 30by30 Alliance](#)

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

Biotope

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

Advantest's biotope provides a venue in which Advantest employees can learn about the importance of protecting the global environment; the biotope is also used as a way to foster communication with local residents. More than 20 years have passed since the establishment, and the biotope now has an optimal environment for preserving the local ecological system and is playing a great role in protecting and growing threatened species. In addition, Advantest's biotope provides an ideal environment for achieving an SDG target, "Goal 15: LIFE ON LAND".

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



Front side of biotope



Biotope seen from the sky

[Advantest's biotope](#)

Biotope videos released

In fiscal 2022, Advantest produced four videos showcasing our biotope and releases them on our website. The videos introduce the biotope that is rich in nature, with beautiful aerial images taken by a drone of the indigenous flora and fauna that live there. These images help communicate the biodiversity of our biotope, that leads to securing a nature-positive world, to our stakeholders in an easy-to-understand manner.

Please click on the Biotope Quarterly link below to watch the biotope videos.

[Biotope Quarterly](#)

Place for the protection and cultivation of valuable plants

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

japonicum and floating heart, which are national near-threatened species and Gunma prefectural IA endangered species.

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

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

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



Eupatorium japonicum



Floating hearts



Amsonia elliptica

Results of Monitoring the Floral Biodiversity in 2023 in Joint Research Project with Gunma University

Collaborating with Professor Shin-ichi Ishikawa, Faculty of Informatics, Gunma University, we have been monitoring the floral biodiversity of our biotope annually since 2001. In the 2023 survey, 158 plant species (120 native and 38 non-native) were found to be growing in the biotope, indicating that the flora is being maintained in a stable manner. An endangered species, *Eupatorium japonicum* have been growing naturally in the biotope, but it did not flower in these years because of heavy grazing by some insects and small animals. To protect the plants, we set a plastic net in 2022 and 2023. Then one and three plants flowered respectively. The plant's seeds collected in 2022 were sown and germinated. The seedlings are now under cultivation.



Blooming *Eupatorium japonicum*.
In the background is a net protecting the flowers.

We also estimated the rate of carbon fixation by the biotope forest as the same manner in 2022, and suggested that 2.46 tons/year of carbon must be added to the biotope carbon stock.

Goshawks Identified in the Biotope

In January, we identified goshawks, birds of prey and top predators. There were two goshawks when we identified them, who were thought to be a pair. Since goshawks begin nesting around January, they may have been looking for a place to build a nest. The fact that the goshawks, which are at the top of the ecological pyramid, were flying in this region indicates that the ecosystem in this region is stable and that our biotope is making a significant contribution to the preservation of biodiversity.



A goshawk flying to the biotope and resting in the pond.

Article Published on Factory Management, A Magazine Published by The Nikkan Kogyo Shimbun, Ltd.

We contributed an article on our contributions in our biotope to the March 2024 issue of the industry magazine, FACTORY MANAGEMENT, published by the Nikkan Kogyo Shimbun, Ltd.. With "Using a large biotope to contribute to social sustainability" as its title, the article covered various initiatives, including the protection and cultivation of endangered plants, the calculation of carbon fixation rate, and the implementation of construction work to suck up the mud from the bottom of the biotope pond.

Society

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Human Capital Management

Our diverse human capital supports corporate value growth, while we support our employees' personal growth by providing environments and opportunities where people with diverse backgrounds can utilize their strengths and maximize their potential.

Policies Regarding Human Capital

Human capital is the foundation for R&D capital, manufacturing capital, and customer relationship capital, which are necessary to realize our management strategies. Advantest promotes a variety of initiatives that focus on both the "individual strength" and the "organizational strength", the wheels needed to enhance the comprehensive strength of human capital. The Advantest Group, thereby, has established two basic policies regarding human capital development and internal environment development.

Basic Policy Regarding Human Capital Development

The Advantest Group ("Advantest") regards employees as human capital essential for its sustainable growth. Advantest strongly believes developing employees as human capital indicates an investment in human capital, and that the "individual strength" enhanced through the development and the "organizational strength" utilizing the enhanced individual strength are the two "wheels" that drive employee engagement and become the sources of future value creation. Accordingly, Advantest proactively, continually and fairly implements measures to develop human capital under The Advantest Way, INTEGRITY Core Values, technical and professional management strategies, and the skills required to grow within the development framework.

(1) Self-Directed Career Development

We encourage employees to be proactive in their career development, while Advantest provides the resources and support to acquire the experience and knowledge necessary to enhance their careers inside Advantest.

(2) Global Human Capital

From a long-term perspective, we are committed to developing human capital with a global viewpoint, this includes providing opportunities to enhance expertise and management literacy on a global scale.

(3) Leading-Edge Human Capital

To achieve our corporate mission statement, "Enabling Leading-edge Technologies," we aim to develop the strengths of every employee and foster high performers to take on leading-edge challenges.

(4) Advantest Development Framework

Under The Advantest Way and our management strategies, we have defined and provide resources for all employees to enhance their skills required to advance their careers within the Advantest Development Framework.

Established on April 25, 2023

Internal Environment Development Policy

The Advantest Group ("Advantest") regards employees as human capital essential for its sustainable growth. Advantest also recognizes that maximizing the value of human capital will directly lead to increase its corporate value. Accordingly, Advantest proactively, continually and fairly implements measures to develop the internal environment for human capital under The Advantest Way, its management strategies, and this policy.

(1) Corporate Culture

We understand The Advantest Way is a corporate culture to bring together our diverse employees to a globally unified team. We continue efforts to instill The Advantest Way as a deeply-rooted corporate culture, aiming to ensure all employee's embody and practice The Advantest Way in our daily work life.

(2) Human Capital Development/Cultivation

We are committed to strengthening the development and cultivation of human capital to facilitate self-directed career development for motivated employees. We regularly conduct employee engagement surveys to gain a deep understanding of the strengths and issues of human capital and appropriately reflect the survey results in our measures and action plans to develop and cultivate the Advantest human capital.

(3) Health Management

Under our Health and Productivity Management (HPM) Policy, we are strategically committed to maintaining and improving employees' health from a managerial perspective.

(4) Workstyles and Work Environments

We accept, encourage, and support diverse workstyles which enables every employee to achieve a good work-life balance. In addition, we promote developing an office environments that provides the necessary resources and support for employees to enhance their remote work environments.

Established on April 25, 2023

Efforts to Develop Human Resources

Triggered by the employee engagement survey, which was conducted in 2018, we have launched our INTEGRITY Core Values, as a means to listen deeply to our employees' stories, and instilled them in everyone's hearts as a set of values that unite us. From the summer of 2019, we offered interactive INTEGRITY workshops for all our employees. This training, which incorporates the theme of the core values into daily work and encourages changes in the corporate culture, lasted until the end of FY2020 while avoiding the spread of COVID-19. Build upon a firm springboard, there were positive effects on internal communication and also offered a place where leaders thrive, and ideas prosper. In FY2023, as in FY2022, as a next phase of our cultural evolution, we worked on cultivating "leaders" who will drive the organization, and human resource development with a focus on the growth of individual employees.

The Leading with INTEGRITY Program

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

Four areas of the new Advantest Leadership Model

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

Activities for Succession

In order to pool human resources and retain the best talent in the industry who will be our future leaders of the company, we implemented a "talent management program" for nine months, including a curriculum

in management, finance, and liberal arts, for members selected from among our managers from FY2021. In FY2022, we expanded the scope of the program to include participants from group companies in each country and implemented a "Global Talent Management Program" for 13 months starting in September 2022.

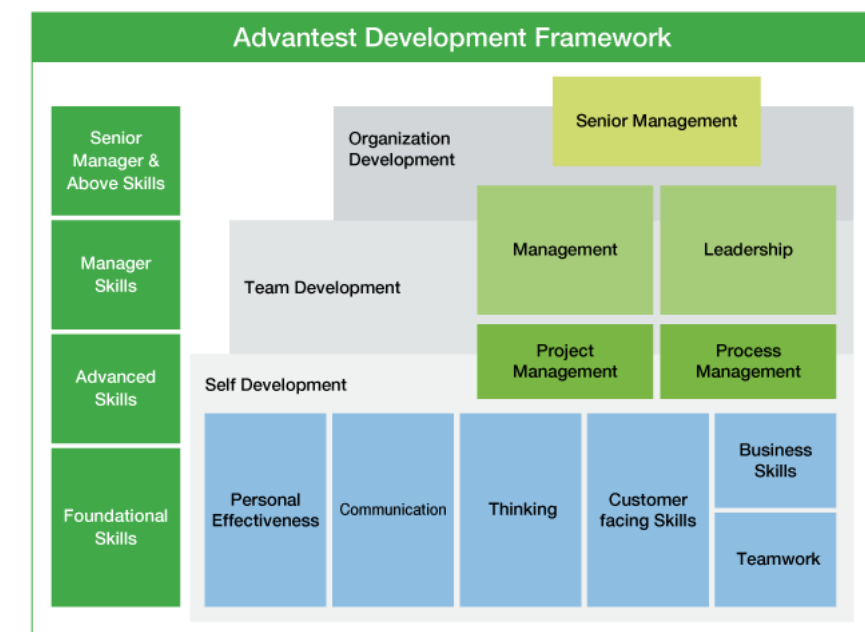
Through group work activities, in which participants were asked to consider Advantest's challenges and its countermeasures propose them to the management, the participants were able to form strong connections with the management and members outside of their own departments. These training activities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

Visualization of Skills Expected for Employees and Support Systems

In order to improve corporate value over the long term, each employee must clearly understand the roles they play and improve their individual capabilities. In addition, we are required to combine these individual strengths and fully demonstrate them as an organizational strength in the global business playing field. With this in mind, Advantest has established the Advantest Development Framework which defines the foundational skills, advanced skills, manager skills, and senior management skills that Advantest seeks for in all levels of our employees, and shared it among all employees globally in January, 2022. In conjunction with the development framework introduction, we also introduced two new online learning platforms which are intended to provide all employee's and manager's access to training classes to further enhance the skills for their career advancement. Since some of these should be adapted to local customs and rules, the HR in each country decides the details of operation.

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

Advantest Development Framework



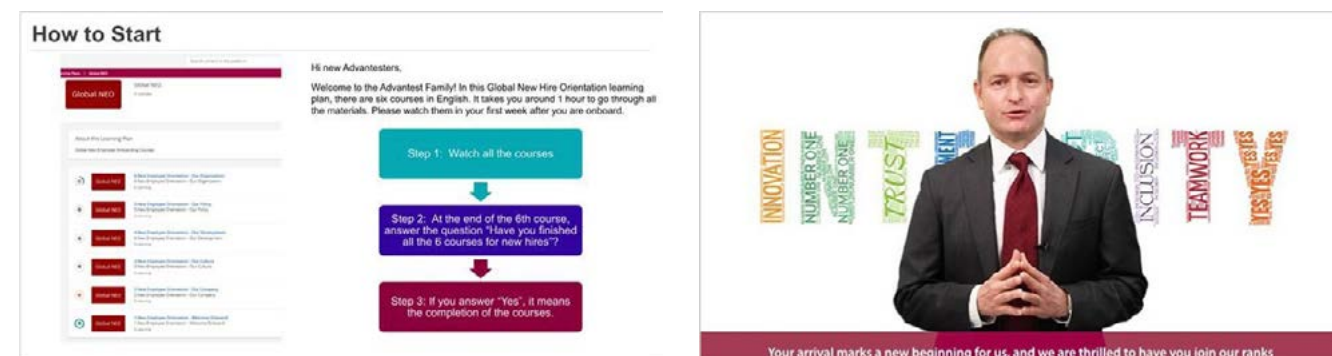
* The implementation will be adapted to local rules and practices

In FY2023, two systems were established to support the Advantest Development Framework: the Group-wide Compliance Education Program (GCEP), a mandatory training curriculum for all employees, and the Global New Employee Orientation (NEO), a training curriculum for new hires and mid-career recruits.

Global New Employee Orientation (NEO)

Many new employees have joined Advantest with our business expansion from 2022 to 2023. For new employees who are curious and anxious to know more about Advantest's corporate culture and organization, rules and regulations, and other information, the company's intranet was not user-friendly as a lot of information was scattered everywhere, despite its availability. After several months of design by the IT team and HC (Human Capital) team in each country, we launched Global New Employee Orientation (NEO) in December, which allows new employees to automatically receive course information as soon as they join the company, and provides them with the necessary global information to help them adjust quickly to the company. In April 2024, we added a welcome message from the Group CEO. We will continue to update and improve the program to serve the greater good.

For more information on GCEP, please refer to "[Compliance Education](#)".



Launch of the Task Force "Rethinking Employee & Workplace Learning"

The introduction of e-learning and the #myADV guide, as a means to instill collaboration tools within the company, has encouraged the creation of an environment where people can learn if they want to. On the other hand, having too many options has made decision-making processes overwhelming for many people who allegedly reported that they cannot choose what they need to know or what they need to learn to be effective. In the meantime, some wanted to share what they know. In August 2023, a task force of HR and volunteers, "Rethinking Employee & Workplace Learning," was created to offer a place to respond to these issues related to learning. The group meets twice a month to discuss customer journeys based on design thinking to create a win-win situation for both those who teach and those who are taught. We will start with a trial in Japan, and then, going forward, will consider establishing a system to expand the program on a more global scale.

Education and Training System and Implementation Status

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

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

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

For example, Advantest Taiwan inc. has implemented the "Sales Force Reinforcement Program" for account managers and engineers who work closely with customers to request customer support. Product updates were given by the development managers, including V93000, memory, and DI. Through these programs, employees share information and exchange ideas related to products and services, as well as learn about new market trends and solutions, ultimately helping them grow and improve their daily work. We aim to develop and instill a system that boosts the level of the entire Advantest Group by sharing information on these efforts between Group companies.

Training in Japan

In FY2023, we continued to offer events that integrated both virtual and in-person as a flexible hybrid program due to restrictions by COVID-19 issue. We incorporated web conferencing systems to provide opportunities to learn despite the pandemic, offering environments for training that did not require coming in to work. By increasing online group work activities, which proved to be effective in boosting employee motivation, we were able to promote mutual awareness building across departments and expand connections regardless of work location.

In terms of language education, we focused on strengthening in-house marketing by introducing courses to employees and holding pre-learning sessions to solicit a wide range of participants. While spending most of the time at home due to the COVID-19 pandemic, we introduced micro-learning, allowing employees to effectively use their spare time, making it easier for learners to secure time to study. A total of 1,349 employees, roughly 40 more than last year, participated to improve their language skills.

As part of our leadership development initiatives, we introduced a liberal arts educational program to

cultivate a sense of culture and have newly appointed managers obtain the "power to think" by themselves. As we enter a new post-pandemic era, this initiative develops the big picture of what is necessary for leaders from wide perspectives that include religion and philosophy. Through the three training sessions, group members deepened their awareness of issues and exchanged opinions, while also revitalizing exchanges in preparation for the presentation of their results.

As a demonstration of "Inclusion and Diversity," one of Advantest's core values, we have made it possible for working mothers who have returned from childcare leave and are working shorter hours to participate in outside seminars, mainly career education, from FY2021. Advantest is a tech company, and naturally, the number of female employees is not as large as that of male employees. The program is designed to offer participants an opportunity to think about balancing childcare and work, in other words, their own careers, while sharing opinions with other working mothers outside the company who are in the same situation, and to learn how to communicate effectively with their supervisors and coworkers.

Training Time

At the Advantest Corporation (non-consolidated) in FY2023, a total of 33,459 employees received training of some kind, and the average number of training hours per employee was approximately 1.6 hours for 54,954 hours of total lesson time. A total of 84,896 people took part in e-learning globally, including Japan, and the average number of training hours per employee was approximately 0.4 hours for 36,002 hours of total lesson time. In total, the average training hours per employee was approximately 2 hours.

Training category	Target	Number of trainees	Lesson time (hours)
Business Training (human resource management, etc.)	Managers, General	1,134	7,563H
Technical Training (technology)	Managers, General	1,032	2,993H
e-learning (human resource management, etc.)	Managers, General	29,689	10,312H
New Employee Training (by job level)	General	39	15,067H
Language/TOEIC (global)	Managers, General	1,349	17,623H
Outside seminars (e.g., on business skills, etc.)	Managers, General	216	1,397H
Total		33,459	54,954H

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

Development of Engineers (Japan)

We place particular emphasis on educating engineers, with the aim of ensuring that our products continue to underpin leading-edge technologies. We have created a training program accessible to every employee of the Group and covering a wide range of subjects, from basic knowledge to the latest technologies.

In FY2023, we continued to offer various technology seminars and technical training programs, with 1,032 engineers participating, double the number of last year. Some of the programs include courses in which Advantest's senior engineers appear as internal trainers. For example, one of the seminars featured a lecture on design quality by an employee in charge of design, thereby shedding light on the basic technologies required to maintain and improve product quality based on the speaker's first-hand experiences. Courses are held by inviting instructors from outside the company based on themes requested by engineers or management-level personnel, so as to support them in adapting to a rapidly changing business environment.

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

Software-Related Education

Since 1992, we have held the "Software Engineering Forum" more than 200 times. These forums offer a place where employees can learn not only the latest technical information on Agile, AI, GPU, etc., but also a wide range of security-related and up-to-date information from internal and external lecturers, including those from overseas. In FY2023, there were many in-house presentations on IT, business management, and technology development, as well as from outside the company on quality, AI services, container technology, and more.

In 2019, we started "Advantest Engineering Friday" as a place for engineers to share their interests on an ongoing basis. We offered opportunities where engineers can share their insights on different themes and learn from each other, going beyond their own organization or community. These activities have served as a bridge for software engineers, who are eager to learn and share, to expand their knowledge, and as a place for in-house technical exchange.

Other Courses on Advanced Technologies

We invite external instructors to provide course on themes and the latest trends that are of great interest to our employees, which also serve as a means to pass on technical know-how to the next generation. In FY2023, we co-sponsored a D2T Symposium by the Systems Design Lab (d.lab) of the School of Engineering at the University of Tokyo and in-house seminars on semiconductor markets, manufacturing technologies, and business strategies by inviting outside speakers. We devised ways to provide lectures and symposiums on a wide range of topics, regardless of whether they are related to work or not, providing opportunities to broaden one's scope as an engineer and to increase their motivations. We are planning to increase the number of participants not only by holding various trainings and lectures, but also by establishing an environment where participants can learn what they wish to learn (on-demand education), and encourage employees to learn independently.

New Employee Education and Training (Japan)

Advantest's training program for new employees starts with one month of basic business training covering the basics of working life. After that, the new recruits are put into one of two occupation-specific training regimes, depending on whether they have been hired for engineering or administrative job assignments. Engineering employees first learn the basics of design, and then go on to learn the necessary skills as Advantest engineers through basic technology training to obtain the basic knowledge required, hardware training, software training, and device test training. New administrative employees receive basic training for administrative operations to learn the basics of administration and brush up on their administrative skills, while learning the contents of the Group's business and how the divisions are interrelated.

New employees for FY2023 underwent training camps organized at Kinugawa Onsen (hot spring) immediately after joining the company so that they can better communicate with their peers. Prior to their assignment, they take a "talent assessment" together with their OJT leaders, of which data is used as reference information for mutual understanding. By having new employees experience diverse types of training in this manner, we are able to ensure that they will clearly understand their own roles, and will recognize the importance of teamwork with other divisions. Our training period for new recruits acts as a key formative phase in their professional development as Advantest employees.

New employees training

	April	May	June	Three years after assignment
Engineering roles	Combined group training	Basic engineering training <ul style="list-style-type: none">● Seafety training● Quality assurance training● Hardware training● Software training● Device test training, etc.		OJT period
Administrative roles		Basic administrative training <ul style="list-style-type: none">● Microsoft training● Manufacturing training, etc.		
Manufacturing roles, Others		Manufacturing training <ul style="list-style-type: none">● Screw tightening, Soldering, etc.		

Employee Engagement

Advantest conducted our first global-wide Employee Engagement Survey in 2018. Though the implementation of the survey was postponed due to the outbreak of COVID-19, three years later, in the fall of 2021, we repeated the Gallup survey (Next implementation scheduled for October 2024).

Ever since gaining various insights through the initial survey in 2018, Advantest has continued to make steady efforts. We believe that each of these activities will become a retention measure and become the driving force that turns the wheels of both "individual strengths" and "organizational strengths", ultimately leading to the improvement of the Group's profitability and productivity, customer satisfaction, and reduced turnover. In other words, engagement improvement measures per se serve as profit margin improvement measures, productivity improvement measures, customer satisfaction increase measures, and retention measures.

Purpose of the Survey

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

Engagement and its Basics

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

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

Implementation of the Survey and Future Plans

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

Results

The results showed significant improvements, including an increase in scores for all items in Q¹²® (12 questions for engagement measurement derived from the findings of Gallup, Inc.). The overall average score was 3.64, an increase of 0.16 points from the previous survey. This is by far the biggest improvement among companies who consecutively completed the Gallup survey. We also saw an improvement in awareness and opportunities related to the category of Recognition (the need to know that efforts are recognized and valued) and Development that were highlighted during the previous survey, marking 26% for the ratio of Engaged (diligent) employees, a 6-point increase from the previous score. This survey confirmed that the engagement level of Advantest Group companies is considerably higher than the standard for each country. These are clear indications of each of our employees' efforts to understand the importance of engagement, and shows how they have embraced and implemented our corporate reforms such as "INTEGRITY" and "Leading with INTEGRITY," yielding measurable results.

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

[🔗 12 Questions of the Gallup Survey](#)

Future plans

The same Gallup survey is scheduled to be conducted in 2024. This survey plays a meaningful role not only in confirming activity results in numerical terms, but also in terms of instilling an awareness of engagement as part of our corporate culture. Engagement varies considerably depending on the customs and cultures of each country. While localized efforts are necessary, our INTEGRITY Core Values, which are the foundation of our corporate philosophy, The Advantest Way, are shared globally. We believe that it is essential to enhance engagement by executing action plans that address the characteristics and challenges of each department, sharing information about activities across the entire Group, and promoting investment in human and economic resources aiming to foster our corporate culture.

Company-wide Activities to Further Boost Engagement

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

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



Inculcation and Evolution of Our INTEGRITY Core Values

The INTEGRITY Awards is a peer-to-peer program that offers Advantest employees worldwide a platform to recognize and express appreciation for colleagues who have demonstrated the Advantest's Core Values in exceptional ways and who contributed significantly to the transformation of our corporate culture. Nominations are solicited and selected on a quarterly basis, and the selected employees are nominated for the CEO Awards, which are presented on an annual basis. In FY2022, a total of 400 cases named 1,203 nominees for the INTEGRITY Awards. Among them, three groups were chosen and commended in the INTEGRITY category of the CEO Awards.



Workshop held by INTEGRITY ambassadors and Culture Council (At Advantest headquarters in Tokyo, December 2022)

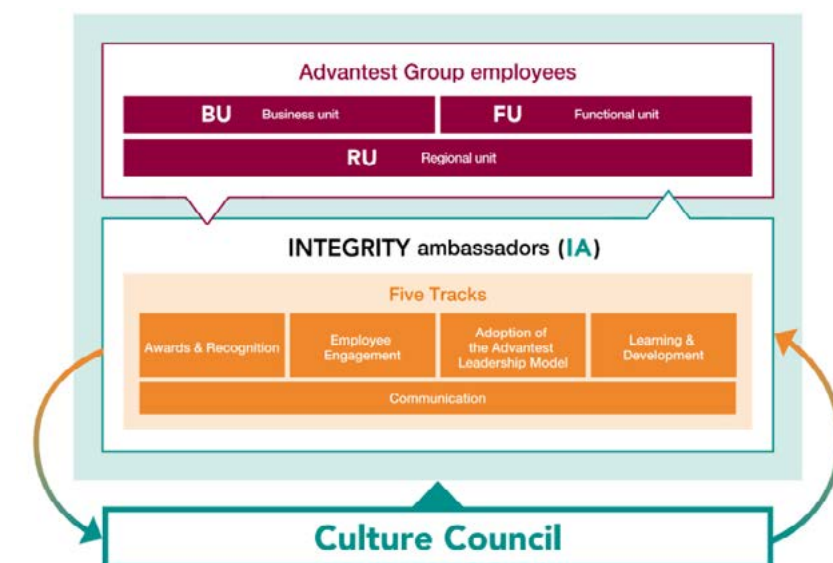
The Advantest Group continues to pursue a corporate culture where the contributions and values of individual employees are recognized and respected by showing appreciation for peers. These company-wide activities have penetrated down to the level of each organization and team, generating self-directed activities not only within each organization, but also across multiple organizations.

In 2022, to further promote activities related to INTEGRITY, a "Culture Council" consisting of then President Yoshida and several executive officers was established, and representatives nominated by each business unit, functional unit, and regional unit were appointed as "INTEGRITY Ambassadors (hereinafter IAs)." The INTEGRITY Ambassadors are 38 enthusiastic employees (as of May 2024), selected from seven countries and regions. The INTEGRITY Ambassador Community is made up of Five Tracks focused on Awards & Recognition, Employee Engagement, the adoption of the Advantest Leadership Model, Learning & Development, and Communication. They are working to further implement INTEGRITY throughout the Advantest Group.

In FY2023, efforts to improve the corporate culture spread by word of mouth at an incomparably fast manner through regular exchanges among IAs, and the favorable circle of influence grew larger. We have also accelerated efforts to develop the system itself to better serve our employees.

We also launched "The Advantest Forest" sponsored tree initiative as part of The INTEGRITY Award program. Starting in FY2024, both the nominators for The INTEGRITY Award and nominees will receive certificates as a sponsor of a tree planting in Ecuador, the Philippines, and Thailand, in collaboration with NGOs and a tree planting vendor. We believe that dedicating certificates to the nominators as well would serve to honor their cooperation with The INTEGRITY Award, and raise awareness for sustainability, both for employees and the environment.

INTEGRITY Promotion Structure



Cross-organizational Initiatives

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

What started as merely 10 participants in the ATE Business Group (Japan) in 2020, has increased in number over time with each round of 1on1 activity. The number of mentors and mentees reached more than 70 (including mentors and mentees) by the ninth phase of 2023, due in part to the selection as one of the CEO Award winners of The INTEGRITY Award in FY2021 in recognition of its efforts to implement the EMPOWERMENT aspect of INTEGRITY core values and the expansion network of its values, and also due to the active exchange among IAs. In the 10th phase in 2024, there were also applicants for mentors from overseas bases.

Examples of Visualization Tools

From April 2021, the ATE Business Group (Japan) has incorporated an engagement visualization tool to survey the team, followed by team discussion and improvement activities every three months. These initiatives are managed by survey feedback activity promotion members who are volunteers from inside and outside the department, and their participation is optional, decided upon a consensus of the team. We continue to provide support to participating teams by regularly inviting outside lecturers to hold webinars and creating opportunities to share examples of each team's activities.

Since two of the IAs appointed in FY2022 were members of the promotion team, survey feedback activities are being shared as case studies with regular exchanges among IAs. These activities, which began in April 2021 with 169 members (22 teams), have increased to 573 members (64 teams) as of March 2024, with more participants from units other than the ATE Business Group. Five of the promotion team members are IAs.

We have received a strong response from those who were gifted INTEGRITY chocolates as petit gifts for their actions that embody the nine core values. One division made INTEGRITY chocolates, which were distributed to managers throughout the department who spread the word, ultimately increasing the engagement score. The recipients were all very pleased as this experience provided an opportunity to learn that praise is strongly related to engagement. We then created INTEGRITY gums as variants of chocolates, and distributed them to a wider group. It has now become an indispensable communication tool to recognize and praise behavior change.

In addition, one division of the ATE Business Group has gone further into conducting "off-site meetings" to address department-wide issues.

Off-site Meetings to Revitalize the Organization

The T2000 Product Unit (T2000PU) has held 10 interactive off-site meetings (20 participants x 2 days) since March 2023 at a café near its office, which was attended by all members, including the director in charge.

The impetus for holding these meetings came from a sense of urgency on the part of the officer in charge of the T2000PU. There were concerns over lack of mutual understanding among employees across departments as well as a stronger development of self-interest among peers. To resolve these issues, members spent eight months developing a concept with the advice of an outside consultant, and after a trial period, the team successfully held the event.

The first day began with a talk by the director in charge himself on the current status of the T2000PU and his expectations for the workshop. Groups were divided into the same proportions in terms of age and area of responsibility as the organization's overall personnel structure to increase opportunities for mutual understanding. This allowed for a session exploring the history of T2000 R&D, in which those with experience spoke about how they felt about their work in each transition and created interactive dialogues with the younger members of the group. The second day ended with a session to think and share about what they want to do with the organization in the future, with a focus on personal experience.

After the implementation of the off-site meeting, we have made efforts to vitalize communication within the PU. The journey to promote organizational revitalization continues, as we move forward in incorporating activities that seem necessary based on the organization's situation.

Examples

- Provide 15 minutes of chat time in groups after monthly department meetings
- Hold a random mystery lunch with members of the PU chosen by lottery



All-hands Management Visualization Workshops

The Field Service (FS) Business Group held a series of four workshops for all FS employees in Japan in fiscal 2023 with the main theme of improving customer experience*. The event was held in the form of workshops to deepen understanding of the concept of improving customer experience, which was newly added to the FS policy, and to provide an opportunity to make personal connections with the issue.



The workshop was designed to help everyone share the company's mid- to long-term management policy and the FS Group policy, and then to systematically understand individual and team mission, and to exchange opinions among teams so that they can share the values of their company/department/individual members.

- Session 1: Thinking about your team's mission and vision "With CX" (April 2023)
- Session 2: Understand what your team needs to do with the "As-Is/To-be Gap" (July 2023)
- Session 3: Understand adjacent departments with a mandala chart (October 2023)
- Session 4: Think of a scenario that will impress your customers (February 2024)

The workshop also incorporated plans to foster a sense of unity among all participants while having fun by asking participants to wear uniforms and sharing elaborate works in a photo competition. In fiscal 2024, we will enter the practical phase of realizing what was discussed at the workshop.

*Customer experience refers to a series of processes that customers experience through the purchase of a product or service.

Improvement of Corporate Culture (Advantest Korea Co., Ltd.)

Advantest Korea Co., Ltd. (ATK) has been working hard to improve its corporate culture since 2022. These activities were first implemented in the administrative division in 2022, which included "praise activities" to express gratitude and praise to colleagues who made outstanding efforts in their daily work, and successfully created a culture of mutual admiration. As a result, the internal survey showed a 12% improvement in the praise question and a 13% improvement in the question regarding the promotion of growth. To further enhance these positive results, we expanded the program to the entire company in fiscal 2023.

"Change Agents" were selected from each department to implement improvement activities, who then gathered ideas for changes and activities needed by employees and formulated them into workable plans. A variety of initiatives to encourage employees to change their actions/mindsets and culture, including culture days (discussions about corporate culture), praise activities, and opportunities for conversations with colleagues and subordinates, were also organized. Workshops were also held at the company-wide level to help employees better understand peers of different generations and positions, and to provide them with

opportunities to learn smooth communication skills that will help them interact in their daily work. As a result of these efforts, we received positive feedback from employees, such as "Encouragement from supervisors is a powerful motivator," and "There are ongoing efforts to raise psychological safety throughout ATK."

In April 2023, we opened the "Health Lounge," a welfare facility (see "[Health Initiatives](#)") based on feedback from an internal survey. Through these various improvement activities, we were able to obtain Great Place to Work® certification in April 2024 (See "[Creating a Workplace with Higher Job Satisfaction](#)").

INTEGRITY With New Members of Integrated Companies

As of January 1, 2023, R&D Altanova (RDA) was integrated into the Advantest Group. There was much to be done, including officially consolidating RDA onto the Advantest payroll, benefits and other platforms, but also RDA employees in the US, Pakistan and Costa Rica needed to be inducted into the Advantest Way and learn our INTEGRITY Core Values. The HC team of Advantest America held a total of 17 Core Values Workshops for RDA US, Taiwan, Pakistan, and Costa Rica, including 11 onsite sessions as well as six virtual sessions, to share our values with these new members of the Advantest Group. At the end of these workshops, each participant received the official Core Values Certificate of Completion.



Employees of R&D Altanova, who newly joined Advantest Group.

The workshops for these new colleagues were then passed on to the HC departments of the respective countries, and the same initiatives are being taken by Shin Puu in Taiwan and Salland in the Netherlands, whose acquisitions were subsequently completed.

Promotion of Health and Productivity Management

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



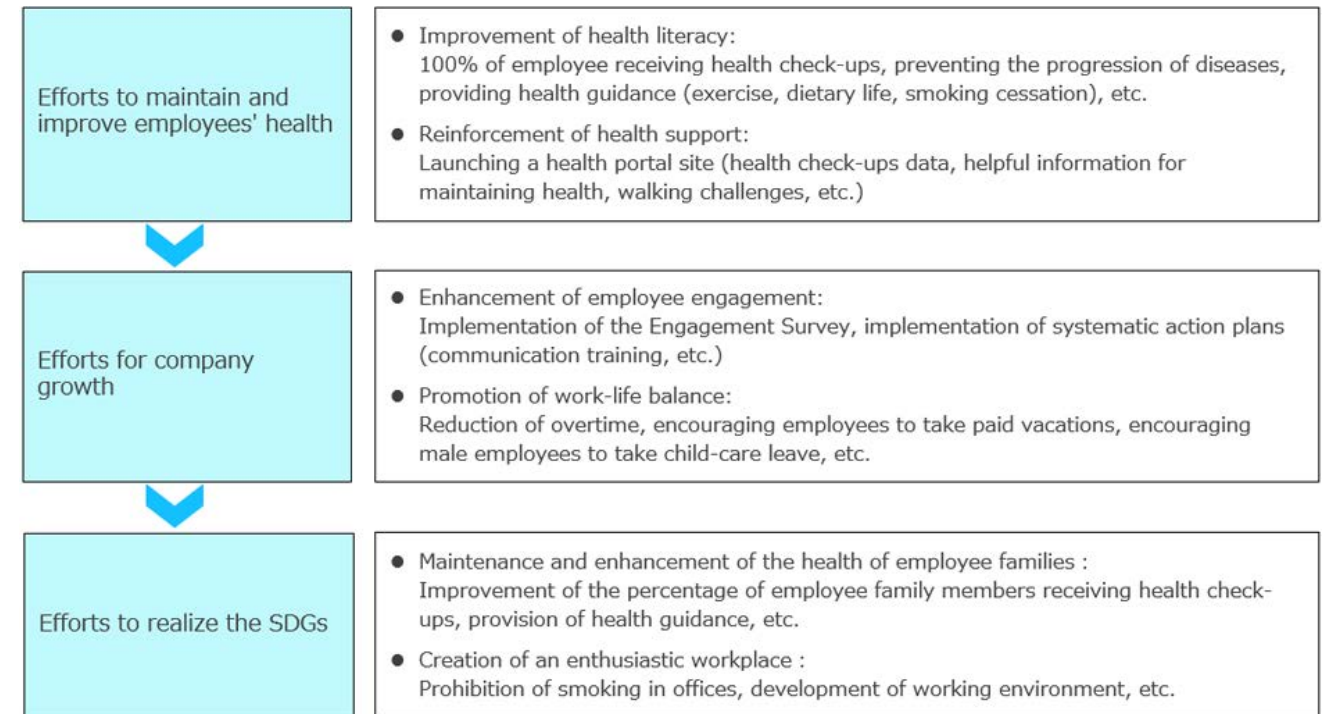
Advantest actively promotes support programs for balancing work and private life by setting up days when all employees are encouraged not to work overtime and to take more paid leaves. We have acquired "Certification level 2 (two stars)" of the "Eruboshi" certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace in November 2020, and was also granted the "Kurumin" certification based on the "Act on Advancement of Measures to Support Raising Next Generation Children" in October 2022. Advanfacilities Co., Ltd. has also obtained the "Eruboshi" certification since 2022.

Furthermore, Advantest has once again been recognized under the 2024 Certified Health & Productivity Management Outstanding Organizations Recognition Program, which is jointly implemented by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi (Japan Health Council), as one of the organizations in the large enterprise category. At the same time, METI has certified Advantest as one of the "White 500"—the top 500 corporations recognized under the program—for the fourth consecutive year. This year as with last year, all seven of Advantest's domestic subsidiaries were certified.

Declaration of Health and Productivity Management Policy

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

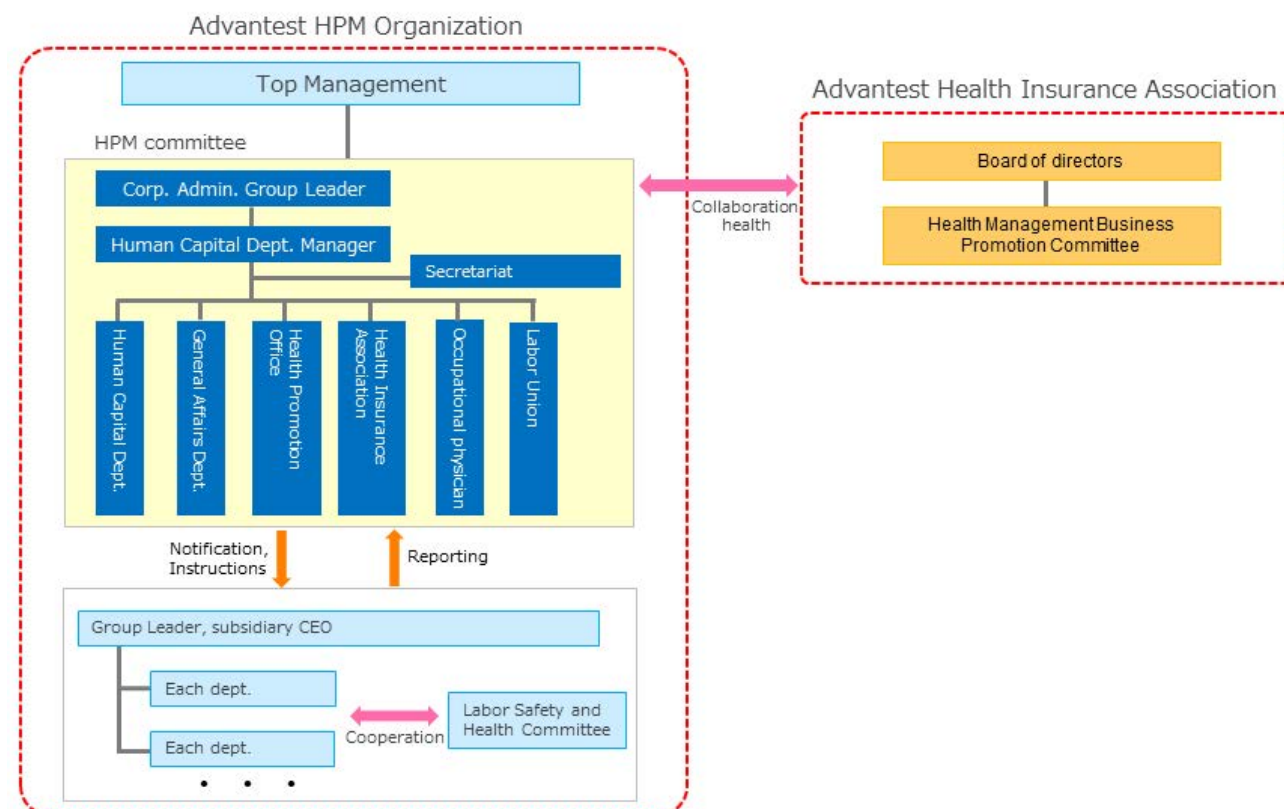
Based on HPM policy, promote HPM from the following three viewpoints.



Organization

Advantest and the Advantest Health Insurance Union are actively working together to maintain and promote various initiatives for employee health and their families based on a clear division of roles and by promoting a favorable work environment (Collaborative Health).

Advantest's Human Resources Department, Health Promotion Office, and labor union work together to promote health management, while the Advantest Health Insurance Union promotes health services based on the Data Health Plan, centered on the Health Management Business Promotion Committee, which includes the employers and the labor union.



Health Initiatives

Advantest and Domestic Subsidiaries

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

In fiscal 2023, as part of our activities to promote health management, the second walking event "Summer Health & Wellness Promotion 420,000 Steps Challenge" was held for Advantest Health Insurance subscribers from June 1, and the "Autumn Health & Wellness Promotion Challenge" from November 1.

Korea:

Upon requests from the employee survey, we renovated the vacant space at the Cheonan Factory and opened the "Health Lounge" welfare facility in May 2023. The Lounge consists of two areas: a gym with 12 pieces of exercise equipment and three recovery rooms, which are utilized according to employee preferences and physical condition.



U.S.A.:

The San Jose office offers office yoga for one hour twice a week. The exercises focus on the back, shoulders, neck, and other areas affected by long hours of desk work. We have received positive feedback from the participants, so by the time employees return to their seats after the class, they feel more physically and mentally fit and are more likely to get work done.

Advantest Test Solutions conducted its first walking challenge to improve employee health and teamwork. We began by setting an ambitious target of reaching a total of 5,760,000 steps by the end of June, and the 41 participants almost doubled that target, reaching 10,139,655 steps. This is equivalent to the distance from our office to Brazil, and the turnout exceeded our expectations by far.

Taiwan:

We organized a fitness course to encourage people to avoid standing or sitting all the time on the anniversary of the company, and rather to move around and exercise. We offered two courses, one gentle and one strenuous, and many enjoyed both. Participants were very impressed with the unique experience of dancing together with their colleagues and found the course very refreshing.

Mental Health

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

In the 2023 stress check, which achieved 92% response rate, 6.9% of the employees with the highest diagnosed stress levels were referred to mental health consultations, and 5.8% of them actually received consultations. We also held seminars (during FY2023, e-learning seminars were held) to reinforce self-care, and the participation rate was 91%.

Organizational analysis stated that high stress workplaces decreased from 17.2% in FY2017 to 3.5% (2.2% in FY2022). From fiscal 2019, this initiative was narrowed down to target managers in workplaces

with high levels of stress and offered more practical training for workplace environment improvement. We continuously work on improving stress levels by following up on the implementation situation to create a workplace that mitigates the occurrence of mental health disorders.

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

Health Consultations

At Advantest's Health Promotion Office, a comprehensive range of health professionals (including occupational physician, clinical psychologists, public health nurses, nurses, and industrial counselors) provide counseling services for physical and mental problems of all kinds. Applications for counseling can be submitted easily by telephone or e-mail, or via the company's intranet. In fiscal 2023, counseling services were provided on 744 occasions.

Health Check-ups and Health Guidance

Advantest and its domestic Group companies provide regular health check-ups to maintain and improve the health of employees in addition to regular physicals through subsidies from the health insurance association. We provide health check-ups once or twice each year both in domestic and overseas bases. We have achieved a 100% health check-up ratio since FY2018 for domestic employees, with a 69.6% ratio of individuals undergoing thorough examination in FY2023 (60.8% in FY2022), and a 83.0% ratio of individuals receiving specific health guidance in FY2023 (75.7% in FY2022). In FY2023, 97.6% of our employees received health literacy training (97.7% in FY2022), while 26.1% of our employees are using health promotion applications. Advantest is also promoting projects that allow employees who do not have the habit of exercising to start doing so (ratio of employees with exercise habits: 31.1% in FY2023) by holding walking events using this health promotion application.

In addition, we held medical seminars by specialists. In FY2023, the seminar focused on breast cancer as a theme to address women's health issues, promoting knowledge and awareness of breast cancer and the need for regular checkups to motivate people to improve their health. In a post-seminar questionnaire, more than 90% of participants were satisfied with the seminar.

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

Initiatives to Improve Labor Productivity

Presenteeism refers to a situation where an employee is physically present at work but is unable to perform their job to a full standard due to an illness, injury, or other condition. Absenteeism refers to a situation where an employee is unable to work due to illness or poor health. Both terms are indicators of lost productivity caused by health problems, and were proposed by the World Health Organization (WHO). As these health problems among employees are a major issue for corporate management, Advantest conducts surveys to assess the situation of its employees.

Regarding presenteeism, we conducted an employee survey by converting the WHO-HPQ's absolute presenteeism into a 0 to 4 scale, and the productivity for FY2023 was 3.58 points (3.58 points for FY2022).

Regarding absenteeism, we measured the number of days of absence from work due to personal injury or illness as an indicator, and the actual value for each employee in FY2023 was 1.1 days (FY2022: 1.1 days).

Promotion of Occupational Health and Safety

Basic Stance

Advantest delivers safety, security, and comfort to people worldwide through semiconductor test. "Safety, security, and comfort" are also linked to our attitude towards our employees, and equally, we have established the Advantest Group Health and Safety Policy as a management issue to be realized at all business sites.

This policy is communicated not only to employees but also to stakeholders to encourage greater awareness of the importance of health and safety management.

 [ADVANTEST Group Health and Safety Policy](#)

Promotional System

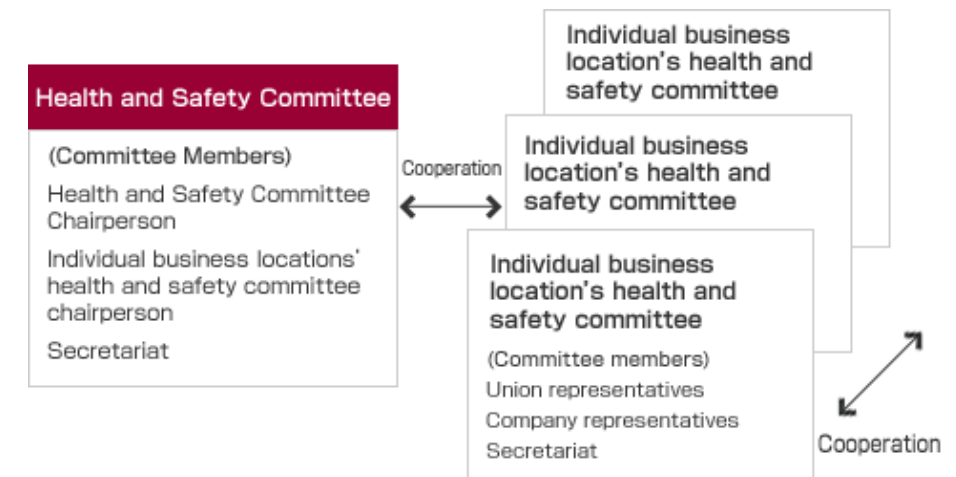
At Advantest, every year we convene the "Health and Safety Committee Meeting" which decides the health and safety direction and policy for the whole group. The approach to health and safety is based on the main activity themes decided on at this meeting, upon which the health and safety committees at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

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

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

The Health and Safety Committee examines revisions to and compliance with laws and regulations related to occupational health and safety, and through deliberations on hazardous risk, it votes on proposed countermeasures, while communicating them to employees through minutes of the meeting.

Organization of Health and Safety Management (Japan)



Collaboration with Overseas Group Companies

Advantest collaborates with overseas group companies to share information on the occurrence of occupational accidents on a global scale. In the event of an occupational accident, the causes are identified, recurrence prevention measures are formulated, and necessary measures are horizontally deployed at each site to prevent similar accidents from occurring again.

ISO45001:2018 Certification obtained at the Gunma Factory

On April 19, 2023, Advantest obtained ISO45001 certification, an international standard for occupational health and safety management systems, at Gunma Factory.

ISO45001 is a global standard for occupational health and safety, established in 2018 by the International Organization for Standardization (ISO), and is a universal framework that defines the establishment and operation of systems to prevent work-related accidents and disasters and to achieve the provision of safe and healthy workplaces.

With the introduction of the occupational health and safety management system, risk assessments have been disseminated to workplaces, and each respective department is actively implementing activities to recognize and reduce potential hazards or harmful effects. In addition, a system is in place to receive information on revisions to laws and regulations, and to confirm whether a response is required, as well as to record the status of implementation.

The Gunma Factory continues to work on zero accidents resulting in lost work time.

Advantest will continue its effort to improve our working environment and create a comfortable workplace.



Bureau Veritas Certification (copy)

Advantest Corporation ISO45001 certification scope

Applicable standards	ISO45001 : 2018
Certification number	JP023542
Certification scope	Manufacture of semiconductor and component test systems, mechatronics-related products and maintenance services, other related equipment and electronic components, electronic circuit boards
Certifying body	Bureau Veritas Certification Holdings SAS
Date of first certification	April 19, 2023
Applicable business locations	Gunma Factory (including subsidiaries at the site)

Specific Initiatives

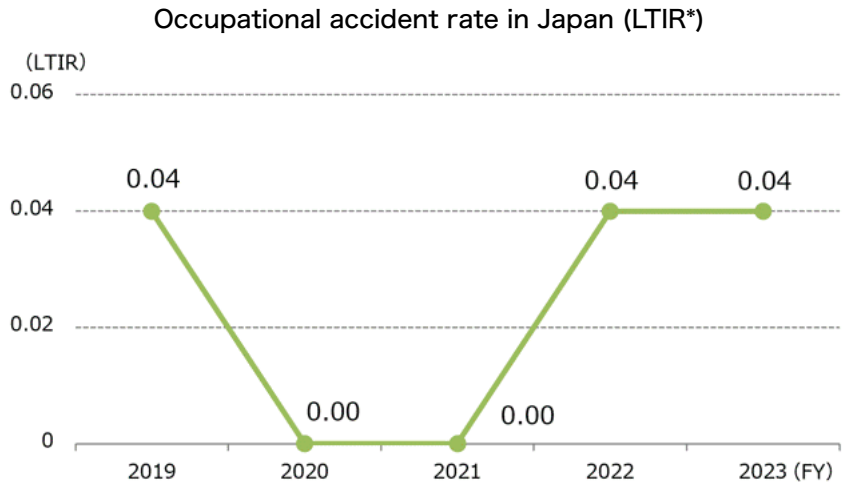
Advantest promotes activities to achieve zero occupational accident rate (Lost Time Incident Rate: LTIR) set forth in the ESG Action Plan, with each site aiming to achieve zero personal injury in the workplace, while implementing the PDCA cycle to achieve the target.

Major initiatives in FY2023 are as follows:

- Workplace inspections are conducted on a regular basis, and improvements are reported to the Health and Safety Committee.
- Preliminary reports on accidents and disasters are disseminated to relevant personnel via CSR safety e-mail.
- With the aim of preventing accidents and disasters caused by changes in the working environment due to the aging of the workforce, lack of awareness of information, inadvertent errors, and other human errors, general education through e-Learning was conducted for all employees to reconfirm their awareness of the importance of safety.

Measurement of the Occupational Accident Rate

There have been no fatalities in operations in the last five years.
In FY2023, the rate of occupational accidents (LTIR) was 0.04 for domestic Group companies, and 0.21 when including both domestic and overseas Group companies.



* LTIR: Number of incidents x 200,000 per actual total number of employee hours worked in a year
* Boundary of data: Advantest Group (Japan)
* The data includes temporary employees.

Occupational Health and Safety Education

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

Occupational health and safety results achieved in fiscal 2023

Education category	Target employees	Number of trainees (Total)	Hours of education
General education	Managers, General employees	13,233	6,795
Specialized education	Managers, General employees	867	5,818

Promoting Sustainability Through Cooperation with Business Partners

Since FY2023, the Advantest Group began communicating various sustainability-related policies to its business partners in the administrative divisions, surveying the status of activities at each company, and providing feedback on the results.

Namely, the Advantest Group's sustainability-related policies, including The Advantest Way, ESG Initiatives Basic Policy, Human Rights Policy, Environmental Policy, and Advantest Group Health and Safety Policy, are communicated to business partners to gain their understanding. At the same time, the status of initiatives in the six areas of human rights and labor, health and safety, environmental conservation, fair trade and ethics, business continuity, and supply chain management was surveyed, and provided feedback based on the results to promote the sustainability activities of each respective company.

Going forward, we will broaden our target business partners and promote initiatives to realize a sustainable society through cooperation with our business partners, aiming for more effective two-way communication.

Respect for Human Rights

The Advantest Group recognizes that respect for the human rights of all those affected by our global business activities is essential. We support and participate in the ten principles of the United Nations Global Compact, which take into account the fundamental responsibilities of business in the areas of human rights, labor, environment, and anti-corruption, as advocated by the United Nations Global Compact, and we have also joined the Global Compact Network Japan, a local network in Japan that support the same principles of the United Nations Global Compact. We are continuing to promote initiatives in each of these areas.

This respect for human rights is stipulated in "The Advantest Way" and forms the basis of all our activities.

Advantest Group Human Rights Policy

In July 2021, Advantest formulated the Advantest Group Human Rights Policy. This policy expresses our respect for human rights as set forth in the Universal Declaration of Human Rights, the ten principles of the United Nations Global Compact, and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

With the appointment of our new Group CEO in April 2024, we have once again reviewed the Advantest Group Human Rights Policy based on these international norms. In revising the policy, we interviewed not only relevant departments within the company, including the labor union, but also external human rights experts, and created a draft based on their opinions and advice. The draft was then deliberated and approved at a management meeting, and the policy was revised accordingly.

 [Advantest Group Human Rights Policy \(PDF 255KB\)](#)

 [Advantest Group Priority Issue Related to Human Rights \(PDF 122KB\)](#)

We also place importance on stakeholder engagement so that human rights can be respected in our activities throughout the supply chain. The contents of our human rights policy are reflected in our procurement policy and the Supply Chain CSR Promotion Guidebook. We also ask that our stakeholders, who may potentially affect human rights through their business activities, consider not only themselves but also their procurement partners.

In addition, since it is necessary to comply with the laws and regulations of each country regarding human rights, we comply with the laws and regulations regarding human rights while also working with the legal department. For details, please refer to “[Country Specific Regulations](#)”.

System for Promoting Respect for Human Rights

Led by our Chief Human Capital Officer (CHO), we have established a global common framework and a framework for individual regions for addressing human resources issues, including human rights.

All compliance-related risks are reported to the Chief Compliance Officer (CCO) on a timely or regular basis, and the CCO reports to the Executive Committee and the Board of Directors. Since the CHO has also been serving as the CCO since July 2023, all risk information, including those related to people who have contacted the Human Rights Protection and Personnel Mediation Committee, is summarized by the CCO. This governance system, which allows information to be gathered in a centralized manner through the dual role, is a strength of our risk management.

Furthermore, the human rights policy and key measures are reviewed on a regular basis.

[Risk management system and organization](#)

Key Issues Related to Human Rights and Due Diligence

We have identified six key issues related to human rights. In these key issues, we are working to assess and identify human rights risks while preventing and mitigating negative impacts on human rights through various means of human rights due diligence.



					Advantest's Response	
Key Issues		Employees	Suppliers	Partners (local communities)	Investigation of human rights risks	Integration into company management (education, etc.)
1	Discrimination	●	●	●	<ul style="list-style-type: none">Employee Compliance Awareness SurveyInternal Dissemination of The Advantest Way (e-learning, etc.)Implementation of assessments by external evaluation organizations (RBA SAQ/VAP audits, Ecovadis)Supplier CSR surveysAssessment of new business partners	<ul style="list-style-type: none">Internal Dissemination of The Advantest Way (e-learning, etc.)Fostering a corporate culture based on our INTEGRITY core valuesDialogue between labor and managementDialogue with external experts (including participation in training)Establishment of compliance contact points (remedial measures)Establishment of a contact point for inquiries and reports from business partners
2	Child labor, forced labor	●	●	●	<ul style="list-style-type: none">Supplier CSR surveysImplementation of assessments by external evaluation organizationsSurvey of conflict mineralsAssessment of new business partners	<ul style="list-style-type: none">Dialogue with external experts (including participation in training)Establishment of compliance contact points (remedial measures)Establishment of a contact point for inquiries and reports from business partners
3	Basic labor rights	●	●	●	<ul style="list-style-type: none">Employee Compliance Awareness SurveyImplementation of assessments by external evaluation organizationsSupplier CSR surveysAssessment of new business partners	<ul style="list-style-type: none">Dialogue between labor and managementDialogue with external experts (including participation in training)Establishment of compliance contact points (remedial measures)Establishment of a contact point for inquiries and reports from business partners
4	Fair wages, working hours	●	●	—	<ul style="list-style-type: none">Employee Compliance Awareness SurveyImplementation of assessments by external evaluation organizationsSupplier CSR surveysAssessment of new business partners	<ul style="list-style-type: none">Dialogue between labor and managementEstablishment of compliance contact points (remedial measures)Establishment of a contact point for inquiries and reports from business partners
5	Safe working environments, health management	●	●	●	<ul style="list-style-type: none">Employee Compliance Awareness SurveyStress surveysHealth checkupsSupplier CSR surveysCSR surveys of subcontractors	<ul style="list-style-type: none">Implementation of occupational health and safety educationAcquisition of ISO45001:2018 certificationIndustrial physician interviewsDialogue between labor and managementEstablishment of compliance contact points (remedial measures)Establishment of a contact point for inquiries and reports from business partners
6	Violence, harassment	●	●	—	<ul style="list-style-type: none">Employee Compliance Awareness SurveyInternal Dissemination of The Advantest Way (e-learning, etc.)Supplier CSR surveysAssessment of new business partners	<ul style="list-style-type: none">Internal Dissemination of The Advantest Way (e-learning, etc.)Implementation of harassment trainingEstablishment of compliance contact points (remedial measures)Establishment of a contact point for inquiries and reports from business partners

* The linked reference contains related contents.

Dialogue with Stakeholders

The effective promotion of human rights due diligence (human rights DD) requires interaction with external experts. In fiscal 2023, we participated in a program jointly planned by the ILO Office in Japan and the United Nations Global Compact Network Japan to develop human resources within companies who can respect international human rights and labor standards. We will continue to use the advice of experts on our company's human rights initiatives and issues to guide our future activities.

Use of Assessments by External Evaluation Agencies

RBA SAQ and VAP audits	<p>The Responsible Business Alliance (RBA) is a global industry coalition dedicated to responsible business conduct in global supply chains, particularly in the electronics industry, ensuring proper management of labor, health and safety, the environment, and ethics. Advantest submits the RBA's self-assessment sheet every year, analyzes the results, and makes respective improvements.</p> <p>Our domestic factories have undergone RBA VAP (Validated Audit Process) audits(*1) and received certification.</p> <p>*1 : RBA VAP audits (Validated Assessment Program) are audits in which a third-party auditing organization checks compliance with the RBA Code of Conduct.</p>
EcoVadis Sustainability Assessment	<p>In fiscal 2023, we performed a self-assessment provided by EcoVadis to determine the gap between our human rights efforts and international standards, and took corrective actions based on the results.</p> <p>This sustainability assessment is based on four themes: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. Many global companies refer to this assessment as an important criterion in selecting their suppliers. Based on our performance, EcoVadis awarded Advantest their Bronze Medal, which was reserved for companies that rank in the top 35% of the companies on their scoreboard. Going forward, we will continue to promote our human rights initiatives with the aim of receiving an even better assessment in the future.</p>

Efforts for Human Rights in the Workplace

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

Human Rights Education

The Advantest Way, our corporate philosophy, is the basis for all of our activities. The Advantest Way incorporates a pledge that we will respect human rights without discriminating on the basis of race, gender, age, nationality, religion, social origin, physical disabilities, disease, sexual orientation or any other factors.

The e-learning training for The Advantest Way, which has been in place since fiscal 2013, is the most important training for our company, and it is the first course to be taken in the Group-wide Compliance Education Program (GCEP), which was established in fiscal 2023. In FY2023, this training was completed by all employees in the Advantest Group, both in Japan and overseas.

The INTEGRITY Workshop, a face-to-face training session based on The Advantest Way, is held as part of the training for new employees (including mid-career hires and those joining the company through M&A), and provides an opportunity to gain a better understanding of the company's corporate culture.

We have also formulated a human rights and discrimination manual and a harassment prevention guide, as we promote the protection and respect of human rights by setting a target of 100% GCEP course completion as part of our Sustainability Action Plan 2024-2026.

 The Advantest Way

Freedom of Association and Labor-Management Dialogue

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

Organizations include the Advantest Labor Union at Advantest and its domestic subsidiaries. In FY2023, 80.2% of employees are members of labor unions at Advantest. All unions engage in discussions on labor and management.

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

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

Advantest has set up a common global Corporate Ethics Helpline to address human rights issues and concerns that are not readily resolvable in the workplace, designed so that those facing such issues can report to and consult with our Corporate Ethics Office. We have adopted a system that allows anonymous report and consultation, which are accepted in 16 major languages. Posters with QR codes have also been posted at each business location for reporting and consultation via mobile devices like smartphones. Reports and consultations are overseen mainly by the Corporate Ethics Office, and every precaution is taken to prevent those employees seeking help from suffering any disadvantage or retribution. Additionally, we have established, an external law firm (lawyer) as a contact point, in order to make it easier for our employees to consult with or report to the helpline. The helplines and contact point can also be used from overseas, and links are available on the Global Intranet page.

Moreover, in Japan, we have established a Human Rights Protection and Personnel Mediation Committee together with the labor union to oversee consultations about domestic human rights issues. There is three harassment-related consultations received by the Helpline and Human Rights Protection and Personnel Mediation Committee in FY2023. The Human Rights Protection and Personnel Mediation Committee properly responds to all incidents to seek a rapid resolution while giving due consideration to the privacy of the employees concerned.

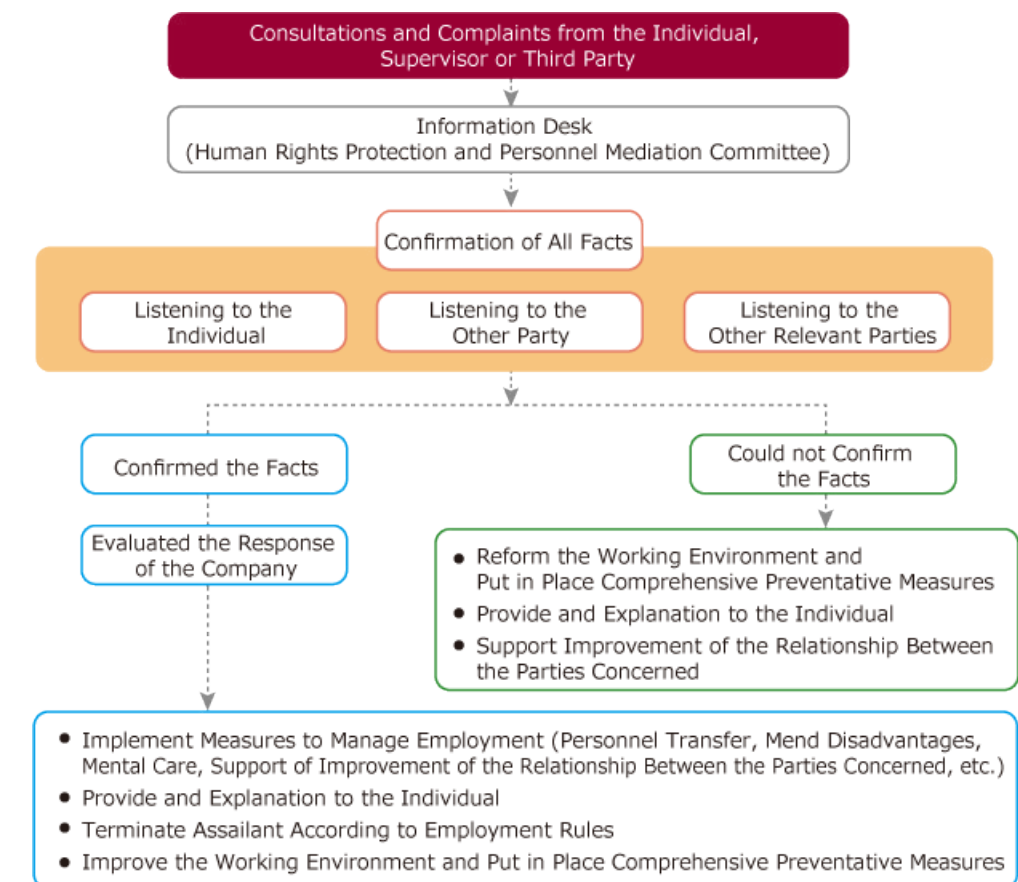
Through this activity, Advantest aims to foster a workplace environment in which employees can work with peace of mind while respecting each other's human rights.

Efforts Within Japan

The Human Rights Protection and Personnel Mediation Committee responds to consultations and complaints received in a flexible manner which cause no disadvantage to the consultants, while taking into consideration the consultants' intentions and the contents of the hearing.

When the Human Rights Protection and Personnel Mediation Committee receives a consultation or complaint from the person concerned (or from the head of the department or a third party), a primary contact person is selected from among the committee members according to the content of the hearing. The committee members and the labor union then conduct hearings with the "person concerned (victim)," the "other party (perpetrator)," and the "bystanders". The following actions are taken depending on the factual situation.

If the facts are confirmed	<p>After reviewing the company's response, the following actions are taken:</p> <ul style="list-style-type: none"> • Measures in terms of employment management (personnel relocation, recovery of damage, mental care, support for improving the relationship between the parties involved, etc.) • Explanation to the person concerned • Disciplinary action against the perpetrator in accordance with employment regulations • Improvement of the workplace environment and implementation of recurrence prevention measures
If the facts are NOT confirmed	<ul style="list-style-type: none"> • Review of the workplace environment and thorough implementation of prevention measures • Explanation to the person concerned • Support for improving the relationship between the parties involved



Harassment Prevention

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

The key points are as follows.

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

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

To boost employee understanding of harassment prevention, every year starting from April 2006, training for new employees and new managers has incorporated training on harassment prevention as well as human rights education. We also provide extensive training for our managers. In fiscal 2019 and 2020, we provided harassment training for all managers. From November 2022 to May 2023, we held more than 20 in-person training sessions on harassment prevention and communication for officers and managers at Group companies in Japan and other recommended participants.

Diversity, Equity & Inclusion

We believe that it is essential for a diverse workforce to be able to play an active role in order for a company to grow sustainably. We respect the diversity of our employees, support flexible working styles, and treat them fairly, striving to create an environment where employees can work in their own way and find fulfillment. Additionally, we are working to protect and respect the human rights of all people involved in our business.

Efforts to Promote Diversity

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

Employment and Utilization of Global Human Resources

Advantest has consistently strived for success and growth by attempting to leverage our talented human capital on a global basis. One of the most notable examples of this is the integration of Verigy, acquired in 2011. This integration resulted in a major change in our workforce composition, with nearly half of our employees located overseas at that time. Today, this trend is even stronger, with approximately 60% of our workforce now located in our overseas bases. In the recent years, in order to further expand its business globally, Advantest has been recruiting personnel who have deep cross-cultural understanding and communication skills and can work in a global arena.

For instance, Advantest will continue personnel exchange among group companies so that employees can experience working in a global environment, and share their skills and know-how through routine work and training in each organization so that individual employees can acquire more advanced skills, including skills to adapt to various business environments.

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

In addition, as competition for human resources intensifies on a global scale, we are striving to retain excellent human resources by expanding the scope of stock compensation and grant.

As of July 2024, 14 out of 26 executive officers, who are management personnel, have foreign nationalities, and employees from 11 countries are currently working for Advantest Corporation. Advantest will give fair opportunities to talented personnel, regardless of their nationality, and promote global personnel development and organizational globalization through borderless personnel recruitment and exchange.

Support for Diverse Workstyles Through a Second Job System

Advantest acknowledges diverse workstyles for the sake of our employees' diverse lifestyles and individual growth. As part of this effort, in November 2022, we established rules for second jobs for all employees with the aim of improving employee skills and acquiring and retaining a wide variety of talents. As of July 2024, 25 employees are engaged in second jobs.

Advantest has a diverse group of employees with special skills. We believe that second jobs not only provide employees with opportunities to improve and develop their skills, but also help to create innovation within the company by giving the company a grip on these talented skills.

On the other hand, second jobs naturally come with risks. For this reason, along with requiring employees to obtain approval to engage in second jobs, the company also requires that both the employee and his/her supervisor read the manual thoroughly and take an e-learning course to guarantee that they fully understand the precautions before starting a second job.

While due consideration is to be paid to the risks involved, second jobs are attractive not only to employees but also to the company itself as a way to develop and improve employees' skills and produce innovation within the company. We will endeavor to make the system meaningful while developing rules in response to the changes over time.

Promotion of Women's Participation in the Workplace

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

As of March 2024, the percentage of female employees to total employees is 21.8% (21.2% in the previous fiscal year), and the percentage of female managers to total managers is 9.4% (9.0% in the previous fiscal year). Increasing the number of female employees and managers still remains an urgent task.



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

From FY2018, Advantest Corporation (non-consolidated) has set numerical targets to boost the ratio of women in management positions to meet or exceed the industry average founded on the General Employer Action Plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace, and has been making efforts toward this goal. In November 2020, we acquired "Certification

level 2 (two stars)" of the 'Eruboshi' certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace. We give consideration to the various changes in female employees' life stages, with a focus on providing support to enable good work-life balance through flexible working styles that correspond to each individual's circumstances.

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

Initiatives to Improve Communication Among Mid-Career Employees (Japan)

Although the majority of Advantest's employees are new graduates, the number of mid-career employees has been increasing over the past few years. To promote understanding of Advantest's corporate purpose & mission and our product portfolio among mid-career employees and to help them get to know members of other departments, the following initiatives are being implemented starting from 2023.

- Mid-Career Hire Follow-up Day
- Mystery Lunch
- R&D Department Tours
- Greeters

These initiatives were developed from the voices of our fellow employees. In response to these requests, a group of volunteers communicated with each other, formulating an even larger project, which promoted interaction with those who joined mid-career and led to new projects. An environment in which mid-career employees can play active roles leads to an environment in which all employees can play active roles. We will continue to value diversity and revitalize our organization.

Please note that there is also a global NEO program for mid-career employees. For more information, see "[Global New Employee Orientation \(NEO\)](#)".

Mid-Career Hire Follow-up Day

A follow-up training program was launched for employees who joined the company in the last two years and 98 employees participated in the program.

So far, training for mid-career hires has consisted mainly of introductory training by the Human Capital Department on the hire date, which included an explanation of regulations, etc., and business training in which other employees also participated. The Human Capital Department devised opportunities to see if there are any other good training programs or to increase horizontal connections, while mid-career hires wished to learn more about the company's products and history, as well as to visit other business sites. The training, therefore, was achieved as a perfect result by the two parties.

This training is a one-day program that allows mid-career employees to deepen communication with each other.

Supervisors and general managers also attended the reception, providing a casual and relaxed atmosphere.

In a questionnaire after the training, many participants remarked that, "It was good to be able to communicate with people we don't normally have much contact with".

We are planning to hold a second discussion on The Advantest Way in the future.

Mystery Lunch

To improve employee communication, which remains a challenge, lunch gatherings were organized with members from different departments, especially those who had joined the company mid-career and were having trouble making horizontal connections. We have named this lunch gathering as "Mystery Lunch", since the three to four participants are chosen at random from those who wish to attend, to eat lunch together. During the planning process, many mid-career employees took the initiative to join the secretariat. The lunch gatherings were held at the Marunouchi Head Office, Gunma R&D Center, and Saitama R&D Center, with a total of more than 100 people attending. Since this was an unprecedented initiative, the lunch gatherings provided a valuable opportunity to resolve simple questions about the company and gain those to turn to in times of trouble.

Some of the mystery lunch participants went on to have get-togethers afterwards, and some made friends within the company. For reference, Q^{12®} on Gallup's Engagement Survey asks the question, "Do you have a best friend at work?" We believe that the mystery lunch was an outstanding initiative, for having friends within the company enhances employee engagement.

For more information on Gallup's engagement survey, see "[Employee Engagement](#)".

Tour of the R&D Department

This initiative was suggested by a manager in the administrative department who propped, "Many people in the administrative department do not know much about our products, so we want to give them a chance where they can learn. Seeing and learning about the products should lead to better engagement!"

After receiving lectures on memory, T2000, and V93000 products from the employees in charge, the participants were given a tour of the actual equipment. The program was then rolled out to new hires, mid-career employees, and indirect department employees as well as the Corporate Administration Group. The program received a stream of positive feedback from the participants, and we plan to continue hosting these tours in the future.

Greeters

In April 2024, a community called "Greeters" was launched at the initiative of 11 volunteers at four domestic locations to support an environment in which employees who have joined the company mid-career can play active roles.

Greeters provides a place where newly joined employees can feel free to ask questions and seek advice, mainly from employees who have similar experiences, so that they do not run into any obstacles. In the Greeters group chat room, which has about 60 registered members from various locations in Japan,

information useful for both inside and outside the company, such as self-development seminars held by volunteers and introductions to technical events, is exchanged, providing opportunities for mid-career employees to unlock new discoveries.

Active Utilization of Senior Employees (Japan)

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

In FY2023, of the 50 individuals who started with our re-employment program, one employee is working shorter hours and five are working shorter days. This system will allow senior personnel to work more flexibly according to their lifestyles, contributing to further enhancing work-life balance.

Example

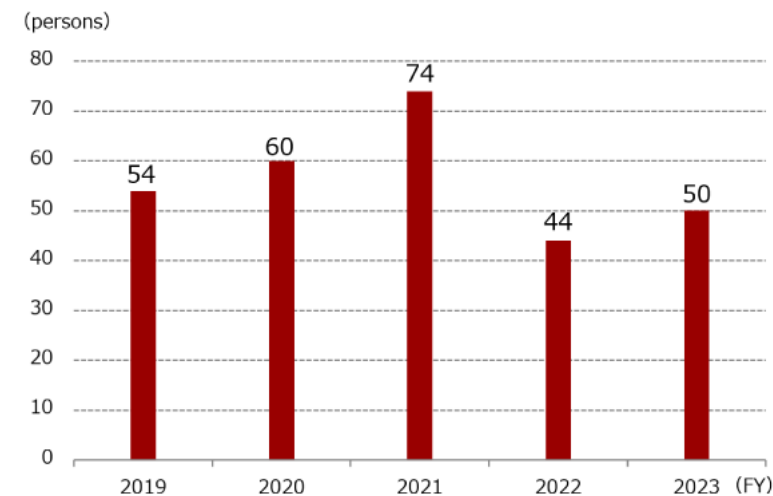
At Advantest, a senior employee with many years of experience in the Production Unit has begun holding a training course for employees at the Gunma Factory titled "What is a Tester?" since June 2022. When asked of his motives for developing this course, he mentioned that products are increasingly difficult to understand as they have evolved in complexity, and the psychological burden on employees has been swelling due to the spread of COVID-19 pandemic as well as by the challenges faced in parts procurement with production volume increasing rapidly. The senior employee planned the event hoping that by learning about testers, it would teach people the relationship between their own work and products, as well as between products and society as a whole, and ultimately, everyone could find their work rewarding.

The training course is held in small groups, and the style of explanation is based on the level of understanding of the participants, making it an interactive learning experience for both the participants and the organizers. 47 sessions were held by April 2023, with 237 participants, more than half of the Production Unit employees.

With each session, the program has evolved to make it easier for employees to understand the relationship between their work and the products and how products are beneficial in society. We, too, feel that this has led to improved employee engagement.

From May 2023, employees who have shared their understanding of this activity through the internal newsletter have begun developing their own courses. "What is a Tester?" courses are currently being developed in six divisions in Japan and overseas.

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



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

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

Employment of the Disabled

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

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

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

As of March 2024, Advantest's employment rate of the disabled is 2.84%, which exceeds the mandatory employment rate. However, Advantest will continue to actively promote the employment of the disabled to address future amendments to the mandatory employment rate.

Efforts to Explore New Occupational Fields

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

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

For more information on recycling using paper machines, please refer to "[Recycling Resources](#)" on the Environment page.

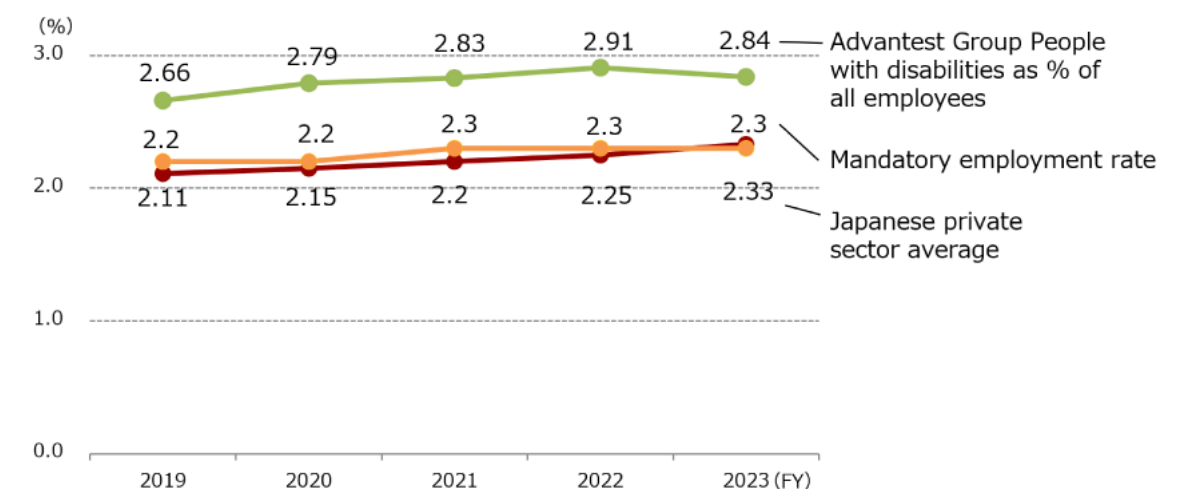
Efforts to Enhance Job Fulfillment

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

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

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

Trends in the percentage of disabled employees



* Boundary of data:

Advantest Corporation (non-consolidated) + Advanfacilities Co., Ltd. + Advantest Green Corporation

Initiatives for Work-Life Balance

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

In Japan, Advantest has been promoting active use of existing systems, such as days to finish work at the appointed time, use of annual paid leave, and flextime (for all employees). The ratio of employees using annual paid leave usage (23 days a year (22 days for employees with less than 10 years of continuous service)) has maintained a high standard at around 70% each year, marking 80.0% in fiscal 2023.

Moreover, a remote working system and a home office working system for all employees have been established, aiming to expand systems in which many employees will be able to conduct flexible and efficient work according to their tasks, workstyles, and lifestyles.

In addition to enhancing working practices, we also believe that supporting the health of employees is important from the perspective of work-life balance. We are therefore promoting the creation of workplaces where employees can work in good physical and mental health globally. For details, please refer to "[Promotion of Health and Productivity Management](#)".

Remote Working System

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

The introduction of the remote working system has led to an expansion of new workstyles, helping employees, not only those who are raising children or caregiving family members, but also many others, to balance work and private lives.

Work-Life Balance Programs for Childcare and Caregiving

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

Examples of support programs in Japan

At Advantest, pregnant employees can receive 100% compensation during prenatal checkups and pregnancy complications leave, and are offered the choice to work shorter hours if instructed by a doctor. Advantest offers childcare leave and caregiving leave that exceeds legal standards. Childcare leave can be taken until the child reaches the age of two years and three months, and caregiving leave can be taken for a maximum of three years. Other leave programs are also widely used, such as the accumulated holiday program, which can be taken for a variety of reasons, by fathers as well as mothers, including a spouse's

childbirth, childcare, fertility treatment, and other caregiving responsibilities.

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

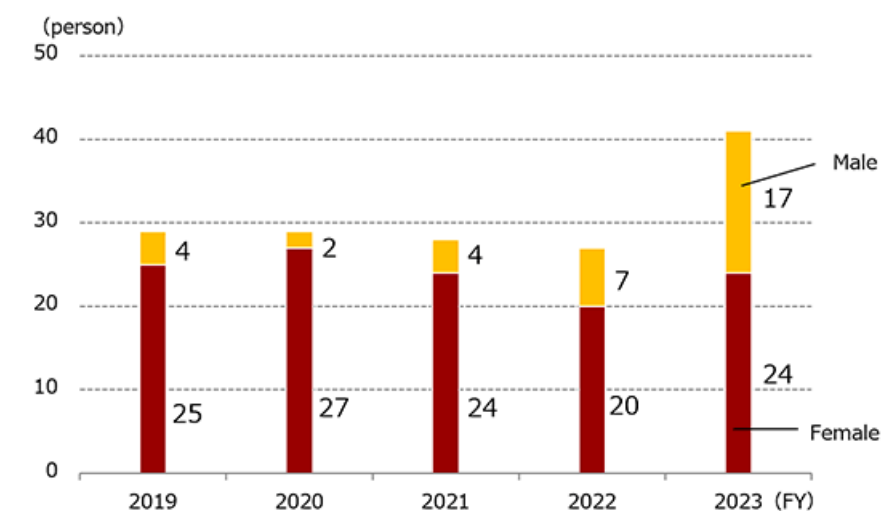
As there are cases in which employees resign their jobs during life transitions, such as marriage, childbirth, childcare, caregiving for the family, and spouse job relocation, Advantest has established a re-employment program for employees who meet a certain criterion.

We are also working on support for childcare participation for fathers, which includes the provision of personal consultations for male employees with children and their supervisors, guidance for childcare-related systems, and support for using childcare leave. In addition, starting in fiscal 2022, we have institutionalized a childcare leave subsidy of up to four weeks for employees who take childcare leave within eight weeks of the birth of their child.

It should be noted that re-employment of female employees following childcare leave as a result of these efforts, was 100% in fiscal 2023, and the ratio of male employees taking childcare leave in fiscal 2023 was 34%.

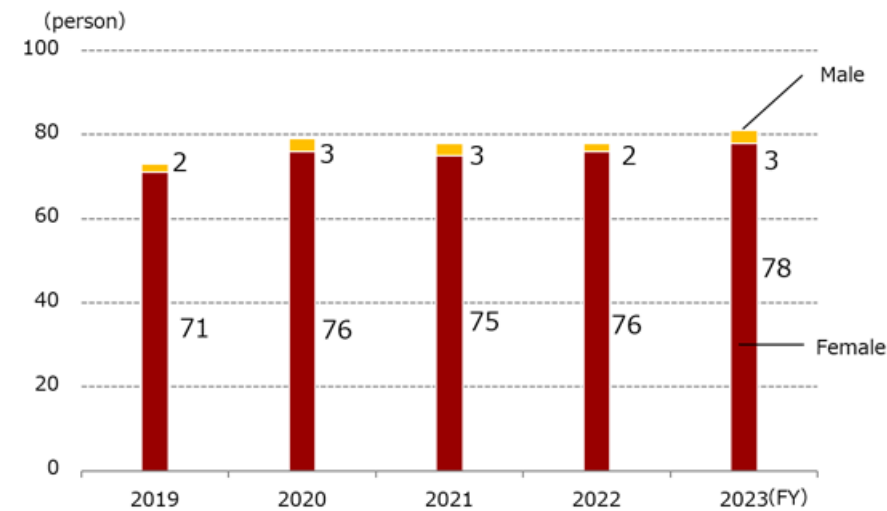
Advantest will continue to support fathers' participation in childcare by offering individual consultations for fathers raising children.

Number of employees using childcare leave



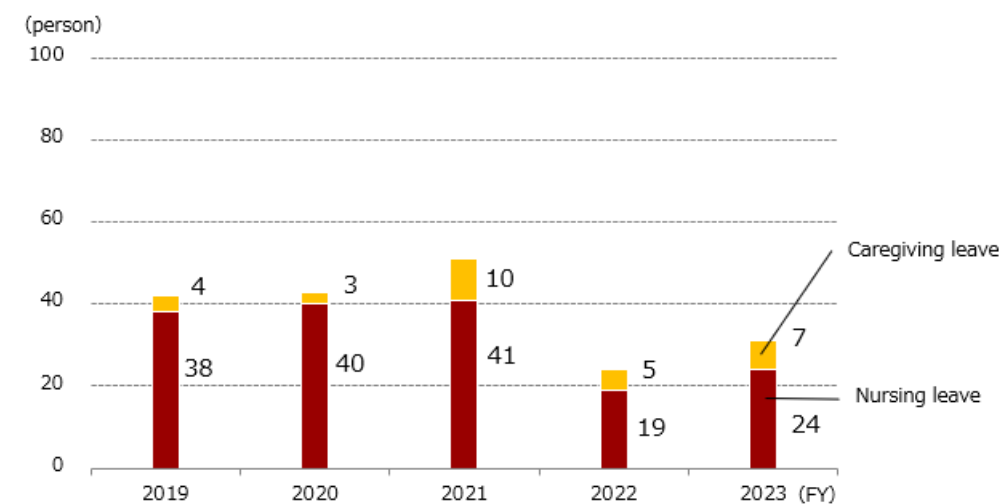
Boundary of data: Advantest Corporation (non-consolidated)

Number of employees using shorter working hours for childcare



Boundary of data: Advantest Corporation (non-consolidated)

Number of employees using caregiving and nursing leave



Boundary of data: Advantest Corporation (non-consolidated)

Evaluation of Activities Supporting Work-Life Balance

In Japan, based on the Act on Advancement of Measures to Support Raising Next-Generation Children, efforts were made (measures and initiatives to increase the ratio of fathers taking childcare leave and creating environments that support work-life balance, and initiatives to reduce overtime and promote the use of annual paid leave) in accordance with the action plan period from April 2022 until March 2024. These activities so far were recognized, and Advantest received its second "Kurumin" certification in October 2022.

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

Promotion of Work-Life Balance Programs

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

Reducing Overtime Hours

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

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

Our overtime reduction goals

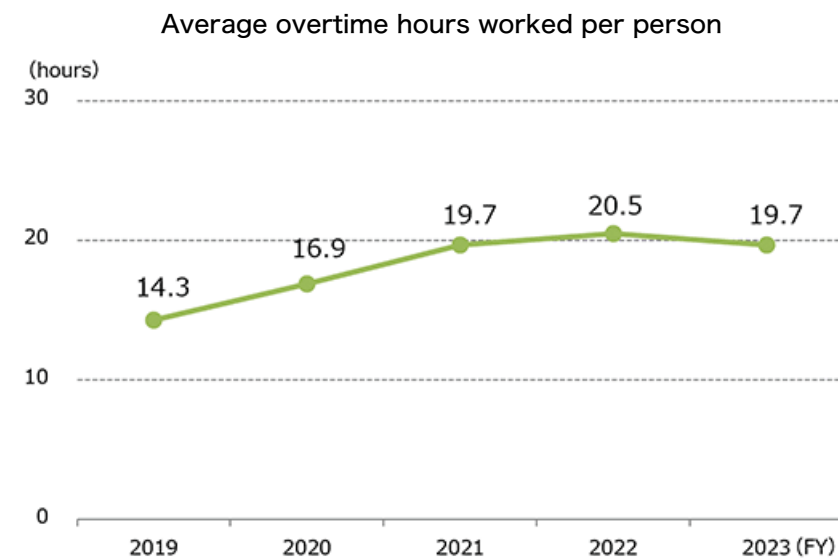
Number of employees with a monthly overtime of 80 hours or more	0
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From fiscal 2020 onwards, we will continue to adopt the reduction of overtime work into our action plan under the Act on Promotion of Women's Participation and Advancement in the Workplace.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

Despite these initiatives, we were unable to achieve our company plan of zero employees working 80 hours or more of overtime per month for FY2023.

We were unable to achieve these goals due to troubleshooting an unexpected issue.

The overtime hours per employee for FY2023 were an average of 19.7 hours as of March 2024. We saw a decrease in our overtime hours from the previous fiscal year due to a decrease in efforts to address increased demand and to meet short delivery deadlines, which were common in FY2022.

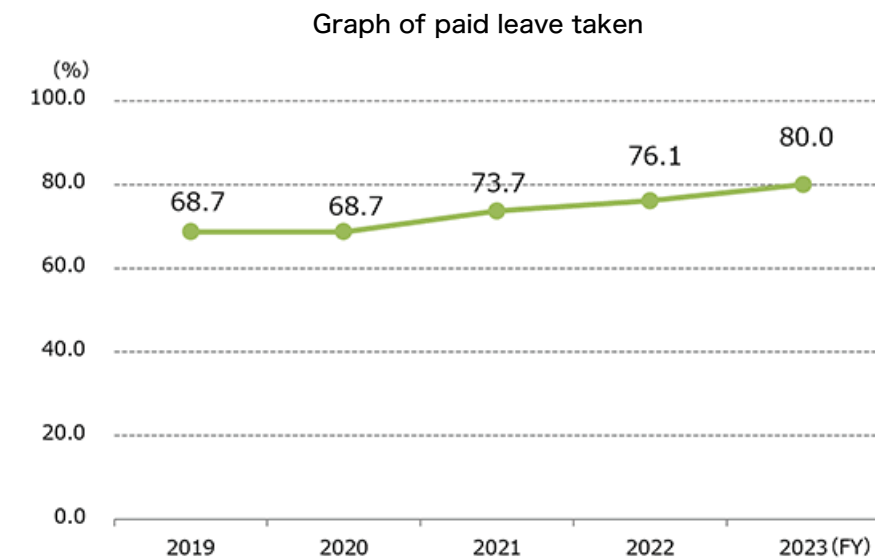


* Boundary of data: Advantest Group (Japan, China, Korea)

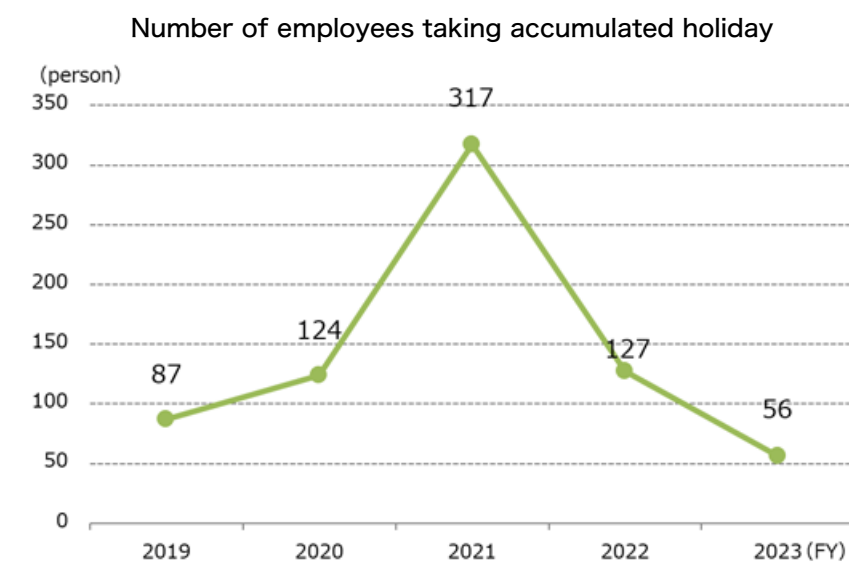
* Overtime hours are included for management positions with no subordinates (For Korea only).

Annual Paid Leave and Other Leave Systems

We encourage employees to take annual paid leave (up to 23 days per year) according to the job schedule of each person, work-life balance, and other work conditions to realize work-life balance at Advantest (non-consolidated). In addition to planned paid leave (6 to 12 days each year), we have also introduced multipurpose consecutive leave (3 days a year) and refresh leave (3, 5, and 8 days of leave given to employees after working continuously for 10, 20, and 30 years, respectively). Furthermore, annual paid leave that will be lost can be carried over as cumulative paid leave for 5 days a year up to a maximum of 30 days to use for reasons that include injury to the employees themselves or the need to take care of a child or family member as well as volunteering, self-development, infertility treatments, or to help with donor activities, and due to disasters. In FY2023, we have introduced paid leave by the hour to support employees in taking paid leave flexibly.



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



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

Creating a Workplace with Higher Job Satisfaction

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

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

Office Building Renovated to Support New Workstyles

Advantest has been renovating offices at each of our sites to realize new workstyles.

Gunma R&D Center began a complete renewal of its office floors from FY2022 against the backdrop of aging fixtures and fittings that have been in use since construction was completed (Building 1 in 1996 and Building 2 in 2001) and changes in workstyles, including an increasing trend in remote work and web conferencing.

In FY2023, we conducted an effectiveness and verification survey of the two office floors that were renovated in the previous fiscal year. We confirmed that points increased in almost all items measuring satisfaction with the office environment, and that the ease of working has improved. In FY2023, we suspended major construction work, but installed café machines and tea servers on each floor, replaced water servers in the communication area, and made comprehensive efforts to improve the office environment while reducing CO₂ emissions without compromising quality.

In FY2024, we will begin renovations of two new office floors to accommodate work styles where in-office workstyle is the norm.

Owing to the large-scale nature of this renewal, we are also conducting post-renovation effectiveness and verification to determine what kind of fixtures and layouts will be effective in realizing the overall concept, with long-term benefits in mind. In addition, with an eye on the progression of global operations, the work environment will change dramatically in the future, and diversity in working places and styles will be required. As one measure to consider what the company's offices should be like under such circumstances, we hold regular meetings with facility managers at our overseas offices. We aim to create a better environment by exchanging information on how to realize an office that is comfortable, safe, and productive.

Revitalization of Workplace Communication

After the COVID-19 pandemic, we shifted our workstyle from encouraging remote work to one based on in-office worksyle, and began efforts to revitalize communication in the workplace. As part of this initiative, we designated the days when we hold all-hands meetings, New Year greetings, founding ceremonies, technical conference, and other events as "Real Communication Days (RCD)" (excluding employees on business trips or vacation), when all employees are required to come to work. Gunma R&D Center introduced RCD on a trial basis in January 2024, ahead of other business sites. To accommodate the increase in the number of employees coming to work as part of this initiative, we increased the number of seats in some office areas and renovated the cafeteria.

We plan to expand this initiative to all offices and will continue to promote the revitalization of face-to-face communication.



Mini cafes on each floor
(café machines, tea
servers)



Water servers in the
communication area



Additional seating in the
office area



Renewal of VIP dining
room (Japanese style)



Provision of snacks on
RCD

Promotion of Digital Workplace Activities #myADV

Advantest has been continuously improving the #myADV digital workplace (#myADV), which started in May 2020, in order to encourage and support global business development and a "hybrid" way of working for employees globally.

#myADV is promoted by the Global IT Collaboration team and supports volunteer #myADV guides (over 200 guides as of July 2024). Specifically, the Global IT Collaboration team conducts regular coaching sessions for #myADV guides, as well as organization-specific use case analysis and training for specific business entities to support company-wide dissemination and use of collaboration tools.

In fiscal 2023, we introduced a company-wide shared translation tool with the aim of promoting global communication and provided training on its usage and functions on #myADV guides.

In addition, we are working to unify tools for creating departmental websites. By unifying the tools, it will be easier to search for keywords on the website regardless of department, and #myADV guide will also be available as support for the creation of the respective websites.

Furthermore, we are developing an AI-based keyword search application, with the goal of expanding it to department wise websites.

Advantest Germany Earns Great Place to Work® Certification

Advantest Europe GmbH (AEG) has participated in the surveys on employee job satisfaction of the international human resources consulting agency "Great Place to Work®" every other year since 2017. AEG has been recognized as one of the top 100 companies in 2017, 2019 and 2021 and ranked in the top 10 companies in Information Technology and Communication sector in 2023. Great Place to Work® evaluates companies of all sizes, industries, and regions, and annually recognizes companies whose survey results exceed a certain level as "Best Workplaces" and announces the top list of companies in its "Best Workplaces" lists each year.



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

Advantest Korea Acquires Great Place to Work® Certification

Advantest Korea (ATK) took the challenge of conducting a "Great Place to Work" assessment for the first time in May 2023, achieved good results exceeding a certain level in its second attempt in March 2024, and finally earned the "Great Place to Work®" certification in April 2024. The certification came as the result of various initiatives to create a comfortable workplace, including "culture day" events to discuss the corporate culture, and "praise activities" to praise and thank colleagues for their outstanding efforts in their daily work. (For details, see ["Improvement of Corporate Culture."](#)) These efforts also resulted in 80% of employees feeling welcomed when they newly joined the company.



Advantest Korea, 'Family Friendly Corporation' certified

Advantest Korea (ATK) has been certified as a Family Friendly Corporation, a credential awarded by the South Korean government to exemplary companies that foster a family-friendly culture and successfully operate work-life balance programs, since December 2022. Certified companies are benefited from certification mark, extra points when participating in government projects, and discounts on public facilities for those employees.



ATK's employees have taken full advantage of the systems and benefits of the work-life balance program. Therefore, ATK is very proud to receive the certification, passing with high scores. In particular, ATK received perfect scores for the utilization of flexible worktime, maternity/childcare leave, reduced working hours for pregnant employees. Besides, employee satisfaction with the family-friendly culture turned out to be very high and ATK was assessed quite remarkable for vacation use, PC-off system, and inviting families to events.

Fair Evaluation and Treatment

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

In terms of compensation, we are not only committed to fairness, but also to the retention of the best talent who will ensure our future growth.

Advantest Resource Management System (ARMS)

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

Global human resource system



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

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

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

Global job level and title

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

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

employment practices.

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

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

Reflection of the core values in the evaluation system

Since the launch of the INTEGRITY Core Values in 2019, we dedicated a section of the evaluation sheet in the personnel evaluation system to the core values, providing an opportunity to reflect on our actions during the term.

Specifically, the nine values of INTEGRITY (Innovation, Number One, Trust, Empowerment, Global, Respect, Inclusion & Diversity, Teamwork, and Yes) are used as the behavioral evaluation items on the evaluation sheet, where employees describe their own actions for each of the items on the sheet. Employees are encouraged to discuss with their supervisors during the evaluation interview, and their supervisors provide feedback with comments after the interview.

It is crucial for us to not only understand our core values in words through trainings or other means, but also act for it by linking these values to our own actions. Reflecting on them during the evaluation process will ultimately encourage changes in each employee, which help realize an organization that can flexibly address various issues.

Advantest Introduces New Managerial Candidate Training & Manager Assignment System (ATJ)

Advantest launched MP-1 (Management Program 1), a new managerial candidate training and manager assignment system. To date, promotion to managerial positions has been conducted through executive interviews based on the recommendation of the executive vice president, but the rising average age of new managers and the difficulty of early promotion have been challenges. In addition, the training opportunities for employees aspiring to managerial positions were not sufficient, which called for an urgent need to develop global human resources. We will therefore provide capable employees, regardless of age or gender, with opportunities to take on greater responsibilities, self-direct their careers, and become active and productive managers, contributing to Advantest's sustainable growth.

- **Based on show of hands/application system**

Participants are selected upon application, not on recommendations.

- **Diverse training menu**

MP-1 graduates are those who have successfully completed and passed all 12 units of the training program, including leadership, management, coaching, language, composition, group training, and executive interviews.

- **Completion of MP-1 as a condition for promotion to managerial positions**

After the transition period, new managers must have completed the MP-1 to be promoted to managerial positions, which may be filled through internal open requisition or personnel transfers when suitable positions become available.

- **Potential for young employees to be promoted to managerial positions**

New graduate employees can apply to MP-1 from their fourth year with the company, meaning that managerial positions are now open to employees in their 20s.

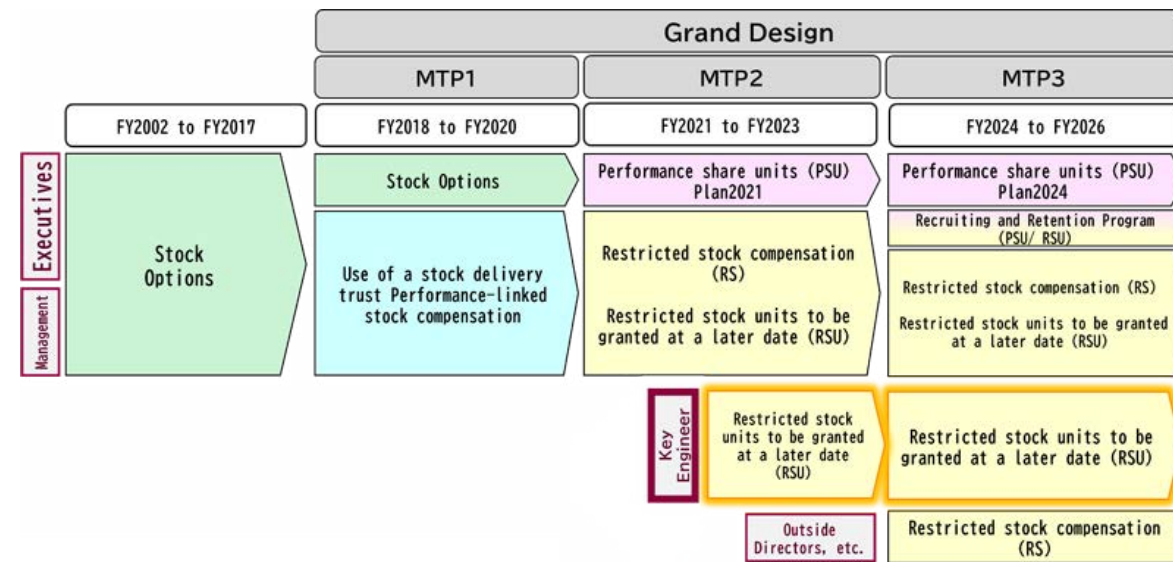
Incentives and Retention

Since 2002, Advantest has introduced stock options as stock compensation for directors and executive officers, as well as domestic and international executives and employees. While ensuring the functionality of the stock compensation system as an incentive and/or as a retention measure, we established a framework that allows employees to own shares in the Company globally in conjunction with the formulation of the 2nd Mid-Term Management Plan for FY2021, having undergone several transitions.

Competition for talent is intensifying in many countries than ever before. In order to secure world-class engineers, we have expanded the scope of compensation grants and introduced RSUs for retention as stock compensation with a three-to-five-year transfer restriction period. We are continuing to review the scope and scale of our retention compensation.

In addition to appropriate guidelines for payroll and creating a comfortable and rewarding workplace in the spirit of our INTEGRITY core values, we believe that such incentive and/or retention measures will also help improve employee turnover.

Overview and Changes in Stock Compensation Plans



Pension system

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

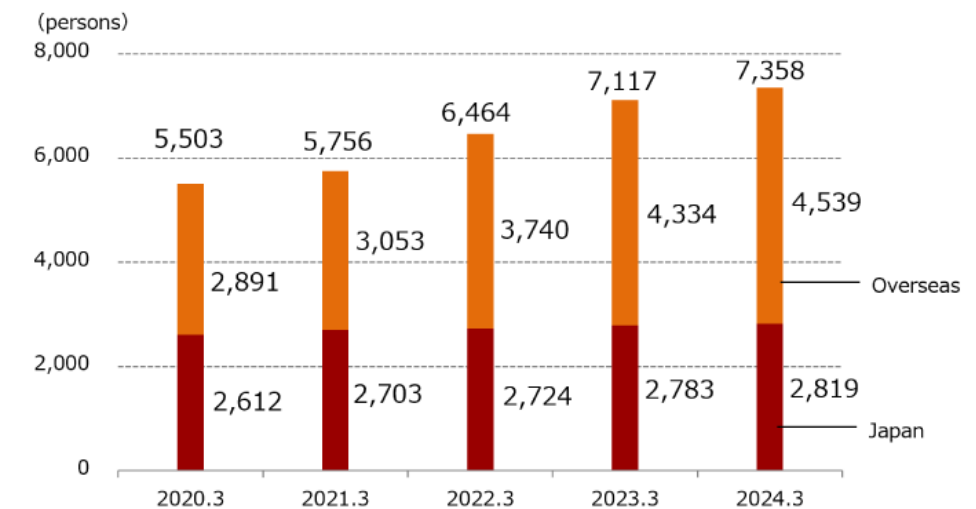
In fiscal 2018, Advantest incorporated a defined contribution corporate pension system as part of its defined benefit corporate pension system and started the defined contribution corporate pension system in addition to the point-based retirement benefit system.

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

Employment Data

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

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



Employment data

Number of employees by region

		FY2021			FY2022			FY2023				
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Percentage of female employees	Percentage by region
Japan	Japan	2,220	504	2,724	2,256	527	2,783	2,289	530	2,819	18.8%	38.3%
Overseas	Asia	959	321	1,280	1,088	372	1,460	1,105	379	1,484	25.5%	20.2%
	Europe	763	157	920	903	202	1,105	955	220	1,175	18.7%	16.0%
	North America	1,178	362	1,540	1,363	406	1,769	1,402	478	1,880	25.4%	25.6%
	Overseas total	2,900	840	3,740	3,354	980	4,334	3,462	1,077	4,539	23.7%	61.7%
Total		5,120	1,344	6,464	5,610	1,507	7,117	5,751	1,607	7,358	21.8%	

* Boundary of data: Advantest Group

Number of managers by region

		FY2021			FY2022			FY2023						
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Percentage of female employees	Percentage by region	Number of locally recruited employees	Promotion rate of locally recruited employees
Japan	Japan	465	18	483	465	20	485	472	20	492	4.1%	37.4%	491	99.8%
Overseas	Asia	225	45	270	237	45	282	233	49	282	17.4%	21.5%	273	96.8%
	Europe	214	23	237	223	25	248	239	25	264	9.5%	20.1%	261	98.9%
	North America	246	36	282	251	27	278	247	29	276	10.5%	21.0%	268	97.1%
	Overseas total	685	104	789	711	97	808	719	103	822	12.5%	62.6%	802	97.6%
Total		1,150	122	1,272	1,176	117	1,293	1,191	123	1,314	9.4%		1,293	98.4%

* Boundary of data: Advantest Group

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

Number of employees by type

	FY2021			FY2022			FY2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time employees	4,739	1,202	5,941	5,194	1,350	6,544	5,326	1,440	6,766
Non-full-time employees	381	142	523	416	157	573	425	167	592
Total	5,120	1,344	6,464	5,610	1,507	7,117	5,751	1,607	7,358

* Boundary of data: Advantest Group

Number of employees by age

	FY2021			FY2022			FY2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age -29	627	215	842	884	262	1,146	913	256	1,169
Age 30-39	969	291	1,260	1,088	338	1,426	1,153	380	1,533
Age 40-49	1,328	356	1,684	1,325	382	1,707	1,283	419	1,702
Age 50-59	1,519	289	1,808	1,581	317	1,898	1,681	331	2,012
Age 60-	296	51	347	316	51	367	296	54	350
Total	4,739	1,202	5,941	5,194	1,350	6,544	5,326	1,440	6,766

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

Number of new employees

		FY2021			FY2022			FY2023				
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Percentage of female employees	Percentage by region
Japan	Japan	49	18	67	70	23	93	85	12	97	12.4%	11.4%
Overseas	Asia	147	45	192	209	60	269	95	27	122	22.1%	14.4%
	Europe	67	12	79	188	46	234	99	25	124	20.2%	14.6%
	North America	563	181	744	421	133	554	318	188	506	37.2%	59.6%
	Overseas total	777	238	1,015	818	239	1,057	512	240	752	31.9%	88.6%
Total		826	256	1,082	888	262	1,150	597	252	849	29.7%	

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

Employee turnover

		FY2021			FY2022			FY2023				
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Percentage of female employees	Percentage by region
Japan	Japan	21	4	25	25	5	30	22	4	26	15.4%	4.8%
Overseas	Asia	89	15	104	74	8	82	65	12	77	15.6%	14.1%
	Europe	17	6	23	30	3	33	32	7	39	17.9%	7.2%
	North America	144	48	192	247	78	325	284	119	403	29.5%	73.9%
	Overseas total	250	69	319	351	89	440	381	138	519	26.6%	95.2%
Total		271	73	344	376	94	470	403	142	545	26.1%	
Turnover rate		6.39%	7.16%	6.54%	7.93%	7.82%	7.91%	7.76%	10.52%	8.33%		

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

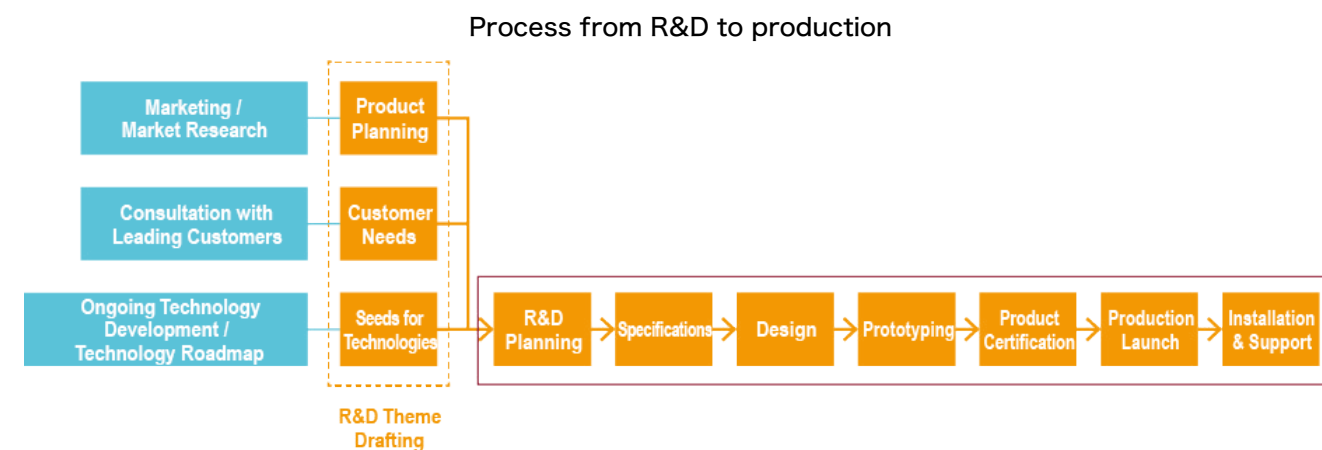
* From December 2019, the method of aggregating the number of employee turnover has been changed from including month-end employee turnover in the number of employee turnover on that month to including them on the next month.

Efforts to provide value through business

Advantest provides products and services that meet our customers' needs by maintaining high product quality and innovating on the technological forefront. Our supplier relationships form the foundation of our business. We aim to grow together with our suppliers through these cooperative relationships.

Supporting Product Safety and Quality

The process from product planning to completion of development and transfer to the production department requires collaboration with various departments such as marketing, sales, quality assurance, manufacturing, and service. In this section, we explain how we face the challenges of improving product safety and quality with the aim of enhancing customer satisfaction.



Initiatives to Secure Product Safety and Quality

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

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

In FY2023, we commissioned external specialists to undertake inspections of the safety and durability of 13 major Advantest products. The results indicated that there was no need for further revision of improvement of Advantest's safety specifications.

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

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

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

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

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

It is necessary to keep an eye on the latest legislative trends for each country of origin particularly for EMC laws and regulations. Advantest collects information about EMC laws and regulations by participating in the KEC Electronic Industry Development Center (KEC) working group. We also provide EMC regulatory information to the semiconductor manufacturing industry through the Semiconductor Equipment Association of Japan (SEAJ).

Advantest Group Quality Policy

Customer satisfaction is the ultimate goal of all our activities.

- (1) We maintain product quality for the entire life cycle of our products and services and satisfy our customers' requirements throughout the value chain.
- (2) We fulfill our social responsibility and increase stakeholder satisfaction through continuous improvement of our quality management system to optimize business processes, while complying with all applicable laws and regulations.
- (3) We provide technologies, products, and services that satisfy customers in a timely manner.

Quality Management System

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

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

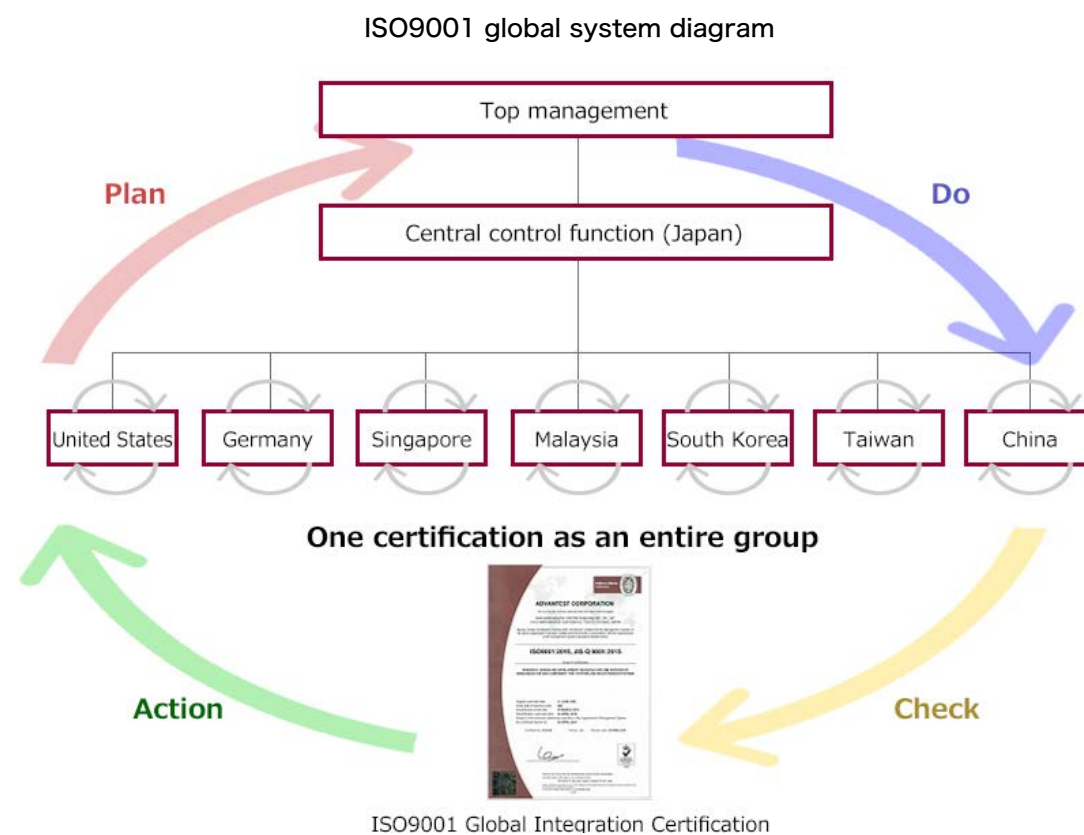
Furthermore, the entire Group (eight countries and 21 sites) is advancing system integration and has acquired the ISO9001 Global Integration Certification as of April 25, 2018 to strengthen global quality management systems.

By FY2023, system integration has expanded further to eight countries and 26 sites.

The number of product recalls in FY2023 was zero with the help of this quality control system. In the future, we aim to strengthen and expand quality control while maintaining this framework.

Number of Product Recalls in Past Five Years

Fiscal Year	FY2019	FY2020	FY2021	FY2022	FY2023
Number of Product Recalls	0	0	0	0	0



Design Review System Aimed at Improving Quality

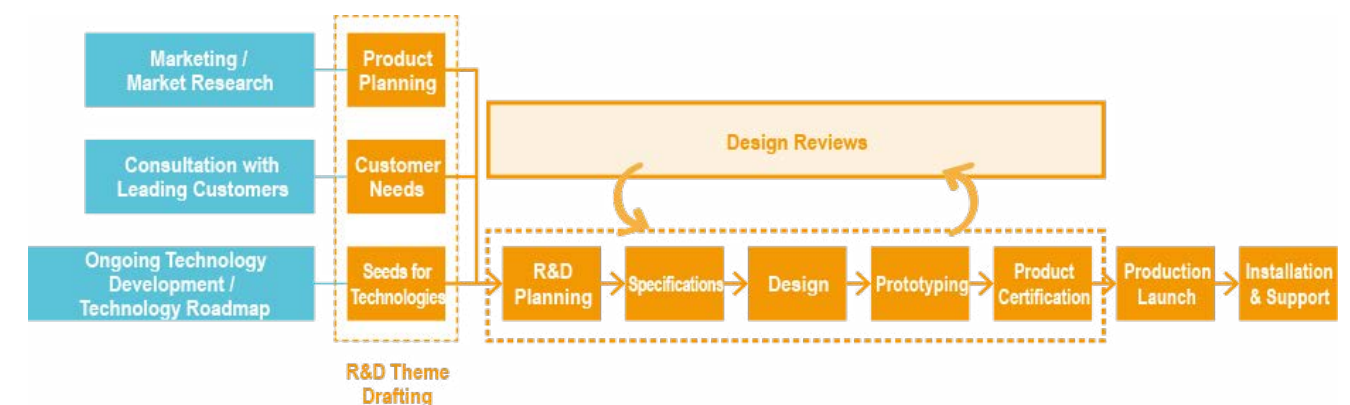
Customers constantly require functionality, performance, and quality in Advantest products. In response, our circuitry has become increasingly larger and complex. Meanwhile, we are also responding to demands for shorter development lead times, a challenge we feel is best addressed by instilling quality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

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

For instance, the rate of defect detection during the design phase has recently improved, leading to a decrease in setbacks and minimizing development delays. The new design review system has resulted in improvements in design quality and a reduction in development lead times. However, it has also revealed some cases in which problems that should have been detected by the designer ultimately found their way into the design review or the post process.

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

R&D process and the design review



Activities to Improve Component Quality (SQE Activities)

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

Our SQE initiatives involve the following three practices.

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

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

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

Availability

Advantest is committed to helping its customers achieve higher levels of productivity by offering them products that guarantee high availability – meaning that they are unlikely to malfunction, and will recover immediately should failure occur. More specifically, availability refers to the ratio of time that a system is operational over a given time, and as such constitutes one of the benchmarks of product integrity. The Advantest Group delivers high availability by working hard to improve MTBF*1 so that systems will operate without malfunction over longer duration of use, while also reducing MTTR*2 so that systems will be more readily serviceable when a malfunction does occur.

*1 To improve MTBF: MTBF: Mean Time Between Failure

*2 To reduce MTTR: MTTR: Mean Time To Repair

Initiatives Aimed at Improving Software Quality

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

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

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

Efforts to Improve Customer Satisfaction

To improve customer satisfaction, we strive to develop and manufacture products that satisfy customers' needs, keeping abreast of market trends. In order to develop products that exceed customer expectation, we conduct appropriate design reviews in the process of product development including various departments; not only Manufacturing Division and Quality Assurance Division but also Sales Group, Field Service Group, Marketing Division, and other related departments who directly communicate with our customers. We will continue to serve our customers by quickly responding to customer needs as our customers deal with the ever-changing markets and the development of competitive next-generation technologies.

Basic Policy for Improving Customer Satisfaction

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

- (1) We maintain product quality for the entire life cycle of our products and services and satisfy our customers' requirements throughout the value chain.
- (2) We fulfill our social responsibility and increase stakeholder satisfaction through continuous improvement of our quality management system to optimize business processes, while complying with all applicable laws and regulations.
- (3) We provide technologies, products, and services that satisfy customers in a timely manner.

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

Sales and Marketing Practices to Ensure Higher Customer Satisfaction

In the semiconductor market, where technology continues to evolve, our customers consistently take on the challenges of addressing environmental and social issues. Advantest believes that a proactive and speedy provision of comprehensive solutions is crucial in increasing customer value while our customers keep striving ahead for new challenges. As part of our efforts to increase customer value, we have been improving sales and marketing organizational structure. Advantest integrated marketing function of our business units, which was responsible for product strategy and new product planning, into our sales headquarters in December 2016 and we also integrated system solutions department, which provided semiconductor test system support, in June 2017. The integration of marketing department into the sales headquarters has enabled sales units to provide timely feedback to the marketing units on needs gathered through communication with customers, enabling more efficient development and delivery of products to customers. In addition, the integration of system solutions into the sales headquarters has also helped us to provide prompt technical support for our customers.

Furthermore, the sales and marketing units within the sales headquarters were integrated in March 2020 to create a system that can more speedily and accurately reflect customer needs in product development. We aim to further improve customer satisfaction by taking measures in response to changing market and customer needs.

Sales and Marketing Activities to Improve Customer Satisfaction

Not only do we provide test solutions, but also keep our customers up-to-date on the latest technology and product information related to the market so as to stay committed in supporting our customers' technical innovations. Due to the impact of COVID-19, we held our conventional face-to-face exhibitions and customer events online; however, beginning in 2022, we are resuming in-person events while taking vigilant measures to prevent the spread of infection. In May 2023, we successfully held the VOICE - Advantest Developer Conference in Santa Clara, California, USA. VOICE is run by a committee made up of Advantest and voluntary customers, serving as an international community where users and strategic partners related to our product portfolio gather and grow together, and celebrated its 15th anniversary this year. The conference is also a place for participants to deepen their insights and build lasting relationships by discussing the efficiency and productivity of semiconductor testing and learning about the latest technology trends and applications.

Promoting Customer Support

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

Our basic policy is outlined as follows.

Basic policy for customer support

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

Better Customer Support with a Global Focus

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

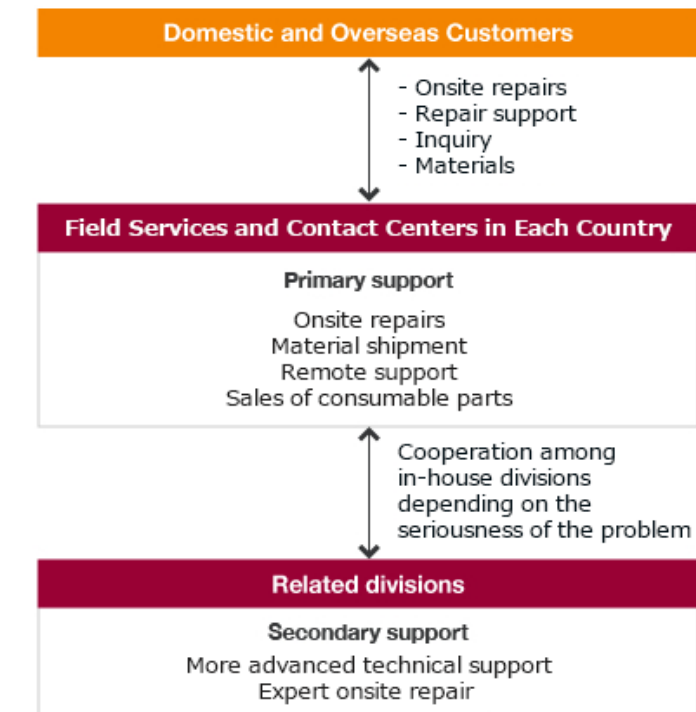
We place expert global support teams in product development bases to carry out secondary support, allowing us to respond appropriately based on the content and degrees of difficulty of customer support. This way, we are working to improve customer satisfaction while building relationships of trust with customers through a system that can provide high-quality services.

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

We continue to run an engineer exchange program between overseas subsidiaries and our secondary support division, which helps field service engineers improve their professional skills and raises the quality of our support. This two- to three-year human resource development program aims to sharpen engineers' technical skills, develop cross-cultural competencies, and raise foreign language and communication proficiencies.

In the mass production facilities of customers, we offer on-request expert engineering consulting and solutions regarding productivity issues and issues related to apparent expectations. We aim to increase customer value through collaborative creation with our customers for issues related to latent expectations that customers themselves are unaware of, by incorporating methods such as ethnography and service science to explore the issues.

Global Support Center System



Customers' Contribution to 3R

Advantest is actively involved in 3R initiatives for our product through Advantest Pre-Owned Solutions Corporation, our subsidiary.

When customers no longer use our products, we purchase them instead of simply disposing them, ultimately contributing to "reduce". We promote the "reuse" of our products by reselling the equipment we purchase to other customers who have been using them for a long time, or by providing them with parts.

If there is no demand for the equipment or parts, we sort the equipment we take back to the resource levels and "recycle" them.

We have defined our approach to the used products as "remarketing" and are committed to working together with our customers to solve their issues by providing a single point of contact and integrated services.

[Product Recycling](#)

Advantest Named THE BEST Supplier of Chip Making Equipment and #1 ATE Supplier for 5th Consecutive Year by TechInsights

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

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



In the 2024 Customer Satisfaction Survey, Advantest captured the No.1 spot of global semiconductor companies for the fifth consecutive year. The company has also been named on the 10 BEST Suppliers list of large suppliers of test equipment for the 36th consecutive year. Advantest achieved high customer ratings in the areas of Partnering, Recommended Supplier, Trust in Supplier, Technical Leadership, Commitment, Support After Sales, and Product Performance and was the only ATE supplier to receive a five-star rating again this year.

Some reviews from our customers

- [Advantest, NXP and Arizona State University Collaborate to Launch New Test Engineering Curriculum](#)
- [Advantest Wins 2022 Best Supplier Award from ASE Holdings](#)
- [ISE Labs Chooses Advantest's V93000 EXA Scale™ SoC Test System for Production Test Services](#)

Related News

- [Advantest Ranks THE BEST Assembly Test Equipment Supplier and the #1 Large Supplier of Chip Making Equipment in 2024 Customer Satisfaction Survey](#)

Innovation Initiatives

With the aim of "enabling leading-edge technologies," Advantest conducts research and development of fundamental technologies and products that will lead to greater value creation in the area of measurement technologies that support the semiconductor industry, the electronics industry, and the information and telecommunications industry. The results of these R&D activities contribute to the evolution of the semiconductor value chain on which our business is based on. In addition, we contribute to the realization of a safe, secure, and comfortable society by promoting the widespread use and social implementation of semiconductors with high performance and economic efficiency. Since R&D activities are a direct source of not only our own growth, but also of expanding our contribution to society, we have positioned R&D as an area of investment of utmost importance, and have invested a large amount of capital over the long term.

Summary of Innovation Initiatives

We wish to continue to be a company that provides high-value, world-class, state-of-the-art semiconductor test technology to all of our semiconductor customers. Our customers include many of the world's technology leaders, including the world's leading semiconductor manufacturers and IT companies, and their future success leads to the success of Advantest. On the other hand, in order to continue to create products and solutions that meet the high expectations of these customers, we must overcome a number of technological hurdles, which requires long-term, sustained, large-scale R&D management with a timeframe of 5 to 10 years. Our R&D management is based on a medium- to long-term roadmap, which is formulated based on the future technology needs and investment forecasts gathered through close communication with our customers, as well as market research on future technology trends and demand forecasts in the semiconductor-related market.

We are also engaged in developing new measurement solutions for medical devices and other applications outside the semiconductor value chain that leverage our electronic and optical measurement technologies.

Major basic technology developments in the most recent fiscal year

- Development of optical semiconductor devices, light sources, and optical integrated circuits for optical measurement and collective optoelectronic device test systems
- Development of sensor technology, algorithm technology, and application technology for ultra-sensitive magnetic measurement
- Elemental technologies such as pin electronics, pattern and timing generation, and DC test resources for semiconductor and component test systems
- Development of compound semiconductors such as low-distortion devices and high-speed, high-frequency devices for use in semiconductor and component test systems
- Development of technologies that enable testing of next-generation protocols and optical signal interfaces, including multi-level transmission

- Development of calibration methods capable of simultaneously adjusting the timing and waveform quality of ultra-high-speed signals with multiple pins
- Development of data linkage and analysis methods throughout the semiconductor supply chain, from the design process to the test process

Expansion of Direct Contributions to the Realization of a Sustainable Society through Innovation

At Advantest, all products undergo a product environmental assessment. In addition, we are committed to incorporating the improvement of environmental performance, such as power consumption efficiency, into our R&D process for new products, in view of contributing to a decarbonized society. Our contribution to the realization of a sustainable society is therefore integrated with our business activities.

[Green products](#)

Test solutions appealing to diverse customer needs

V93000 Series

The requirements of today's industry for even higher speeds, performance and pin counts means that test systems must offer greater functionality while maintaining low cost of test. With its scalable platform architecture, the V93000 tests a wide range of devices, from low cost IoT to high end, such as advanced automotive devices or highly integrated multicore processors. It also requires not only innovative technology, but also a system architecture with a long use-life, high scalability, and high investment efficiency.



V93000

The V93000 tests a wide range of devices, from low cost IoT to high end, such as advanced automotive devices or highly integrated multicore processors. Staying focused on the single scalable platform strategy, the V93000 is widely accepted at the leading IDMs, foundries and design houses. Outsourcing IDMs and fabless companies find V93000 test capacity installed in all leading OSATs worldwide.

[iTest Selects Advantest V93000 EXA Scale™ SoC Test System](#)

[ISE Labs Chooses Advantest's V93000 EXA Scale™ SoC Test System for Production Test Services](#)

[Advantest Rolls Out Pin Scale Multilevel Serial – Next-Generation High-Speed ATE Instrument](#)

[Advantest Unveils New Ultra-High-Current Power Supply for V93000 EXA Scale SoC Test System](#)

Memory Test Systems

Since the 1990s, Advantest has continued to provide close technical support to customers developing cutting-edge technologies, and over the past 30 years, we have accumulated a wealth of experience and solid technical expertise in memory testing by seamlessly following the technological evolution of memory semiconductors. We have consistently established our position as a de facto standard in memory testing by enabling faster time-to-market for optimal test solutions, especially for high-end memory.

[Advantest Targets NAND Flash/NVM Market with New Group of Memory Test Products](#)



T5230
Memory Test System

Test Handlers

AI/HPC ICs require 2.5D/3D advanced packaging technologies to provide the high computing power necessary to generate, train and run data-intensive AI models. These ICs generate massive heat due to their high compute power, creating unique testing challenges. The new Advantest test handlers are designed to address these challenges and help contribute to the AI/HPC market growth.

[Advantest Expands M4841 Handler with Active Thermal Control for Faster Device Throughput and Test Times](#)

[Advantest Expands Device Handler Offerings](#)



HA1200
Die-level Handler

Advantest Cloud Solutions™ (ACS)

With the aim of expanding and growing corporate value, Advantest is extending its solutions by enhancing test solutions and introducing new technologies. As an example, Advantest has been promoting Advantest Cloud Solutions™ (ACS), which integrates data generated through customers' semiconductor manufacturing processes with semiconductor testing data, which is then analyzed to generate new value.

The Advantest Cloud Solutions™ (ACS) ecosystem helps customers accomplish intelligent data-driven workflows. The ACS open solution ecosystem, a family of cloud-based products and services, is based on a single scalable data platform, which enables customers to develop or procure market-leading solutions from Advantest and its partners. Using these real-time machine learning, market-leading solutions, customers can automate turning insights into production actions in an easy-to-use and accessible way across the entire semiconductor value chain.

[Advantest Launches Real-Time Data Infrastructure \(RTDI™\) Platform Driving the Next Generation of Semiconductor Test](#)



System Level Test Systems

As a new test solution, Advantest is developing products that support system level testing to guarantee the performance of the final product. While System Level and Burn-In tests are not new methodologies, both are gaining more momentum particularly for production test.

[Advantest Rolls Out Thermal Control Products for MPT3000 Solid-State Drive Test Platform](#)

[Advantest Receives PCI Express® Gen 5 Certification for MPT3000 Solid-State Drive Test Systems](#)



MPT3000EV2



Lumifinder™
Fluorescence Detection
System

Fluorescence Detection System

The [E5620](#) During laparoscopic surgery, the fluorescence detection system, Lumifinder™ irradiates the observation site, to which a contrast agent (indocyanine green) has been administered in advance, with a near-infrared laser beam. The intensity of the resulting fluorescence is displayed numerically and graphically, providing quantitative data for better real-time decision-making. Fluorescence intensity spectrum waveforms and changes in intensity can also be observed. In addition, the Lumifinder™ can connect to the laparoscopic camera video signal, enabling medical staff to observe fluorescence while checking the laser irradiation position visually.

The Lumifinder™ is the first medical device Advantest has released in its approximately 70-year history (medical device approval number: 30500BZX00031000). It has been introduced at select medical institutions starting in 2023, and began offering the product on a lease basis to general medical institutions in Japan from April 2024. Please note that at present, it can only be used within Japan.

[Advantest Announces Lumifinder™ Fluorescence Detection System](#)

External Collaboration

Advantest aims to contribute not only to semiconductor testing but also to the entire semiconductor value chain by promoting innovation through industry-academia collaborations and other external collaborations, as well as through human capital development initiatives.

[Advantest, NXP and Arizona State University Collaborate to Launch New Test Engineering Curriculum](#)

[Advantest Collaborates with Amarisoft for 5G/IoT Device Testing](#)

[Advantest & Toray Engineering Establish Technical Partnership](#)

In addition to the above, we have established "The Advantest D2T Research Division" at the Tokyo University Systems Design Lab (d.lab), with the aim of developing specialist in test design and supporting research activities for SoC (System on Chip) design.

Together with the University of Tokyo, Advantest has begun working on research and development of new, advanced system technologies from April 1, 2023 in the Research Association for Advanced System (abbreviated as RaaS, hereafter referred to as RaaS*1)" (Chairperson: Professor Tadahiro Kuroda, Director of the System Design Lab (d.lab) of the Graduate School of Engineering, the University of Tokyo). The six members of the cooperative, the University of Tokyo, Advantest, Toppan Inc., Hitachi Ltd., Mirise Technologies Corporation, and Japan's RIKEN Scientific Research Institute, will work together to do R&D on a next-generation leading-edge semiconductor development platform that can be shared among the members.

*1 RaaS

An acronym of the Research Association for Advanced Systems. It advocates the provision of semiconductors not as components (products) but as core system knowledge (services), and reads "Raas". It also stands for "research as a service".

[Advantest & Other Members of the Research Association for Advanced Systems Launch Advanced Semiconductor Design Platform R&D Project for Democratization of Access to Silicon Technology](#)

Intellectual Property Initiatives

Basic Stance Toward Intellectual Property

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

Organization of Intellectual Property Management

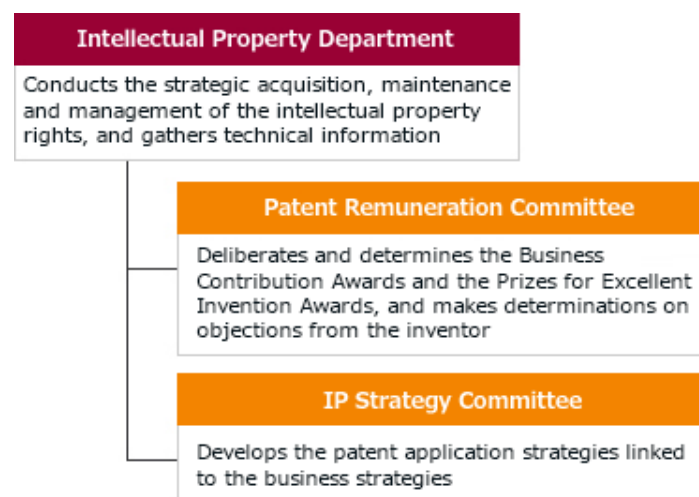
Advantest has established the following intellectual property management systems, and carries out appropriate intellectual property management in cooperation with business units in Japan, Germany and the U.S., which are our main development bases, Advantest Laboratory, and affiliates in each country.

The Intellectual Property Department conducts online meetings as necessary with intellectual property managers in Germany, the U.S., Singapore and China, and holds IP Strategic meetings twice a year with the IP Strategic Committee members to promote intellectual property activities in accordance with business unit, research and management plans.

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

The IP Strategic Committee is selected from among the various business units, laboratories and subsidiaries in Japan, Germany and the U.S., and formulates IP strategies linked to the business strategies.

Organization of intellectual property management



Providing Information to the Management and the Business Units

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

Intellectual Property Education

Advantest conducts education on intellectual property every year and strives to raise each employees' awareness of intellectual property.

In fiscal 2023, we conducted a two-day training, including a series of hands-on training, for new technical employees and mid-career employees to acquire knowledge on intellectual property necessary for engineers. In addition, as part of the Global Compliance Education Program launched in fiscal 2023, we provided intellectual property training on our ethical standards, stipulated under "14. Protection of Assets and Confidentiality" of [The Advantest Way](#), for all employees of the Advantest Group via e-Learning.

As part of our Efforts Toward Social Contribution, we held classes and workshops for elementary school students to promote IP creation education. Please refer to "[Community Activities](#)" for details.

Implementation of the Advantest Technical Conference

With over 30 years of experience, Advantest has held annual technical conferences (in-house presentations and commemorative lectures).

In fiscal 2023, in addition to the conventional in-house presentations, we established an "Empathy Day" as a one-day pilot event to promote active interaction between engineers and non-engineers. The event imparted to us a viewpoint of Inclusion and Diversity where the audience participants and speakers were able to feel involved with technology.

These means of interaction faced many challenges in achieving its success, however, they contributed to the understanding of diverse perceptions. We hope to establish this event as a formal event in addition to the technical conferences in the future.

Disputes and Litigation Relating to Intellectual Property

As of March 31, 2024 there were no such disputes.

Responsible Sourcing

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

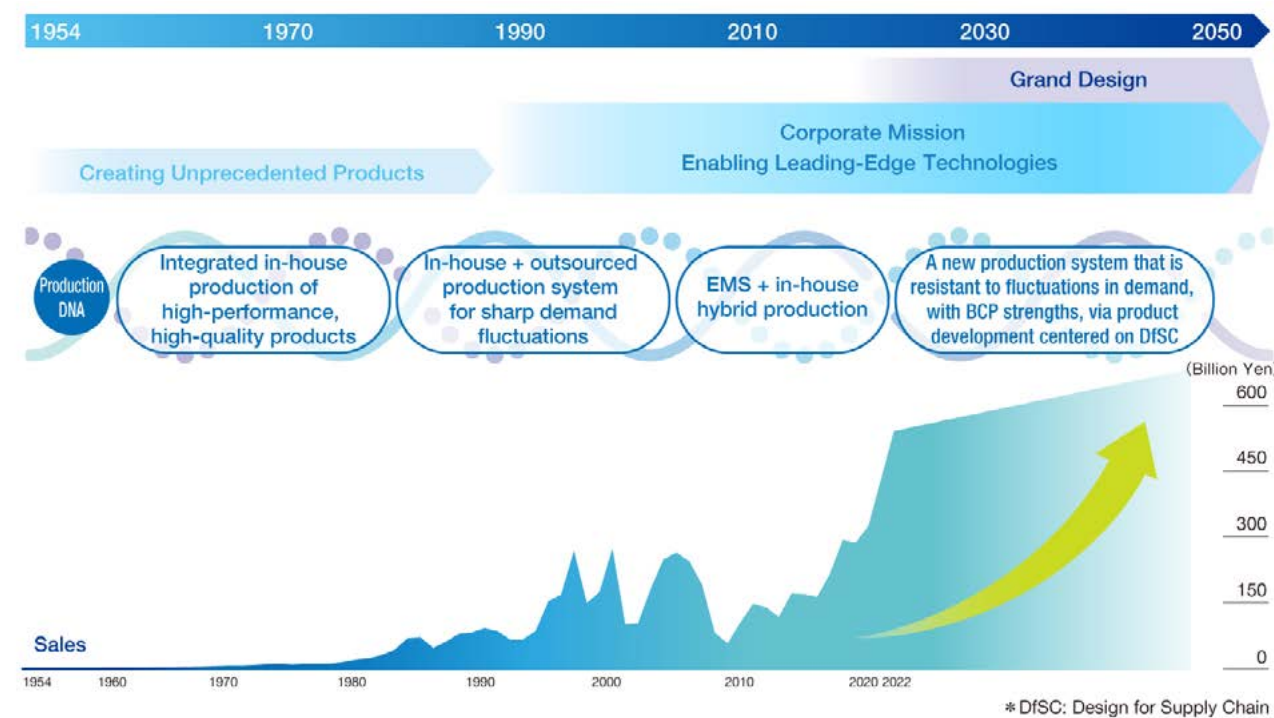
Procurement Policy and its Stance

Basic Stance

Advantest effectively combines three different production methods: all-in-house production, EMS production by a company that handles the entire supply chain, and outsourcing to partners that handle only the manufacturing of products. With the slogan Design for Supply Chain (DfSC) in mind, we aim to build a manufacturing system that is resilient to supply-demand fluctuations and BCP, while exploring ways to maximize the benefits of each method.

The Gunma Factory, our in-house production facility, is evolving into a “mother factory” that operates the entire manufacturing process in collaboration with our outsourcing partners. Now, we have expanded the ratio of outsourced production to more than 80%.

A cooperative relationship with our business partners is essential for developing the best supply system based on three different production methods. Advantest upholds fair business relations in accordance with relevant laws and regulations while maintaining close communication with our business partners.



Manufacturing Capital – Design for Supply Chain

Procurement Policy

Advantest upholds collaboration and cooperation with our suppliers, who are our important stakeholders, to build a sustainable supply chain that considers environmental, social and ethical considerations through comprehensive engagement activities, as stated in its Sustainability Policy. We place value on open communication with our business partners, which will ultimately lead to building trusting relationships and mutual development.

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

[Procurement Policy](#)

[Supply Chain CSR Promotion Guidebook](#)

[Green Procurement Guidelines](#)

Supply Chain Management System

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

In addition, the Supply Chain Division regularly reports key procurement strategies and activity results to the Executive Committee. The Board of Directors and the Audit and Supervisory Committee are also informed annually of key procurement strategies, as well as items identified in the previous year and the status of responses to them. Feedback from the Audit and Supervisory Committee is reflected in the following fiscal year's activities.

Policies are deliberated and decided by the Unit ESG leaders of the Sustainable Management Promotion Working Group in the Supply Chain Division under the direction of the CPO. Policies and guidelines are reviewed once a year, as they need to be revised depending on global trends. Any changes to policies and guidelines are reported to the Board of Directors by the CPO after approval by the Executive Committee.

Updated policies are published on our website and notified to suppliers via a dedicated tool.

In July 2024, the head of the organizational structure was replaced from CPO to Chief Supply Chain Officer (CSCO). As the next step in strengthening supply chain operations, we will aim to achieve the Grand Design by transforming supply chain operations from an internal process-driven to a market and customer-driven approach.

Measures against procurement risks

Procurement risks due to supply chain uncertainties such as climate change, natural disasters, and geopolitical risks persist. On top of the ongoing visualization of the factory (visualization of processes and information from parts procurement to production and shipping), we have established a system to predict supply-demand balance in real time to enable prompt and appropriate response. Furthermore, at our global bases, the CPO is spearheading partnership agreements with our suppliers, exchanging information at the top level, and boosting cooperation with EMS.

Advantest promotes procurement from multiple companies in principle as a contingency for the procurement of components from the perspective of BCP. In FY2022, we created a BCP map of our suppliers and manufacturing bases to speed up information collection and countermeasure examination in case of a disaster.

Education for Implementing Fair Trade

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

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

Responsible Mineral Sourcing Initiatives

Although Advantest is not subject to Section 1502 of the US Dodd-Frank Wall Street Reform & Consumer Protection Act (Conflict Minerals Clause), we are addressing the issue of conflict minerals. Since 2013, Advantest has been implementing an annual mineral procurement survey of our business partners using the Conflict Minerals Reporting Template (CMRT) tool developed by the Responsible Minerals Initiative (RMI)*.

*RMI : [Responsible Minerals Initiative](#)

*CMRT : [Conflict Minerals Reporting Template](#)

Survey System

The survey is led by the Supply Chain Division. A survey schedule is developed in May each year, and the survey policy and the target products are determined together with the CPO. A survey of our business partners is conducted around July, and the results are reported to the CPO and relevant departments at the end of the fiscal year after verifying the smelters/refineries listed in the CMRT with the information disclosed by the RMI.

Stakeholders are highly concerned about conflict minerals, and wish to promote procurement from conformant smelters. However, it is difficult to assure confirmation that a supplier is free of conflict minerals, therefore, we are continuing to work on this issue while internally examining how to improve the accuracy of the survey and how to provide feedback to our business partners, referring to information obtained through international organizations and experts.

From FY2024, we expanded our scope to include additional minerals such as cobalt and mica, alongside the 3TG (tantalum, tin, tungsten, and gold).

Survey Results for FY2023

The results showing the verification of refineries/smelters listed in the FY2023 CMRT with the information disclosed by the RMI are as follows:

Survey (CMRT) collection rate	99%
• Total number of smelters/refineries	357
• Number of conformant certified smelters/refineries (including pending smelters/refineries)	212
• Number of smelters/refineries without conformant certification	145

In total, the ratio of conformant smelters was 59.4%.

Although we have not been able to conduct sufficient on-site investigations due to the disruptions on the supply chain triggered by the COVID-19 pandemic, we will continue to seek cooperation from our business partners who we are yet to confirm.

We also respond appropriately to all requests from our customers regarding responsible mineral sourcing.

Initiatives with Our Suppliers

ESG Action Plan 2021-2023

Based on The Advantest Way and our corporate purpose & mission of "Enabling Leading-edge Technologies", Advantest is actively working to contribute to solving social issues through our business. The "ESG Promotion Basic Policy" formulated in 2021 outlines our social responsibilities as a global company and the roles we should fulfill for our stakeholders, and the "ESG Action Plan 2021-2023" disclosed in conjunction with the policy sets specific themes, targets, and KPIs to promote company-wide activities ever since.

In the supply chain, we are working together with our business partners in order to promote CSR procurement, with the goal of realizing a sustainable society by promoting activities for climate change, respecting human rights, occupational safety, fair trade, and observing compliance.

From fiscal 2024, we will promote activities based on the "Sustainability Action Plan 2024-2026" in accordance with the Sustainability Policy.

[Our Activities](#)

Initiatives towards Human Rights Due Diligence

We closely monitor cases where our suppliers or other business partners may have contributed to any action with adverse impacts on human rights. In case these adverse impacts are directly linked to the Advantest Group's business activities, we will work on encouraging respect for human rights through dialogue and consultation to ensure that the [Advantest Group Human Rights Policy](#) is understood.

With the aim of incorporating human rights due diligence into our procurement process, we disclose a clear procurement policy to our suppliers, who are important members of our value chain, and provide guidance on human rights, labor, and health and safety in the "[Advantest CSR Procurement Guidebook](#)".



Assessment and Monitoring

As part of our supply chain due diligence, Advantest uses multiple approaches to risk-based assessment and monitoring.

Supplier Evaluation Method

	Target	Details	Assessment & Response
General Suppliers Supply Chain CSR Questionnaire	Suppliers accounting for 85% of the Advantest Group's total transaction value	Based on the RBA Code of Conduct, this questionnaire examines supplier status with regard to human rights and labor, occupational safety, environmental conservation, fair trade and ethics, business continuity planning, supply chain management, etc.	Score, check for significant risks, conduct individual interviews and seminars as necessary
Strategic Suppliers Supplier Performance Management Evaluation	Approximately 25 strategic suppliers identified based on sales and procurement risks	Survey on the following items: TQRDCEB (Technology, Quality, Responsiveness, Delivery, Cost, ESG, Business)	Independent evaluation on a scale of 0 to 4 points Provides feedback of assessment results (scores and reasons, requests for improvement, etc.) and joint creation of action plans for the following year
Specific Suppliers Conflict Mineral Investigation	Check for 3TG, cobalt, mica Suppliers using target minerals in key products.	In this investigation we utilize Responsible Minerals Initiative (RMI) templates (Conflict Minerals Reporting Templates)	Confirm number of smelters that are compliant with the relevant standards / certifications. If significant risks are identified, request remediation

FY2023 Implementation of CSR questionnaire (Global)

Advantest conducts a CSR Questionnaire for business partners who account for 85% of the transaction value of all Advantest Group companies. The contents of the questionnaire mainly refer to the "Supply Chain CSR Promotion Guidebook" in line with international norm and initiatives such as the RBA Code of Conduct*. We also confirm the awareness and status of respect for human rights, including the elimination of child and forced labor and the implementation of occupational health and safety practices, as well as the prevention and detection of bribery and corrupt practices.

Advantest believes that the CSR Questionnaire serves to achieve mutual growth with our suppliers not only by building fair and sound partnerships, but also by promoting sustainability-oriented business activities such as the introduction of renewable energy and reporting of GHG emissions as a response to climate change.

In FY2023, we were able to obtain responses from all of the 42 companies that received the questionnaire. Although no significant risks related to human rights were found, we not only provided each supplier with

materials summarizing the results of their responses to enable them to address social issues throughout their supply chain, but also provided feedback on points that were highly rated and points that require improvement. We are working to raise the level of the entire supply chain through this close interactive communication.

In Japan, we also evaluate the QCD* of our business partners every quarter aimed to ensure the stable supply of products while maintaining and improving quality. On a global basis, we also conduct annual evaluations of our major suppliers, including their technology, quality, and procurement measures.

Survey period	March 2024
Feedback to business partners	October 2024

FY2023 Business Partner QCD Evaluation (Japan)

Evaluation period	Quarterly (July/October 2023, January/April 2024)
Feedback to business partners who require improvement	Quarterly (August/November 2023, February/May 2024)

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

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

Assessment for New Business Partners

We ask new business partners to understand and cooperate with our social initiatives including labor (human rights), ethics, safety and health, and environmental initiatives of reducing environmental impact, as stated in our procurement policy.

No business partner joined in FY2023.

Establishment of a Contact/Reporting Window

We ask our business partners to report cases where our employees may be subject to any suspected violations of the Advantest Code of Conduct, business contracts, laws and regulations, etc., using a dedicated [compliance hotline](#) on our website, when completing the CSR questionnaire. There were no complaints filed (no cases) in FY2023. Note that Advantest will not subject the whistleblower, nor the whistleblower's company, to any disadvantage. If an investigation finds any issues, the relevant action shall be stopped and measures shall be taken to prevent recurrence.

[Contact Fair Trade \(Compliance Hotline\) \(https://www.advantest.com/en/compliance/contact/\)](https://www.advantest.com/en/compliance/contact/)

Announcement of the Declaration of Partnership Building

Advantest and Advanfacilities Co., Ltd. have agreed to and endorsed the Declaration of Partnership Building and announced our framework on Declaration of Partnership Building* in the fall of 2021. The Declaration of Partnership Building declares, in the name of the representative of the company, that it will build new partnerships by promoting further collaboration and prosperous coexistence with business partners in the supply chain and encourage businesses that create value. The following are few examples of matters to observe for the promotion of partnership building.

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

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

[The Declaration of Partnership Building portal site \(Japanese only\)](#)

Examples of ESG promotion with our business partners

Advantest supports the philosophy of the Declaration of Partnership Building and promotes various ESG activities together with our business partners.

Introduction of GoGreen Plus, DHL's Service Using SAF

Gunma Factory and Advantest Singapore (ASP), where our Parts Center is located, have both introduced GoGreen Plus, a shipping service using Sustainable Aviation Fuel (SAF) provided by DHL Japan (DHL).

SAF is a biomass fuel produced from sustainable raw materials (plants such as corn and sugarcane and waste cooking oil from restaurants and homes) that is said to reduce GHG emissions by up to 80% compared to fossil fuels such as conventional jet fuel.

Delivered by



By using this service to transport our products from Malaysia to Japan we have contributed to a reduction of approximately 56.5 tons equivalent of GHG emissions, in addition to 31.5 tons equivalent for the transportation of parts from Singapore to other countries, for a total reduction of 88.0 tons equivalent of GHG emissions. This has led to contributions to GHG emissions Scope 3 Category 4 (upstream transportation and distribution) and Category 9 (downstream transportation and distribution).

Introduction of environmentally friendly pallets

The Gunma Factory introduced environmentally friendly pallets for parts storage in 2022 in response to a proposal from Alps Logistics Co., Ltd., to whom we outsource parts warehousing. These pallets are made from a blend of marine plastic waste, with logos of "Plastics Smart" printed on the sides, an initiative to reduce marine plastic waste lead by the Ministry of the Environment. Using these pallets represent our commitment towards our contribution in combating marine plastic debris from a logistics perspective.



Awarded from the Tokyo Metropolitan Government for eco-driving

Musashiseki Unyu Co., Ltd., our freight forwarder who transports our products via eco-drive technology, was awarded the highest rating of "three stars" for the third consecutive year in the 2023 "Tokyo Freight Transportation Evaluation System" (evaluation of efforts, such as eco-driving, of freight forwarders based on actual driving fuel efficiency and consumption), and was also selected as one of the top two highest rated forwarders. Advantest has set the reduction of greenhouse gas emissions throughout the value chain as one of its key themes. We believe that the fact that our business partner won such an outstanding award shall be a further driving force for ESG promotion, as we continue to promote efforts to reduce supply chain emissions.

Social Contributions

Basic Stance and Structure of Community Activities

The community activities of the Advantest Group focus on "preserving the global environment," "developing the next generation," and "contributing to local communities" under our basic policy of "We will respect our stakeholders, promote harmony with society, and contribute to the SDGs in order to achieve a sustainable society" within the "ESG for Sustainability" established in July 2019. In addition, we use our business activities to meet the needs of our stakeholders and of society, and to fulfill our social responsibilities as a group throughout the world.

Academic Support and Next-generation Development Support

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

Humanitarian Support

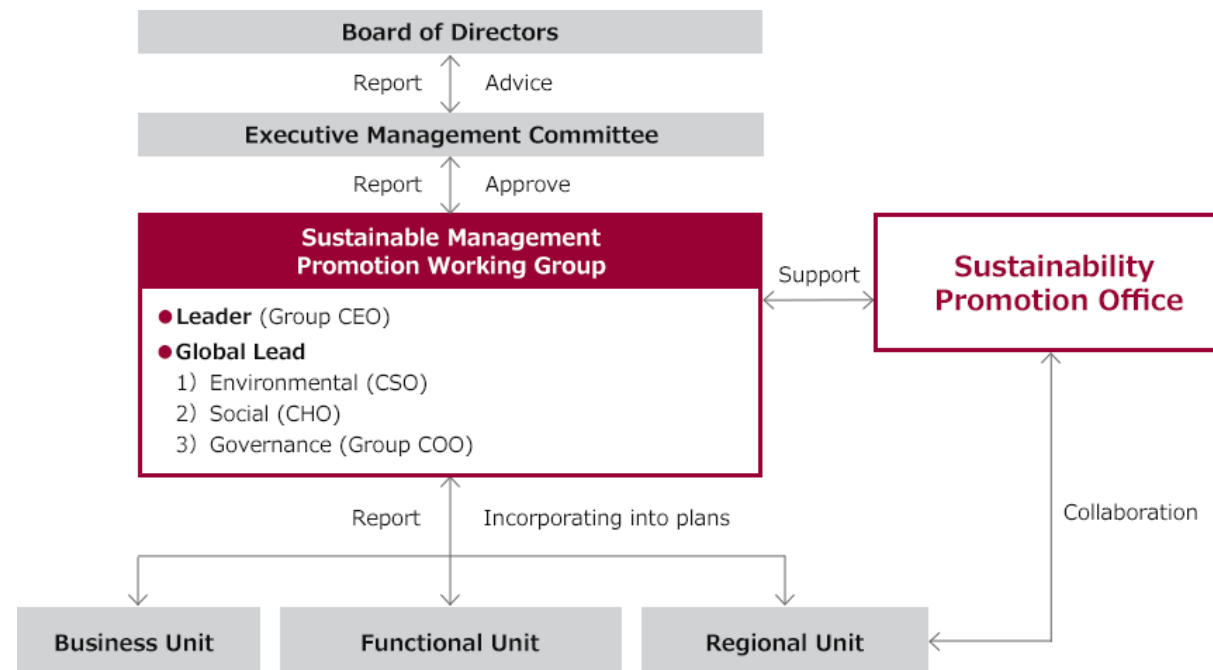
Advantest has been involved with many social support and charitable activities around the world for many years, rooted in "The Advantest Way."

In 2022, when the disruptive effects of the war in Ukraine intensified, we donated a total of JPY 90 million to UNICEF and four other domestic and international organizations as crisis relief efforts aiding people afflicted by difficult situations. In addition to these donations, our German subsidiary has set up an in-house "Ukraine Task Force Team," which is carrying out volunteer activities such as providing accommodation, clothes, and hygiene-related goods to refugees from Ukraine via local aid organizations in Europe.

Advantest also supports victims of major disasters. Furthermore, Advantest continues to engage in charitable activities in accordance with local needs at our global business sites to support disabled people, refugees, and people facing economic hardships.

Promotional Structure

Advantest promotes ESG activities under the Sustainable Management Promotion Working Group (SMWG), a company-wide organization. For community activities, we have formed team members to promote SDG activities at eight global locations, who work together with the Sustainability Promotion Office. In addition, discussions on community activities are held in both Japanese and English at the SMWG's Global ESG Meetings held twice a year.



Framework to promote employee participation

The Advantest Group actively advocates for employee participation in volunteer activities.

Volunteer activities for giving back to the community recruit participants through systems such as an intranet message board. Reports on activities in each region are also published in our internal newsletter and social media (My LIFE. ON.), which contributes to attracting new participants.

Employees can save up their unused paid holidays that would otherwise not be carried over to the next year and use them for volunteer activities.

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

Examples of Social Contribution Activities

The Advantest Group is engaged in a variety of social contribution activities at its locations around the world so that each individual employee contributes to the betterment of society. In FY2023, we continued to implement a total of more than 90 social contribution activities worldwide, including nature conservation activities, welfare support for the elderly and disabled, disaster relief, and next-generation education support.

See also ["Environmental Initiatives"](#) and ["Initiatives for Biodiversity"](#) for details.

Nature Preservation

Philippines: Tree Planting Volunteer

Together with the Baguio City Environment and Parks Management Office, we planted trees at the Baguio Botanical Garden, one of the largest in the Philippines. The botanical garden is an oasis in the city and plays an important role in the city's greening policy. Eight employees from the Philippines participated in the event, and together we planted 16 coffee trees. The tree-planting event generated a strong sense of camaraderie among employees who participated and contributed to a greener future for the Earth.



Employees who planted the trees

China: Bamboo Forest Conservation Activity

At a forest protection campground in Anji city, Zhejiang Province, employees engaged in bamboo forest conservation activities such as bamboo cutting and forest road maintenance under the guidance of local forest rangers. Bamboo forests have a huge carbon sequestration capacity and play a major role in combating global climate change mitigation. However, if they are left unattended, bamboo forests resources deteriorate and pose unprecedented challenges. The employees cut down a total of 16 bamboo trees and effectively reused the bamboo by making vases, pen holders, chopsticks, and other handicrafts from the bamboo they cut down..



Employees checking the bamboo crafts they have made

Japan: Undergrowth Clearing Session at the Biotope

Employees volunteered to clear undergrowth during their lunch break at our biotope. Undergrowth clearance aims to cut back weeds and seedlings to promote and conserve the growth of target species. This time, we cut "Azumanezasa" (species of bamboo grass). This bamboo grass needed to be removed since if neglected, it would spread all over the area and make it difficult for other flora and fauna to grow in their natural habitat. With the guidance of our biotope manager, the employees were able to understand the value of biodiversity and the importance of protecting ecosystems through the undergrowth clearance.



Employees clearing the undergrowth

Welfare Support

Singapore: Volunteering at Ageing Centers

52 employees participated in volunteer activities at two Active Ageing Centers located near our office. Participants were divided into six groups and spent a heartwarming time together while enjoying fun memory quizzes and musical performances with approximately 90 elderlies aged between 60 to 95. The games and performances brought a lot of laughter and smiles to the elderlies and some of them even mentioned that it was their best day of the year.



Employees explaining the quiz to the elderlies

Malaysia: Ramadhan Charity Cookout for the Community in Need

Advantest Malaysia collaborated with Mutiara Food Bank and organized a Ramadhan Charity Cookout for the community in need. Mutiara Food Bank is a Non-Governmental Organization (NGO) based in Penang, established with the aim of distributing food and meals to the people in need. The employees prepared tomato rice, red sauce chicken, and other dishes using ingredients and kitchen supplies donated by Advantest Malaysia, and packed the meals into 200 boxes, which were then distributed by the Mutiara Food Bank to families in need. Through this activity, employees were able to support and contribute to the United Nation's Sustainable Development Goal 2, which is about creating a world free of hunger by 2030.



Employees preparing a meal

Korea: Fishing Experience for the Visually Impaired

With the aim of providing a leisure opportunity for the visually impaired, 12 employees volunteered to participate in the fishing experience event and assisted the visually impaired. One volunteer was assigned to each visually impaired participant, who helped inserting baits and removing the hook when a fish was caught, allowing those who cannot see to enjoy the experience. The cost of this activity, KRW 6,000,000, was reimbursed by the Company.



The fishing experience

U.S.A.: Playhouse Workshop for Children

Volunteers partnered with Habitat for Humanity East Bay/Silicon Valley, an international NGO that supports housing construction, to build playhouses for the local community/family in need. Employees and their children participated in the project, cutting and attaching shingles onto the roof, doing woot cutouts, and painting to add artwork to the two playhouses, which were given to families in need. The recipient families sent thank you messages, saying that their children loved them so much that they played in them every day.



Playhouse built by employees and their children

Disaster Relief

Italy: Support for the Flood Victims

Advantest Italia S.r.l. donated EUR 5.000 to the foundation and relief organization "Specchio d'Italia" to support the victims of flooding caused by the torrential rains in May 2023 in the Emilia-Romagna region, northern Italy. The funds donated contributed towards humanitarian aid, including emergency relief supplies, shelter assistance, and community rebuilding initiatives. The donation recipient sent a letter of thanks to our Italian office.



Letter of thanks for the donation

China: Donation of Sleeping Bags to Jishishan County, Gansu Province for Earthquake Relief

On December 19, 2023, we promptly donated 260 sleeping bags in response to the urgent assistance appeal from the government and society of the disaster-stricken Jishishan County, Gansu Province. Thanks to our prompt shipment with priority, the sleeping bags arrived at the site on December 25 and were used to help set up temporary shelters and provide protection for affected residents.



Donated sleeping bags

Developing the Next Generation

Japan: Development of Semiconductor Human Resources

In the early 2010s, the Japanese semiconductor industry was in decline due to a long period of stagnant performance. Students were being discouraged from undertaking electronics and engineering studies and finding employment in semiconductor-related companies. Facing this reality, Advantest realized that unless we could build a foundation and acquire human capital for the continued growth of the semiconductor industry, it would be difficult for us to sustain our own growth. That aim drives our support for the [Power Device Enabling Association \(PDEA\)](#) [🔗](#) which was established in 2012 in anticipation of growing demand for power devices*, from the conceptual stage, and we have been working with car manufacturers, electronic device manufacturers, semiconductor manufactures, and public organizations under the auspices of the PDEA over the past 10 years.



"Measuring x Understanding Semiconductors" Advantest printed the 3 books: Introduction, Applications, and Power Electronics.

When the PDEA launched its "[Semiconductor Engineer Career Certification](#) [🔗](#)" in 2014, we published "Measuring x Understanding Semiconductor," a series of three textbooks that enables comprehensive study of semiconductor fundamentals, development, manufacturing, testing, and quality assurance, to support people preparing for this examination. Although these materials were mainly aimed at engineers involved in semiconductor design, manufacturing, testing, quality assurance, in recent years, demand from learners in their 20s and 30s is increasing on account of changes in the semiconductor industry environment. The textbooks have also been adopted in special curricula at technical high schools and technical colleges in Kumamoto Prefecture, as well as in the education of new employees at major device manufacturers. Furthermore, these educational materials may enjoy even wider adoption in future, as evidenced by the joint seminars held using "Measuring x Understanding Semiconductor" in cooperation with affiliated organizations such as SEMI Japan, Kitakyushu Foundation for the Advancement of Industry, Science and Technology (FAIS), and Oita LSI Cluster Promotion Council.

Advantest will continue to focus on developing future talent with the aim of continuously developing and building a foundation for the semiconductor industry.

* Power devices: Also called power semiconductors, used in power converters like inverters. In recent years, these semiconductors have been attracting more and more attention amid increasing interest in environmental technologies such as energy conservation and low power consumption.



A seminar held by PDEA.

Together with registered companies, academic associations, and experts in the related industries, the PDEA promotes awareness-raising activities within the industry by sharing themes for the practical realization of power devices.

Japan: Implemented IP Creation Education

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

Advantest has held classes and workshops based on the concept of invention and great inventions in the history of Japan for elementary school students from 2021. The children learned that people's lives have been enriched by inventions, garnering positive feedback from their schools. We will continue our activities so that more children can receive IP creation education.

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

[🔗 https://www.kantei.go.jp/jp/singi/titeki2/tizaikyoku/pdf/s-1.pdf](https://www.kantei.go.jp/jp/singi/titeki2/tizaikyoku/pdf/s-1.pdf)

Japan: Programming Classes at Elementary Schools

We held our first programming classes for 6th graders at two elementary schools near our office. On the day of the programming class, using a mouse-shaped robot developed by our training representatives, the students completed a program in which a sensor causes the robot to stop in front of a wall. Through these fun-filled classes, our employees were able to contribute to next-generation education.



Mouse-shaped robot in motion

Taiwan: Educational Camp Activity for a Remote Elementary School in Hsin-Chu

We designed an educational camp for English and science for a remote elementary school in Hsin-Chu, with a total of 30 students. In the English class, we taught the students how to order food. At lunch time, we served the same dishes as those used in the class and the children were very pleased with the program. In the science class, we offered a DIY experience where children enjoyed learning about "non-Newtonian fluids". The elementary school later presented us with a letter of appreciation for our educational support activities.



Our board member giving opening remarks at the event

Japan: Usage of The Interactive Digital Globe

We have installed an interactive globe at Advantest's Gunma R&D Center, displaying real-time Earth data, for use in environmental education for children who, we believe, are the generations that will bear the responsibility of shaping the world's future, our employees, and our stakeholders. This tool not only allows us to learn about global atmospheric temperature changes, but also about the past, present, and future of the Earth.

In FY2022, this globe was also set up in the ESG corner of our booth at SEMICON Japan, a premier international exhibition offering latest insights into semiconductor manufacturing equipment and materials. It was well received by our visitors and provided an opportunity to discuss various social issues such as climate change. Likewise, we used the globe for environmental learning during the training of new employees in FY2023, following on from FY2022. We will continue to make effective use of this tool for environmental learning for a wide range of our stakeholders.



Interactive digital globe

Japan: Advantest Participates in Edu Town SDGs Alliance

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

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

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

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



China: Developing Human Capital for Semiconductor Test

Under the theme of "Social Contribution", Advantest (China) Co., Ltd. has been offering a program for universities, called "University Education Plan" since 2018. The program aims to strengthen the collaboration with universities and research institutions on talent development in the IC industry, especially in the field of IC testing. The program has been successfully implemented for the past several years and has brought IC test knowledge to thousands of students in universities.



In 2023, the program took a giant leap forward, after the pandemic. We invited a group of university faculty to our office to convince them how training with the CloudTesting™ Service (CTS) platform is suitable for university education. We hosted a seminar with over 30 faculty/professors from 26 universities to share their thoughts and plans for industry-university collaboration. We also visited over 10 universities to share our knowledge of IC testing with more than 900 students.

We are committed to fulfilling our social responsibility as a leading company in the industry and we believe these efforts will contribute to the realization of a more sustainable society. We plan to introduce more CTS systems and establish highly efficient working models so that we can collaborate with more universities in the future.

Global: Developing human resources for semiconductors with global industry-academic collaboration

In 2007, Advantest established the Advantest D2T Research Division within the campus of VDEC (the VLSI Design, Education, and Research Center at the University of Tokyo). The Systems Design Lab (d.lab), affiliated with the Graduate School of Engineering at the University of Tokyo, was established in 2019 as a result of reorganization of VDEC, and together with Advantest, it is currently conducting joint research and educational activities aimed at bridging the gap between "design" and "testing".

In June 2023, Advantest established a test engineering course at Arizona State University in collaboration with NXP Semiconductors, a world-class semiconductor manufacturer based in Arizona, USA. Arizona has a significant concentration of semiconductor industry, with many semiconductor manufacturers investing to establish their production bases and wafer-fabs within the state. With Arizona's burgeoning semiconductor industry driving the demand for test engineers, we are aiming to develop semiconductor test personnel with local roots so as to meet these expectations.

Other Examples of How We Support the World

Germany: Donation of Medical Supplies to Support Ukrainian Refugees

As part of our activities to support Ukrainian refugees, Advantest Europe GmbH decided to donate EUR 5,000 to Kindernothilfe e.V., a Non-Governmental Organization (NGO) in Duisburg that has been helping disadvantaged girls and boys and their families around the world. The goal of the donation was to provide a year's supply of medication for young refugees living in the Ukrainian shelters. The donation was handed over by local Advantest employees at the local Kindernothilfe e.V. office in Duisburg.



Scene from
the donation handover

Germany: Donations from End-of-Life IT Equipment Raffles

We held our annual raffle of retired IT equipment (laptops, smartphones, etc.) and raised a total of EUR 9,900. The money was distributed among eight charities (organizations for premature babies, those with severe disabilities, animal shelters, those dedicated to children, etc.) selected by the works councils.



Scene from
the donation handover

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Corporate Governance

Advantest strives to grow sustainably and improve corporate value through transparent management and proactive information disclosure.

Management Structure

Our Basic Policy of Corporate Governance

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

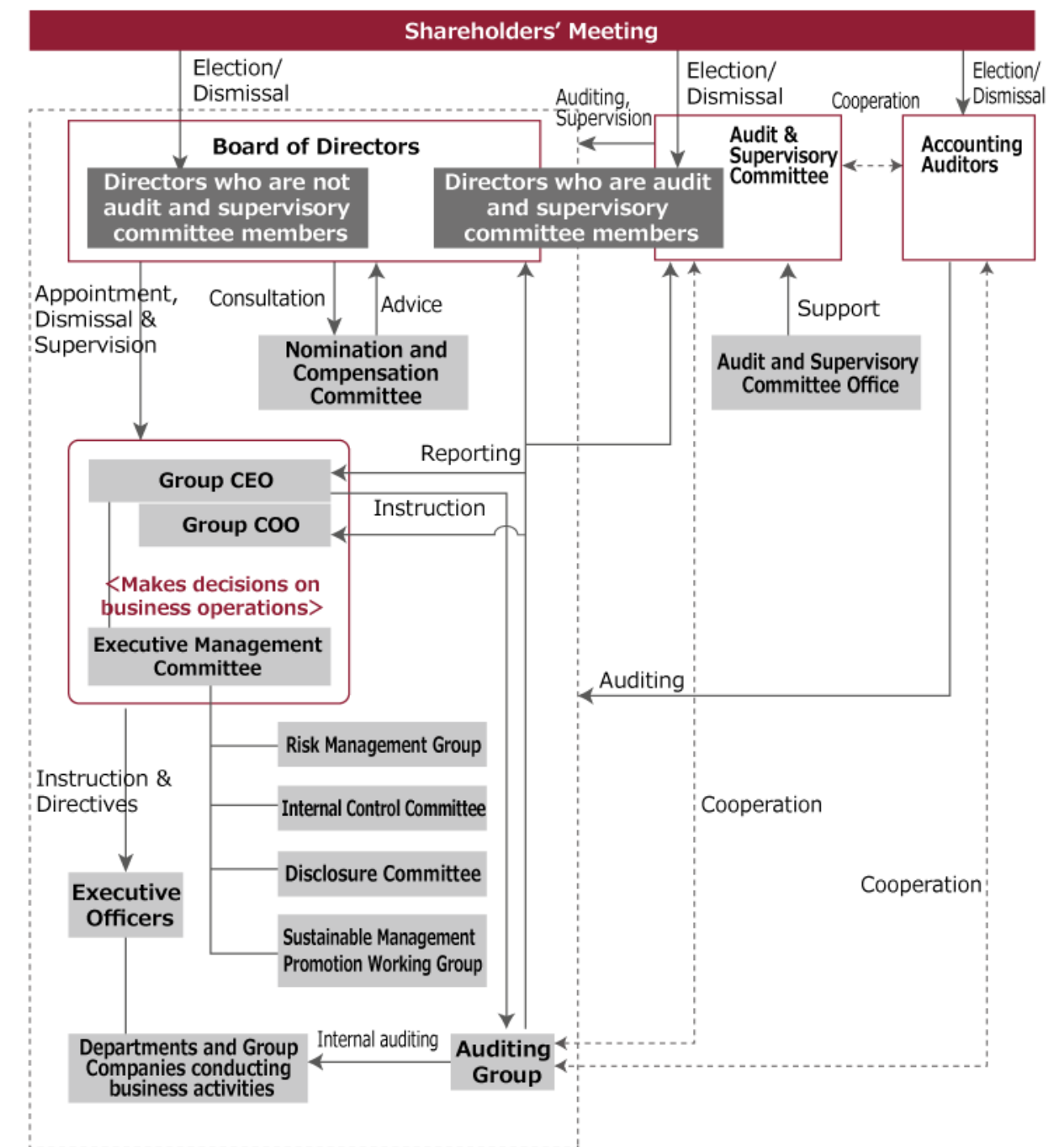
In accordance with the corporate mission described in the preceding paragraph, by being open, honest and respectful at all times with all stakeholders, Advantest aims to achieve a sustainable level of business development and enhance corporate value over the mid-to-long term. Advantest always strives to find the best solution to issues, by seeking out root causes and defining their "essence". To that end, Advantest will establish a fair, efficient and transparent governance system.

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

Corporate Governance System

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

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



Corporate governance structure

List of Governance Systems (As of June 28, 2024)	
Structure	Company with an Audit and Supervisory Committee
Number of Directors	9
Number of Outside Directors	5(55.5%)
Number of Non-Japanese Directors	2(22.2%)
Number of Female Directors	2(22.2%)
Term of Office for Directors who are Not Audit and Supervisory Committee members	1 year
Term of Office for Directors who are Audit and Supervisory Committee members	2 years
Number of Directors who are Audit and Supervisory Committee members	3
Number of Outside Directors	2
Chairperson of Audit and Supervisory Committee	Outside Director
Nomination and Compensation Committee	In place
Nomination and Compensation Committee Members	3 Directors (Two of which are outside Directors)
Nomination and Compensation Committee Chair	Outside Director
Performance-linked Remuneration System	In place
Executive Officer System	In place
Executive Officers	26
Non-Japanese Executive Officers	14

Please see the information below for the Corporate Governance Report.

 [Corporate Governance Report \(PDF 869KB\)](#)

| Board of Directors

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

Regular Board of Directors meetings are held once a month and last about 3 to 5 hours, giving directors time to discuss important matters. In addition, Advantest holds offsite meetings where board members discuss mid-to-long term issues that cannot be discussed within the time limits of Board of Director meetings. The Board of Directors met 13 times at the office and once off-site in FY2023, and all members attended all meetings. At the Board of Directors meetings, directors with a wealth of knowledge and experience expressed their opinions from each point of view on various agendas, and active discussions took place.

In FY2023, the main discussion and reporting items of the Board of Directors meetings and offsite meetings were as follows.

- With Advantest's next mid-term management plan starting in FY2024, Advantest has appointed Mr. Douglas Lefever as Group CEO and Mr. Koichi Tsukui as the Group COO and President of Advantest, effective April 1, 2024, to deliver even greater progress for the Advantest Group in the rapidly changing, fast-growing semiconductor industry.
- The Board of Directors was informed of the efforts undertaken during the current fiscal year, the final year of the 2nd Mid-Term Management Plan (MTP2), and of the status of progress on management indicators and strategic measures during the entire period of MTP2.
- Discussions were held on the revision of our mid/long-term management policy “Grand Design” and the formulation of the 3rd Mid-Term Management Plan (MTP3). The Board of Directors held in-depth discussions on what Advantest wants to be, which is one of the core themes of the plan.
- With the purpose of creating a more investment-friendly environment and expanding the investor base by reducing Advantest’s stock price per investment unit, Advantest enacted a 4-for-1 share split of its common share with an effective date of October 1, 2023.
- A review of PMI for M&As conducted as growth investments was reported, and lessons learned for future M&As were discussed.
- An IR report on the status of communication with investors and shareholder ownership was presented to the Board of Directors.
- Reports were made to the Board of Directors on the progress of the ESG Action Plan 2021-2023. The next Sustainability Action Plan and responses to various laws and regulations were discussed.
- Monthly reports were made to the Board of Directors on the status of sales, profits, cash flow, etc. In response to the increase in the inventory balance, the Board of Directors discussed issues with overall operations.
- Compliance reports were made four times a year, and internal audit reports were made twice a year, informing the Board of Directors about compliance incidents including reports made through a helpline, and about the internal audit system and items pointed out by internal audits.

Attendance at meetings of the Board of Directors and important committee meetings in fiscal year 2023 is as follows.

Classification		Name	Attendance at Board of Directors meetings (13 times)	Attendance at Nomination and Compensation Committee meetings (14 times)	Attendance at Audit and Supervisory Committee meetings (13 times)
Inside Director	Executive Director	Douglas Lefever	100% (13 times)	—	—
		Koichi Tsukui	100% (13 times)	—	—
	Non-Executive Director	Yoshiaki Yoshida	100% (13 times)	100% (14 times)	—
		Yuichi Kurita	100% (13 times)	—	100% (13 times)
Outside Director		Toshimitsu Urabe	100% (13 times)	100% (14 times)	—
		Nicholas Benes	100% (13 times)	—	—
		Naoto Nishida	100% (10 times)	—	—
		Sayaka Sumida	100% (13 times)	100% (14 times)	100% (13 times)
		Tomoko Nakada	100% (10 times)	—	100% (10 times)

As of June 28, 2024, the Board of Directors of Advantest (including Directors who are Audit and Supervisory Committee members) is composed of two executive directors (inside directors), two non-executive directors (inside directors) and five non-executive directors (outside directors). Two of the directors have non-Japanese nationalities and two are female directors. In order to maintain seamless communication despite the diversification of Directors, Advantest has arranged for simultaneous interpretation at the Board of Directors meetings so that Board members can speak freely in both Japanese and English. Materials and minutes are also translated into English.

Evaluation of the Board of Directors' Effectiveness

At a Board of Directors' meeting, all directors answered a questionnaire to evaluate the effectiveness of their roles and obligations. Advantest analyzed our organization, operation and discussion status by collecting opinions.

(Action in FY2023)

The evaluation of the effectiveness of the Board of Directors in FY2022 confirmed that each director was able to discuss issues from different perspectives, and also indicated the importance of further improving sensitivity to changes in the external environment and clarifying the issues in the materials reported at Board of Directors meetings. In response to these evaluation results, the following actions were taken in FY2023.

- In offsite meetings, the changes in Advantest's external environment and geopolitical risks were discussed.

- We are trying to allow more time for discussion by the Board of Directors by requiring presenters to use an executive summary and provide a concise statement.

(Results in FY2023)

The composition of the Board of Directors was changed at the General Meeting of Shareholders in June 2023, and outside directors now comprise a majority of the Board. Advantest now has two female directors and continues to have two non-Japanese directors, which confirms that the number of directors and the ratio of outside directors is appropriate. In addition, Mr. Douglas Lefever took over from Mr. Yoshiaki Yoshida as Group CEO effective April 1, 2024. Over the past several years, the Nomination and Compensation Committee has been the main body considering the change in top management and has regularly reported its progress to the Board of Directors. The Board of Directors was satisfied that the succession plan had been adequately discussed, in part because of feedback received from Board members.

On the other hand, the following points were raised as areas for improvement to make the Board of Directors more effective.

- It is desirable for the Board of Directors to consider measures to respond more promptly to changes in the external environment.
- Time management at Board of Directors meetings is an issue. It is preferable to organize issues in advance and narrow down the issues before discussing them at Board of Directors meetings. A mechanism to incorporate the opinions of outside directors at an early stage could be considered.
- Onboarding support was provided to the two newly appointed outside directors in the form of briefings on the Advantest Group's management policies and business activities, as well as tours of Advantest's business sites. However, there is room for further improvement.

Skill Matrix

In nomination and selection of Directors and Senior Executive Officers, Advantest 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. Advantest has selected the following nine areas of management activities which are considered important for Advantest 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 responsibly of supervision in the nine areas, and established the required skill sets for Senior Executive Officers and Directors. The skills of the Directors will be as shown in the table below.

Following the environmental changes, the skills required by Advantest will be constantly updated.

*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

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 and knowledge as a head of a management strategies department ^{*1,2}
		Business investment and M&A	Experience and knowledge of business investment and M&A
②	Semiconductor	Semiconductor-related industries	Experience in semiconductor-related industries and knowledge of the semiconductor industry
③	Technology	Industries & technologies (incl. Environment and Energy)	Knowledge of the electrical/electronics related industry and ICT technologies
		Research & development	Experience and knowledge as a head of an R&D department ^{*1,2}
		SCM ^{*3} , production, and quality assurance	Experience and knowledge as a head of SCM ^{*3} , production, production engineering, and quality assurance departments ^{*1,2}
④	Sales & Marketing	Sales and marketing	Experience and knowledge as a head of a sales and marketing department ^{*1,2}
⑤	Finance & Accounting	Finance, accounting and audit	Experience and knowledge as a head of a finance, accounting and audit department ^{*1,2} or as a certified public accountant and auditor
		Communication with the capital market	Experience and knowledge as a head of the department responsible for communicating with investors and shareholders ^{*1,2} , such as a head of IR (Investor Relations) or SR (Shareholder Relations) department
⑥	Legal & Compliance	Legal affairs, risk management, and compliance	Experience and knowledge as a head of a legal affairs, risk management, or compliance department ^{*1,2} or as an attorney at law
⑦	Human Capital Management	Human capital management	Experience and knowledge as a head of an HR department ^{*1,2} , 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 and knowledge as a head of an IT department ^{*1,2} , and as a head of a DX promotion department ^{*1,2}

The skills of the Directors and Senior Executive Officers will be as shown in the table below.

						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 Semicon ductor	③ Technology			④ Sales & Markething	⑤ Finance & Accounting		⑥ Legal & Compliance	⑦ Human Capital Management	⑧ Global Business	⑨ Digital Transformation
		Attribute				Management		Business investment and M&A	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		Semiconductor-related industries	Industries & technologies (incl. Environment and Energy)	Research & development			Finance, accounting and audit	Communication with the capital market				
Inside	Douglas Lefever	Male	United States			○	○	○	○	○	○		○		○			○	
	Koichi Tsukui	Male	Japan			○	○		○		○		○		○			○	
	Yoshiaki Yoshida	Male	Japan			○	○	○	○				○		○			○	
	Yuichi Kurita	Male	Japan	○			○	○	○					○	○			○	
Outside	Toshimitsu Urabe	Male	Japan		○	○	○	○									○	○	○
	Nicholas Benes	Male	United States		○		○	○							○	○		○	
	Naoto Nishida	Male	Japan		○				○	○	○	○						○	
	Sayaka Sumida	Female	Japan	○	○									○		○		○	
	Tomoko Nakada	Female	Japan	○	○											○		○	

* Skills of the Senior Executive Officers (excluding those concurrently serving as Directors) as of June 28, 2024 are as follows.

						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 Semicon ductor	③ Technology			④ Sales & Markething	⑤ Finance & Accounting		⑥ Legal & Compliance	⑦ Human Capital Management	⑧ Global Business	⑨ Digital Transformation
		Attribute				Management		Business investment and M&A	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		Semiconductor-related industries	Industries & technologies (incl. Environment and Energy)	Research & development			Finance, accounting and audit	Communication with the capital market				
Senior Executive Officer	Keith Hardwick	Male	United States					○	○					○			○	○	
	Yasuo Mihashi	Male	Japan				○	○	○				○		○			○	
	Juergen Serrer	Male	Germany						○		○							○	
	Maokoto Nakahara	Male	Japan						○			○	○					○	
	Sanjeev Mohan	Male	United States						○				○					○	
	Richard Junger	Male	Germany						○			○						○	○
	Yong Xu	Male	China						○				○					○	
	Toshiaki Adachi	Male	Japan						○		○							○	○

Reasons of Appointment of Outside Directors

Name	Reasons of Appointment
Toshimitsu Urabe	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 Advantest Group's global management, thereby contributing to the sustainable enhancement of corporate value and invigorating the activities of the Board of Directors. Thus, Advantest believes that he is a suitable person as an outside director.
Nicholas Benes	Mr. Nicholas Benes has extensive knowledge and experience about corporate governance matters, and experience in investment banking including M&A transactions. He is expected to reflect his knowledge of corporate governance and the shareholder-oriented perspective in the Advantest Group's global management, thereby contributing to the sustainable enhancement of corporate value and invigorating the activities of the Board of Directors. Thus, Advantest believes that he is a suitable person as an outside director.
Naoto Nishida	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 & 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 Advantest Group's global management, thereby contributing to the sustainable enhancement of corporate value and invigoration of the activities of the Board of Directors. Thus, Advantest believes that he is a suitable person as an outside director.
Sayaka Sumida	Although Ms. Sayaka Sumida has not been directly involved in the management of a company in the past, she has a wealth of knowledge and experience in finance and accounting gained through her engagement for many years in accounting/auditing services and internal control-related services as a certified public accountant at an accounting firm. She is expected to reflect her knowledge of finance and accounting in Advantest Group's audit and supervision, thereby contributing to the enhancement of corporate accounting and internal controls. Thus, Advantest believes that she is a suitable person as an outside director who is an audit and supervisory committee member.
Tomoko Nakada	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 Advantest Group's audit and supervision, thereby contributing to the enhancement of compliance. Thus, Advantest believes that she is a suitable person as an outside director who is an audit and supervisory committee member.

 [Directors and Executive Officers](#)

Director Training

It is stated in the "Director Training Policy" as follows;

Director Training Policy
<div>1. Advantest provides and arranges following actions for new Directors to acquire necessary knowledge on the Advantest's business, finances, organizations and other matters so as to enhance their understanding of their roles and responsibilities: (1) To explain the roles and responsibility required for Directors; (2) To explain Advantest group's business, finances, organizations, major internal regulations, corporate governance structure, and internal control systems; (3) To update above (1) and (2) for incumbent Directors as necessary.</div> <div>2. Advantest should provide and arrange training opportunities suitable for each director as necessary.</div>

In FY2023, briefings were held for the newly appointed outside directors on the Advantest Group's management policies and business activities. They also toured Advantest's business sites. In addition, all directors visited production sites in South Korea.

All Executive Directors have taken an external training program on governance. Because governance skills are important, we are expanding the scope of the training to Executive Officers who are not directors.

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, members of the Audit and Supervisory Committee 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, members of the Audit and Supervisory Committee communicated with and exchanged information via interviews with directors of the subsidiaries and opinion exchange meetings with corporate auditors of the subsidiaries and received business reports from subsidiaries as deemed necessary, and conducted audits of Advantest'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, members of the Audit and Supervisory Committee shared our views with the directors and department heads on what we recognized as issues needing feedback.

Advantest's Audit and Supervisory Committee is composed of 1 inside director and 2 outside directors whom are Audit and Supervisory Committee members (of which one is a full-time Audit and Supervisory Committee member)* and is chaired by an outside director. Directors who are Audit and Supervisory Committee members are appointed by the General Meeting of Shareholders separately from other Directors

who are not Audit and Supervisory Committee members. The Audit and Supervisory Committee, the Auditing Group and other internal control departments, the Accounting Auditors, and the corporate auditors of each Advantest Group company collaborate with one another so as to carry out regular discussions and timely meetings.

* The number of people given is correct as of June 28, 2024.

Accounting Auditors

Accounting Auditors perform accounting audits of the consolidated financial statements, accounting documents, etc., and produce an audit report. Regarding accounting audits, Advantest has audited with Ernst & Young ShinNihon LLC and received predetermined audits. EY Shin Nihon LLC Audit Corporation (formerly Daiichi Audit Office) has been conducting listing audits of Advantest since 1983, when Advantest was listed on the Second Section of the Tokyo Stock Exchange. The certified accountants who executed the accounting audit work of Advantest in FY2023 are Mr. Toshiyuki Matsumoto, Mr. Minoru Ota and Mr. Hiroyuki Nakada. The rotation of the certified public accountants is conducted appropriately at Ernst & Young ShinNihon LLC and no certified public accountants are involved in accounting audits of same company for more than seven consecutive fiscal years. Lead certified public accountants are not involved in accounting audits of the same company for more than five consecutive fiscal years. If a certified public accountant is involved in accounting audits of the same company for seven consecutive fiscal years, he or she will be involved in accounting audits of that company only after an interval of five fiscal years. Lead certified public accountants who are involved in accounting audits of the same company for five consecutive fiscal years will not be involved in accounting audits of that company again. In addition, assistants performing Advantest's accounting audit work include those with expert knowledge such as system experts, with CPAs as the main constituents.

Internal Audits

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

Nomination and Compensation Committee

In 2005, Advantest established a Nomination and Compensation Committee as a discretionary institution. The Nomination and Compensation Committee consists of three Directors (including two outside Directors selected by the Board of Directors' resolution)*, with an outside Director serving as the chairperson of the committee. The Nomination and Compensation Committee, in consultation with the Board of Directors, discusses matters related to the nomination and compensation of Directors and Executive Officers, and

makes proposals to the Board of Directors. The Committee met 14 times during FY2023. All the members were present at every Nomination and Compensation Committee meeting.

* The number of people given is correct as of June 28, 2024.

The main discussion agenda of the Nomination and Compensation Committee is as follows.

● Succession Plan for CEO

The Board of Directors receives reports from the Nomination and Compensation Committee on requirements for the Group CEO position and succession planning for this position, and proactively discusses them. As a result of these deliberations, Advantest announced that Mr. Douglas Lefever will take over from Mr. Yoshiaki Yoshida as Group CEO, effective April 1, 2024. The process leading to this decision was as follows.

We began full-scale consideration of succession planning around 2020, four years after Mr. Yoshiaki Yoshida was appointed CEO in January 2017. Led by the Nomination and Compensation Committee, evaluations of the CEO and senior executive officers as well as the business and human resources issues bearing on our next change of top management were shared with the outside directors and CEO, and reported to the Board of Directors. From 2022, outside experts were appointed to analyze these issues from an objective perspective, and the requirements for the next CEO and management team were discussed and reaffirmed by the Nomination and Compensation Committee and Board of Directors. Both internal and external candidates were considered and assessed by external experts. As a result, the Nomination and Compensation Committee reported to the Board of Directors in the fall of 2022 that it had reached the conclusion that a top management structure led by Mr. Douglas Lefever and Mr. Koichi Tsukui would be most appropriate for the next generation. In line with this conclusion, Mr. Douglas Lefever and Mr. Koichi Tsukui were both appointed to the position of Representative Director and Corporate Vice President in January 2023, allowing for a preparation period prior to the transition. During this period, we reconfirmed the suitability of both individuals and their effectiveness in combination, and announced its transition to the new structure, to take place in April 2024 in conjunction with the launch of MTP3. Under the new structure, Mr. Douglas Lefever has become the Chief Executive Officer of the entire Advantest Group as Representative Director, Senior Executive Officer, and Group CEO. Mr. Koichi Tsukui has taken responsibility for Advantest's Japanese business operations and now assists the Group CEO as Representative Director, Senior Executive Officer and President, Group COO. Mr. Yoshiaki Yoshida now serves as Director and Chairperson of the Board. The same process will be followed for future succession planning.

● Candidates for Directors and Executive Officers and the Management Structure

Under Advantest's structure of directors and Executive Officers since June 2023, the Nomination and Compensation Committee has considered appropriate candidates and proposed them to the Board of Directors. Changes in the management structure to strengthen CxOs were discussed and proposed to the Board of Directors.

Regarding the organizational structure for directors and managing executive officers following June 2024, the Nomination and Compensation Committee has considered appropriate candidates and an optimal management structure, as well as the best management structure following the change of Group CEO, and proposed its conclusions to the Board of Directors.

- Experience, knowledge, and abilities required of Directors and Senior Executive Officers (skill matrix)


Recognizing that the Skill Matrix is a tool to consider the most appropriate executive team and board structure, the Committee has set the elements of experience, knowledge, and abilities required of Directors and Senior Executive Officers based on discussions with non-executive directors.

- Operation of Fixed Compensation, Performance-based Bonuses and Stock Compensation

Evaluating the performance of each director/officer against pre-defined roles and expected results, individual evaluations of executive bonuses for FY2022 were discussed and finalized. The Committee discussed and proposed to the Board of Directors the fixed compensation, performance indicators for performance-linked bonuses and stock compensation for FY2023. In light of the changes in the management structure and our new mid-term management plan, etc., the Nomination and Compensation Committee discussed a partial revision of the executive compensation system and proposed it to the Board of Directors.

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

 [Directors and Executive Officers Nomination/Dismissal Policy and Procedures \(PDF 182KB\)](#)

 [Policies and Procedures for Determining Compensation for Directors and Executive Officers \(PDF 143KB\)](#)

Executive Management Committee

Advantest delegates the necessary authorities to ensure the prompt and efficient performance of duties and the Executive Management Committee is positioned as a decision-making body for Advantest's important business execution matters. 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. More than half of the members are executive officers of non-Japanese nationality, and Mr. Douglas Lefever is the chairperson. Meetings of the committee are held about twice a month, mainly online.

CxO System


We have Introduced a CxO system to clarify management accountability in order to reinforce a global HQ management system further. As of July 2024, five CxOs are responsible for nine CxO functions, with the Group CEO and Group COO sharing responsibility for each CxO. We have designated the CxOs as individuals who are suitable to assume these functions from a global perspective, and strive to build a system that enables management as a unified group.



 Management

Executive Compensation System

Advantest's executive compensation system consists of fixed compensation (monetary), performance-linked bonuses (monetary), and stock compensation (non-monetary). The executive compensation system is proposed by the Nomination and Compensation Committee to the Board of Directors, and is decided and implemented after a resolution by the Board of Directors and approval by the General Meeting of Shareholders.

 [Policies and Procedures for Determining Compensation for Directors and Executive Officers \(PDF 143KB\)](#)

Basic Concept of the Executive Compensation System

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

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

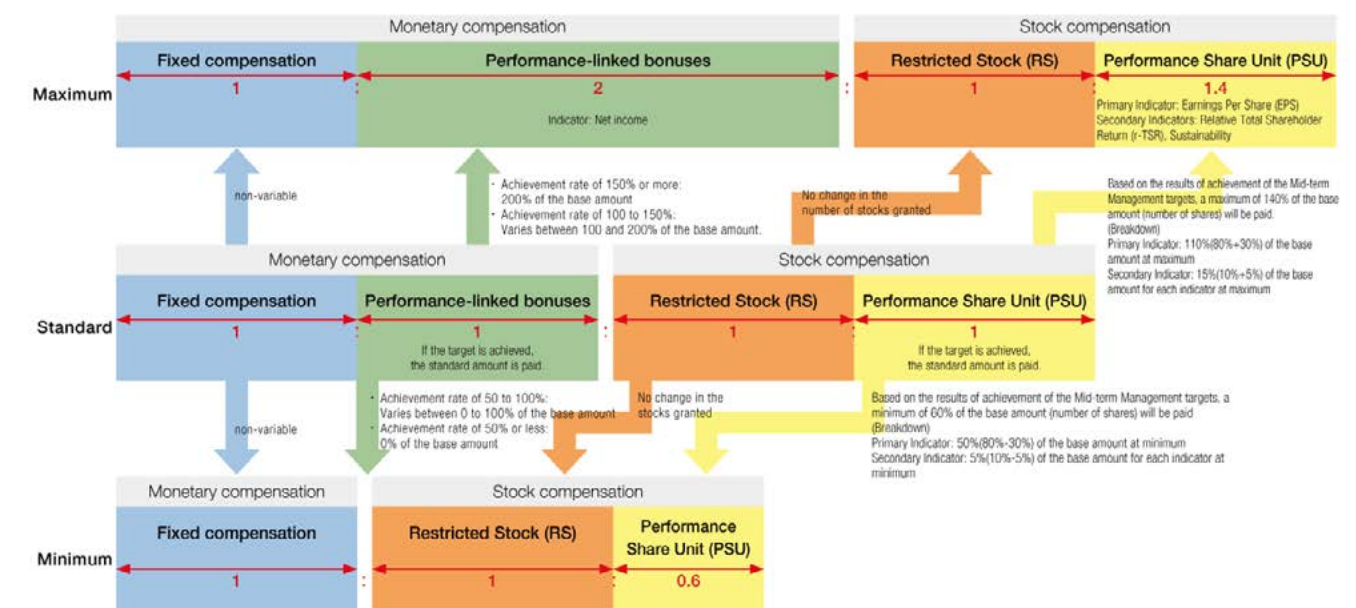
Compensation Structure

In June 2024, we partially revised the executive compensation system based on our approach to compensation systems. We reviewed the compensation structure and increased the ratio of stock-based compensation for the Group CEO, Group COO, and some executive officers.

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

		Monetary compensation		Stock compensation	
		Fixed compensation	Performance-linked bonuses	Restricted stock compensation	Performance Share Unit compensation
Business Executives	Group CEO	1	1	1	1
	Group COO	1	1	0.75	0.75
	Senior Executive Officer	1	1	0.5 ~ 0.6	0.5 ~ 0.6
	Executive Officer	1	1	0.4 ~ 0.5	0.4 ~ 0.5
Non-business Executives	Chairman of the Board	1	-	0.5	-
	Audit & Supervisory Committee Member	1	-	0.3	-
	Outside Directors (excluding Audit & Supervisory Committee Members)	1	-	0.3	-

Visualization of compensation for the Group CEO



* Apart from this, there is a redistribution adjustment (30%) of performance-linked bonuses based on individual evaluation

* Depending on the human capital market conditions in each region and industry, additional compensation may be provided for the purpose of securing managers, or those with particular expertise. In principle, adjustments to the level of compensation in different regions will be made through fixed compensation

(monetary compensation) and stock compensation, while adjustments to secure specific talent groups will be made through stock compensation (RS or PSU).

* The compensation ratios for executive officers other than the Group CEO are as follows. Senior executive officers who are also directors will be compensated separately as directors.

Fixed Compensation

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

Performance-linked Bonuses

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

Performance indicators	<p>The KPI is net income. Target amounts will be set by referring to the net income targets of the single-year business plan and Mid-term Management Plan. The Company will pay the standard amount when the target values are achieved, but the amount paid will fluctuate from 0% to 200% of the standard amount depending on whether actual results undershoot or exceed the target values.</p> <p>* The standard amount of Senior Executive Officers is 100% of fixed compensation. The standard amount of other Executive Officers is 80% of fixed compensation.</p>
Individual evaluation	<p>Up to 30% of the total amount of performance-linked bonuses for executive officers is redistributed based on individual evaluations conducted by the Group CEO.</p> <p>Evaluation and redistribution proposals are discussed and approved by the Nomination and Compensation Committee and reported to the Board of Directors.</p> <p>In principle, the Group CEO'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.</p>

Stock Compensation

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

With respect to stock compensation for directors who do not concurrently serve as executive officers, outside directors, and/or audit and supervisory committee members, we have introduced the Restricted Stock Compensation Plan (RS) with the aim of sharing with our shareholders our pursuit for the improvement of our medium- to long-term corporate value.

Restricted Stock compensation (RS)

- Executive Officers will receive 50% of stock-based compensation in the form of RS.
- For Directors who do not concurrently serve as executive officers, outside directors, and/or directors who are audit and supervisory committee members, RS shall be granted approximately 30-50% of fixed compensation.
- It is granted every year, with restrictions on transfer during the recipient's term of office (obligation to continue holding).

Performance Share Unit compensation (PSU)

- Executive Officers will receive 50% of stock-based compensation in the form of PSU.
Based on the achievements of the mid-term management targets (KPIs) over a three-year period, shares will be granted in accordance with the points awarded, which will fluctuate between 60 to 140% of the standard units.
- The KPIs are the following three items, and the weight of each item is as follows.

EPS	The standard value is 80% of the payment rate. It varies within a range of +/-30 points.
Relative Total Shareholders Return (r-TSR)	The standard value is 10% of the payment rate. It varies within a range of +/-5 points.
Sustainability Evaluation	The standard value is 10% of the payment rate. It varies within a range of +/-5 points.

- After the end of the Mid-term Management Plan period, a lump-sum delivery of three years' worth of shares will be delivered with the number of shares varying according to the level of achievement.
 - Appointments during the term of the Mid-term Management Plan will be prorated for the term and additional rights will be granted.
 - Retirements during the term of the Mid-term Management Plan will be prorated over the term and paid as standard performance.

Recruit & Retention Program

Depending on the human resource market conditions in each region and industry, additional compensation may be granted for the purpose of securing managers or those with expertise. In principle, adjustments in the level of compensation among regions shall be made by means of fixed compensation (monetary compensation) and stock compensation, while securing specific candidates shall be made by means of stock compensation. Stock-based compensation will be in the form of RSs or PSUs, but restrictions on the transfer of RSs under this section will be set for a period of at least three years.

Return of Remuneration

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

Internal Control System

Internal Control System

The internal control system is a framework for directors, executive officers, and employees to discipline themselves, aimed for Advantest to fulfill our social responsibilities and achieve growth. Various initiatives support sound corporate management so as to ensure that no one working at Advantest is engaged in injustice or wrongdoing.

Initiatives for Everyone Working in Advantest

- Spreading awareness of The Advantest Way to all employees
- Conducted "Leading with INTEGRITY" workshops for managers worldwide. Promoted support for the exercise of leadership based on the Core Values INTEGRITY.
- Implemented various e-learning programs once a year (education related to The Advantest Way, compliance education, information security education, etc.)

Please refer to "[Initiatives to Promote Ethical Business Practices](#)" for details.

Initiatives for Business Execution

- In accordance with the Regulations of the Board of Directors, the Board of Directors is responsible for management decision-making and supervision.
- Executive officers and employees shall perform their duties in accordance with the global organization and Global Authorization Statement.
- The Executive Management Committee shall be the decision-making body for important business execution matters.
- Help line contact points shall be established in Japan and overseas and thoroughly inform employees of its existence.

Please refer to "[Reporting and Consultation Framework \(Whistleblower Office\) for Human Rights Issues](#)" for details.

Cross-organizational Initiatives

- The Internal Control Committee shall check the status of autonomous risk management in each Unit, the responses to company-wide risks, and shall report to the Board of Directors.
- The Disclosure Committee shall supervise and ensure appropriate disclosure and shall report to the Board of Directors.
- The Risk Management Group shall be responsible for emergency responses during floods and pandemic.
- The Health and Safety Committee shall promote the prevention of occupational accidents and injuries, create of a comfortable working environment, and promote employee health.
- The Global Information Security Committee shall consider and implement measures to protect personal information and prevent leakage of confidential documents, and shall maintain and improve the security

of our IT systems.

Please refer to "[Risk Management System](#)" and "[Information Security](#)" for details.

Non-executive Initiatives

- The Audit and Supervisory Committee shall ensure appropriate business operations by understanding important matters and cooperation with the audit (accounting and internal audit) departments.
- Please refer to "[Audit and Supervisory Committee](#)" for details.

Initiatives for Group Governance

- Establishes and operates a homogeneous internal control system in each company of the Advantest Group for performance evaluation based on consolidated financial results.
- The Auditing Group shall conduct internal audits of subsidiaries and report the audit results to the President and Chief Executive Officer, the Audit and Supervisory Committee, and the Board of Directors.

Please refer to the Corporate Governance Report "Matters Related to the Internal Control System."

 [Corporate Governance Report \(PDF 869KB\)](#)

Risk Management

Advantest's risk management system centers on our Internal Control Committee and a commitment to practicing the PDCA cycle.

Risk Management System

Approach to risk management

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

We believe it is essential to identify present and future risks, prepare for them, and take appropriate countermeasures in order to seize business opportunities and tackle challenges amidst the upheavals affecting our business environment.

Risk Management Structure by the Internal Control Committee

Advantest has established an Internal Control Committee in which the Group COO acts as the chairperson and outside Directors are observers. This committee identifies and analyzes significant risks for the whole company, and clarifies the responsible department and procedures for responding to each risk. The secretariat of the Internal Control Committee supports information sharing and other activities among the units.

Regarding the Internal Control System, the execution status of implementation of the system to ensure the appropriateness of business is reported directly to the Board of Directors once a year. Furthermore, if a material weakness is found in the internal control system development and operating status and the internal control evaluation process, it is reported to the Board of Directors.

For details on the Internal Control System, please refer to "[Internal Control System](#)".

Risk management system and organization

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

Compliance risks are reported to the Chief Compliance Officer (CCO) in a timely manner or a regular basis, and the CCO then reports risks to the Executive Management Committee and the Board of Directors. Certain types of risk information are reported directly to the Executive Management Committee, Board of Directors, and the Audit and Supervisory Committee.

Emergency response is allocated to the Risk Management Group headed by the Group COO.

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

Process of risk management

At Advantest, management supervises risk analysis and risk response implemented at the unit level. It is because we believe it is essential to identify present and future risks, prepare for them, and take appropriate countermeasures in order to seize business opportunities and tackle challenges amidst the upheavals affecting our business environment.

At the same time, regarding corporate-level risks, the Board of Directors or the Executive Management Committee makes timely decisions and gives instructions to relevant departments. Thus, risk management processes at Advantest consist of bottom-up and top-down approaches.

We have prioritized the creation of a system that can promptly respond to these risks if and when they materialize. Each unit strives to coordinate with the so-called second line (i.e. administration group) and third line (internal audit division) of defense so as to be fully prepared to respond to risks.

Bottom-up risk management

Based on the management plan formulated by the Board of Directors and the Executive Management Committee, each unit formulate the measures of its own division. Each unit identifies risks from a bird's-eye view, defining risks as factors that may hinder the achievement of management strategies, and takes appropriate countermeasures according to the magnitude of the risks. The Internal Control Committee defines the factors that may hinder achievement of those measures as risks. It requests individual units to identify risks and report on their risk responses. In this manner, the Internal Control Committee supports and reviews the risk analyses of individual units and promotes information sharing between units from a company-wide perspective.

Each unit reports its risk management status to the Internal Control Committee twice a year. The Internal Control Committee then checks the risk management status of individual units and provides feedback. The Secretariat of the Internal Control Committee also supports each unit in various manners as appropriate, such as providing proposals for risk analysis and countermeasures, and providing necessary information.

Top-down risk management

Corporate-level risks are reported to the Executive Management Committee or the Board of Directors in a timely manner, through the director in charge, and the relevant departments take prompt actions according to the instructions from management. In the event of a compliance-related incident, the CCO promptly instructs the relevant unit to take actions, and reports the status of the response to the Board of Directors and the Executive Management Committee. Depending on the nature of the risk, risk information may be reported directly to the Board of Directors or the Executive Management Committee. The Board of Directors or the Executive Management Committee handles risks at the corporate level by making timely decisions and giving instructions to related units.

TCFD-based Climate Change-related Information Disclosure

Initiatives for the TCFD recommendations

Guided by "The Advantest Way," Advantest implements climate change mitigation and adaptation measures from a long-term perspective, aiming to help solve important environmental issues through our business. In April 2020, Advantest announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and is engaged in analyzing and disclosing information on business risks and opportunities attributed to climate change.

Governance

Advantest's environmental management system, which includes climate change-related matters, is led by the global lead of the SMWG. The SMWG is headed by the Group CEO, and consists of members representing all business units, functional units and regional units. Advantest's environmental goals are established through the formulation and review of the "Sustainability Action Plan," which is formulated through discussion and approval by the Executive Committee. The climate-related targets in the action plan are reviewed annually, taking into account the trends of environmental consortia in industry associations, as well as frameworks such as IFRS S1, S2 and TCFD. The SMWG reports on initiatives and progress towards the sustainability action plan, which sets out sustainability-related targets, including climate-related targets, at the Global Sustainability Meeting, and receives confirmation and approval from the management. In addition, the analysis of climate-related risks and opportunities based on the TCFD is reported to the CSO, who then approves the results of the analysis. The Board of Directors receives reports on climate-related risks and opportunities, holds discussions based on the content of the reports, and oversees whether appropriate responses are being made to related regulations.

Strategy

Advantest is promoting climate change countermeasures as one of the key themes in its environmental activities. Since collaboration with external stakeholders such as customers and suppliers is essential in promoting climate change countermeasures, Advantest has set mid-term targets for each climate change issue, focusing on the reduction of greenhouse gas (GHG) emissions and the introduction of renewable energy. Advantest has established unified task forces (TFs) that work with internal and external to promote responsible efforts to address climate-related issues. TF1 focuses on CO₂ reduction in product development and TF3 targets CO₂ reduction through collaboration with customers. Both TF1 and TF3 aim to address Scope 3 Category 11 through collaboration with customers. TF2 focuses on reduction of CO₂ emissions through collaboration with business partners to address Scope 3 Category 1 through collaboration with suppliers, and TF4 aims for reduction of CO₂ emissions through business activities with the introduction of energy-saving equipment and renewable energy to address Scope 1+2, which is direct emissions from our own production processes. All four TFs are implementing activities related to their goals.

Task Forces to promote CO₂ reduction

Task Force	Approach	Specific Activities
TF1	Scope 3 C11 (Use of sold products)	Development of optimal test solutions for semiconductors, which are becoming increasingly complex
TF2	Scope 3 C1 (Purchased products and services)	CO ₂ emissions reduction through cooperation with our business partners
TF3	Scope 3 C11 (Use of sold products)	CO ₂ emission reduction through cooperation with customers
TF4	Scope 1+2 (Direct emissions from our own industrial processes, such as purchased electricity)	Reduction of CO ₂ emissions from business activities through the introduction of energy-saving equipment and renewable energy

Climate change risks and opportunities

Advantest assesses and regularly reviews climate change risks and opportunities in accordance with the TCFD classification in order to understand the risks and opportunities brought about by climate change and work to improve its own resilience. These risks and opportunities were assessed according to their priority and impact and were classified into time frames for short (until 2027), medium (until 2030), and long term (until 2050). In the context of scenario analysis, the following time horizons are considered for both 1.5°C/2° C and 4°C scenarios.

- The scenarios related to transition risks and opportunities are set for the year 2030 in order to accurately reflect policy trends.
- The scenarios related to the physical risks are presented for the years 2030 and 2050, respectively, based on the assumption that the physical impacts of climate change have already begun to manifest themselves and that they will intensify in severity and frequency if global temperatures continue to rise in the future.

In evaluating the risks and opportunities associated with climate change, we consider a range of scenarios, including the IEA NZE2050, IEA APS, RCP 1.9, RCP2.6, SSP1-1.9, SSP1-2.6, RCP8.5, and SSP5-8.5.

Climate change risks

Two scenarios described in the TCFD categories were deliberated regarding business risks related to climate change.

- (1) "Risks related to the transition to a decarbonized society," which occurs mainly during the well below 1.5/2-degrees Celsius scenario
- (2) "Risks related to the physical effects of climate change," which occurs in the 4-degrees Celsius scenario in which global CO₂ emissions reduction goals are not achieved

Regarding physical risks, we have estimated the impact of flood damage at our own production sites in 2030 and 2050. As a result of the risk assessment, it has been determined that there is a risk of flooding at three of our production sites: the Gunma Factory, the Saitama R&D Center and Essai, Inc.(Chandler, Arizona, U.S.A.). At the Gunma Factory, the construction to raise the level of the extra-high voltage substation was carried out when it was renewed and flood prevention measures such as the installation of waterproof panels have been taken. Flood prevention measures are also being considered at the Saitama R&D Center. Essai, Inc.'s Chandler plant has installed a drainage system to cope with heavy rainfall during the monsoon season. Additionally, through all-hazards approaches in business continuity management initiatives, Advantest is taking measures to be able to respond to all kinds of disasters including those caused by climate change which will contribute to improving our resilience.

Well below 1.5/2-degrees Celsius scenario: Risks related to the transition to a decarbonized society

Category	Major risks	Response/Strategy	Time frame
Policies and regulations	Increased business costs resulting from compliance with climate change-related regulations (carbon tax, legal compliance costs, parts procurement costs, etc.)	<ul style="list-style-type: none">● Promoting the introduction of renewable energy at our company sites● Supporting supplier decarbonization	Short term
Technology and market	<ul style="list-style-type: none">● Increase in R&D costs due to the accelerated implementation of measures to reduce environmental impact and intensified competition in areas related to decarbonization (carbon footprint, etc.)● Decrease in sales resulting from changes in customer evaluations and lost sales opportunities due to inability to meet customer needs for low-carbon technologies	<ul style="list-style-type: none">● Enhancing the value of our products by optimizing power performance and improving test performance● Promoting products with excellent environmental performance● Developing human resources to respond to next-generation energy waving research and development	Short to medium term
Reputation	Deterioration in the competitive environment and changes in investor evaluations due to a decline in reputation for our efforts on climate change issues	<ul style="list-style-type: none">● Promote sustainability management, including climate change initiatives (achieve the goals of the Sustainability Action Plan 2024-2026)● Appropriate disclosure of climate change-related data and initiatives	Short to medium term

Well below 4-degrees Celsius scenario: Risks related to the physical effects of climate change

Category	Major risks	Response/Strategy	Time frame
Acute events	Major typhoons and increased rainfall may result in <ul style="list-style-type: none">● Recovery costs incurred and sales decline due to damage to our production facilities● Sales decline due to supply chain disruptions	<ul style="list-style-type: none">● Planning and implementation of flood prevention measures● Promoting an all-hazards approach in business continuity management	Short to long term

Climate change opportunities

Semiconductors will contribute significantly to the achievement of Net Zero, which requires stringent climate change countermeasures to be imposed. It is to be assumed that semiconductor production volumes will continue to grow in the future due to factors such as the expansion in semiconductor demand accompanying the digital revolution. Meanwhile, the quality and quantity of semiconductor testing will increase in step with the increasing sophistication and technological evolution of semiconductors. Demand for semiconductor test is expected to increase as a result of the combination of two factors: greater test content per chip, and increased semiconductor production volumes. Hence, Advantest recognizes the Net Zero movement to be an opportunity created by climate change. We will make investments to achieve the necessary technological advancements, such R&D costs and human capital development for next-generation technologies, as a part of our efforts to contribute to Net Zero through our semiconductor test business and product development that meets the needs of new semiconductor technologies.

Climate change-related opportunities

Category	Major opportunities	Response/Strategy	Time frame
Product & services/ market	Increased test demand due to strong market growth in semiconductors for AI/HPC, including high-end SoC and HBM	<ul style="list-style-type: none"> ● Introduction of power optimized products alongside improvements in testing performance ● Developing new testing methods and testing devices 	Short to medium term
	Expansion of the test business for power semiconductors in line with the EV transition and growing demand for SiC/GaN semiconductors for power conversion efficiency	<ul style="list-style-type: none"> ● Developing new testing methods and testing devices ● Providing solutions to increasingly sophisticated testing needs and optimizing test efficiency 	Short to medium term
	Maintaining competitive advantage and business growth through improved customer reliability through the development of products with superior environmental performance	<ul style="list-style-type: none"> ● Steady implementation of the introduction of power optimized products based on the Sustainability Action Plan 2024-2026 	Short to medium term

Risk Management

At Advantest, we consider the factors that may hinder business management to be risks and have established a company-wide risk management system. The company-wide risk management system is described in "3. Risk Factors (1) Risk Management Structure," and risks related to climate change are also managed within this system. Specifically, Advantest analyzes and evaluates urgent risks and anticipated risks posed by climate change and implements countermeasures to avoid and mitigate those risks within the company-wide risk management system.

Metrics and Targets

Climate change related metrics and targets are listed in [the Securities Report under "\(1\) Sustainability in general 5\) Metrics and Targets."](#)

As a mid/long-term climate change countermeasures target, Advantest has set a goal to reach net-zero Scope 1+2 GHG emissions by FY2050. In addition, we have set targets to reduce Scope 1+2 GHG emissions by 60% by FY2030 compared to FY2018. For more details, please see our website. Furthermore, Advantest has established Scope 3 GHG emissions reduction targets for FY 2030. However, in light of changes in the business environment, we are currently reviewing our Scope 3 targets and considering specific measures to achieve these targets.

GHG emissions (Scope 1+2) (Note 1)

Unit: 1,000 t-CO₂e

Boundary	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Japan	19.68	19.14	16.25	11.83	11.04	9.15
Overseas	18.45	14.71	11.93	13.21	9.43	8.92
Total	38.13	33.85	28.18	25.04	20.47	18.07

GHG emissions (Scope 3)

Unit: 1,000 t-CO₂e

Boundary	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Category1	489.53	400.46	482.02	671.61	966.74	881.84
Category11	1,175.02	855.01	1,151.98	1,319.35	1,991.31	1,519.50
Others (Note 2)	28.62	35.37	49.40	61.95	80.26	70.11
Total	1,693.16	1,290.84	1,683.41	2,052.92	3,038.31	2,471.46

*1 The Scope 2 calculations are based on the market-based method.

*2 Advantest does not conduct activities that fall under the following categories: 10 (Processing of sold products), 13 (Downstream leased assets), 14 (Franchises), or 15 (Investments). Therefore, these categories are not included in the calculation.

Business Continuity Initiatives

This page introduces the measures taken by the Risk Management Group in dealing with disasters and incidents.

Please refer to Procurement Policy and its Stance for information on our efforts to address parts procurement risks.

[Procurement Policy and its Stance](#)

Systems for Disasters and Other Emergency Situations (Risk Management Group)

Advantest established the Risk Management Group, wherein the Group COO assumes the position of general manager. In the event any of the following crises occurs, the Risk Management Group will centralize collection of information, conduct an initial assessment, direct the initial response, implement planning for recovery, etc., by acting promptly and appropriately until recovery is complete:

1. If damage is caused to buildings or facilities, or if networks and systems stop functioning, thereby making it difficult to continue our business operations, or if there is the possibility of this type of situation occurring due to a disaster or accident;
2. If our executives or employees are in danger or possibility of danger of death or bodily injury due to a disaster or accident;
3. If there is a scandal or incident that may to become a matter of public concern; or,
4. In addition to those described above, if there is any event, which may cause a significant impact on the business of the Advantest Group due to a disaster or accident.



Business Continuity Plan

The Advantest Group established the following basic policy in fiscal 2007 for large-scale natural disasters. We have devised our business continuity plan based on this policy.

Business Continuity Plan (BCP) – Basic Policy

- We will place top priority on ensuring human safety should a major disaster strike.
- We will minimize the adverse effect to our suppliers and other stakeholders, and fulfill our corporate responsibility.
- We will cooperate with local society in regular disaster prevention activities, and will assist the recovery of local society in case of disaster.

Determining specific measures for BCP

After the Great East Japan Earthquake in March 2011, we reviewed our disaster prevention arrangements. In fiscal 2012, we rebuild our Business Continuity Plan (BCP) to take into account the possibility of an earthquake in Tokyo and flood along the Tone River, and to ensure the integrity of our supply system even in the event of such disasters. Under the BCP, the following measures are stipulated in line with the basic policy.

Basic Policy	Specific Measures
1. Ensuring human safety	In addition to the regular disaster prevention and safety confirmation drills, we will strengthen crisis management and business continuity systems, making human safety the top priority.
2. Fulfillment of supply responsibilities	In case of an earthquake, we will continue to supply systems from our main manufacturing plant (i.e. the Gunma Factory) . In the case of a flood, we will continue to supply systems from alternative 3rd party manufacturing sites.
	In preparation for cases where workplace attendance is temporarily impractical because of damage to offices or infrastructure, we will establish remote work environment.
3. Contributions to local society	Our Gunma R&D Center has been designated by Meiwa Town as an evacuation shelter in case of flooding, and we contribute to the area by keeping the site ready for flood evacuees.

Measures Implemented in Fiscal 2023

In April 2022, we began a project to rebuild the BCP for the entire Advantest Group. We identified series of responses to incidents that may affect our business, from initial response to the continuation of the supply system for products and services as Business Continuity Management (BCM). In fiscal 2022-2023, we proceeded with the reconstruction of BCM at our major domestic business sites, dividing it into three phases: (1) initial response (ERP*), (2) review and directed by the head office and local task forces (CMP*), and (3) business continuity/restoration (BCP). The conventional BCP was limited to earthquakes and floods, but we also created an all-hazards BCP, i.e., BCP that is not limited to any particular event, referring to international standards (ISO 22301, etc.). We also worked to develop department-specific BCPs that stipulate measures for the continuation of operations and early recovery in each department, as well as a response plan that assumes the loss of functions (infrastructure) necessary for the continued operation of the business site. Based on the new BCP, drills were conducted at major business sites. In fiscal 2024, we will expand the newly reconstructed plan to other business sites in Japan and major overseas sites.

* ERP: Emergency Response Plan

* CMP: Crisis Management Plan

Disaster Responses

May 2023	Noto region of Ishikawa Earthquake: All companies in Japan carried out safety confirmation.
January 2024	Noto Peninsula Earthquake: All companies in Japan carried out safety confirmation.

Compliance

Each Advantest employee carries out his or her social responsibilities in line with our high ethical standards, honoring the trust our stakeholders place in us.

Initiatives to Promote Ethical Business Practices

Our Stance and Basic Policy on Compliance

Companies aiming for sustainable growth need employees who fulfill their social responsibilities and who possess a strong sense of ethics. They also need to earn the trust of stakeholders. Based on this belief, Advantest has established The Advantest Way as a basic principle for our management and business execution, which lays out our corporate mission, vision, core values, corporate mantra, ESG for sustainability, and specific ethical standards, in order to enhance our ethical awareness.

 The Advantest Way

Compliance Promotion System

Advantest gives guidance and advice to all Group employees to ensure that they fully understand and comply with The Advantest Way and has established a global management structure.

The Chief Compliance Officer (CCO), who is the officer in charge of compliance, is responsible for collecting compliance-related information such as legal compliance, human rights protection, information security, and Corporate Ethics Helpline for the entire Group, and corrective actions are taken under the supervision of the CCO. Aggregated information is also reported to the Board of Directors through the CCO. Information gathered is also reported to the Executive Management Committee and the Board of Directors by the CCO.

The Compliance Department, which assists the CCO, plays a central role in strengthening the Group-wide compliance system by conducting periodic employee compliance awareness surveys and expanding and disseminating the internal reporting system. Based on the results of the employee compliance awareness survey, training is conducted by region and division according to respective risks, while policies and process rules are improved.

A Disciplinary Committee has been established to ensure due process and to enhance the reasonableness, appropriateness, and transparency of disciplinary actions.

Moreover, in order to fulfill our responsibilities as a member of international society, regular compliance auditing is conducted by the global audit team to confirm whether business is being conducted appropriately under each country's laws and regulations.

Compliance Education

When globally deploying its business, Advantest believes that it is important to ensure thorough legal compliance worldwide and to pay attention to compliance across the Group, after obtaining a good understanding of the different laws and regulations in each country.

In fiscal 2023, we systematized basic compliance education common to the entire Advantest Group and began its implementation as the Group-wide Compliance Education Program. Educational programs on "The Advantest Way," "ESG," "Fair disclosure/Anti-insider trading," "Anti-corruption and Anti-bribery," "Export control," "Intellectual property," "Information security," "Personal information," "Prevention of anti-competitive action," and "Prevention of embezzlement and breach of trust" are implemented once a year on a global basis. To ensure that all employees of the multinational Group can accurately understand the content, the training is translated into up to 16 languages. Moreover, training is implemented in each country based on the relevant country's ordinances.

Course Name		Number of Participants (employees)	Duration (minutes)	Attendance Rate
The Advantest Way		6,790	10	100.00%
ESG		6,823	13	99.82%
Fair Disclosure/Anti-insider trading		6,841	10	99.84%
Anti-corruption and Anti-bribery		7,192	10	99.06%
Export Control		7,188	10	99.65%
Intellectual Property		7,180	10	99.69%
Information Security	Information Security IT Security Training	7,163	10	99.80%
	Information Security II	7,148	12	98.38%
Personal Information		7,185	10	99.35%
Prevention of Anti-competitive Action		7,206	10	99.35%
Prevention of Embezzlement and Breach of Trust		7,187	10	99.81%
Total		77,903	115	99.52%

Advantest has signed a Memorandum of Understanding with waste management companies in its efforts toward the exclusion of anti-social forces

The Tokyo metropolitan government and other regional governments have issued organized crime exclusion ordinances, and each company is obligated to make efforts to stipulate in writing that it will terminate contracts if the business partner is found to be an anti-social force.

Furthermore, as a request for a comprehensive overhaul of corporate behavior and as a method to exclude anti-social forces, the Japanese Business Federation (Keidanren) recommends concluding the above memorandum.

To comply with the organized crime exclusion ordinances and the recommendations of Keidanren, the Advantest Group signs a Memorandum of Understanding that stipulates it will terminate contracts if the business partner is found to be an anti-social force with all partner waste management companies.

Prevention of Bribery and Compliance with the Anti-Monopoly Act

The basic philosophy of the Advantest Group, which is embodied in The Advantest Way, attaches great importance to the awareness of one's responsibilities to society, and to the maintenance of integrity in one's conduct. Advantest implements a variety of measures to prevent the occurrence of bribery or other corrupt practices, and to prevent anti-competitive behavior.

 [The Advantest Way](#)

Prevention of Bribery and Other Corrupt Practices

As a supplement to The Advantest Way, Advantest has also formulated an Anti-corruption and Anti-bribery Policy, which clarifies, in detail, Advantest's rules in relation to the prevention of bribery and other forms of corruption throughout the world.

All Group employees participate in annual "anti-corruption and anti-bribery training" (e-learning) to enable all employees to fully comprehend this policy and to behave in a manner that does not violate any laws or regulations of the country they are in.

In fiscal 2023, Advantest was not the subject of any legal action relating to bribery or other corrupt practices. Moreover, there have been no cases of violations of the company's internal rules on money laundering or insider trading.

 [Anti-corruption and Anti-bribery Policy \(PDF 319KB\)](#)

Compliance with the Anti-Monopoly Act

Advantest educates its employees about all aspects of anti-competitive behavior prevention as part of its Code of Conduct training, which places particular emphasis on the need to comply with the Anti-Monopoly Act. Education on the Act is provided to personnel in all relevant departments, including procurement divisions, along with management and new recruits. Going forward, Advantest intends to continue providing education and training aimed at ensuring fair business practices. In addition, Advantest's Internal Auditing Department samples purchasing transactions to verify that there are no violations of any kind.

Advantest was not subject to any legal action for anti-competitive behavior in fiscal year 2023.

Internal and External Reporting System

Advantest requires all officers and employees to disclose any suspected violations of laws, regulations, internal rules, or corporate ethics. The Company has established a reporting hotline as an alternative means of communication. The reporting hotline is available in multiple languages, and confidentiality and anonymity of whistleblowers is ensured. In addition, in several countries, the Company has contracted with law firms to establish external hotlines where officers and employees can report directly.

We have also established a reporting hotline that can be used by external stakeholders, including our business partners.

Information regarding the whistleblower and the content of the report, both internally and externally, will be handled appropriately by the appropriate person in charge within the company. Advantest prohibits unfair disadvantageous treatment or retaliation for filing a report.

Community Engagement

Advantest engages in business activities as a member of the community and society, and our stakeholders include various organizations, governments, and local government as well. Our goals are the sustainable growth of Advantest, participating in businesses that will resolve social issues, and contributing toward the attainment of a sustainable society through collaborations with these organizations, institutions, and local communities.

Economic and Industry Organizations

Through our participation in various organizations and associations related to the business and trade, semiconductor and electronics industries, Advantest collects information on elements such as next-generation technology standards and enforcement of further social regulations which will lead to future business opportunities and risks, in our efforts to enhance the sustainability of our company. We also make efforts in expanding our contributions toward a sustainable society by deepening our understanding of various social issues through participation in various organizations.

Of the organizations Advantest participates in, such as the Keidanren (Japan Business Federation), SEMI, and Semiconductor Equipment Association of Japan, some may make proposals regarding political and social issues. Participation in organizations does not necessarily imply that we fully endorse that organization's perspective concerning various policies.

Political Contributions and Sponsorships

There are cases in which Advantest makes donations, etc. to various organizations. When doing so, screening and decisions are made in accordance with our internal regulations with regard to purpose and public interest, including whether the initiative contributes to social development and the degree of contribution made toward social missions. These donations, etc. are properly implemented under the relevant laws and regulations of each country.

Export Control

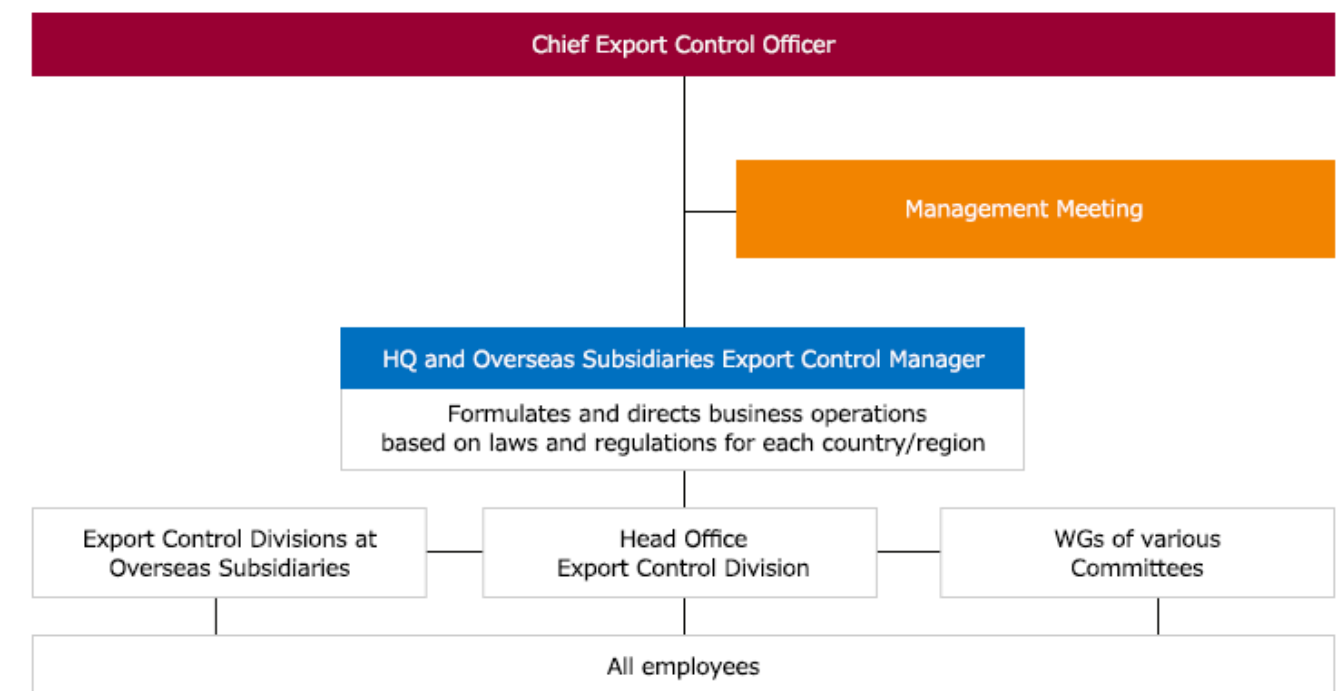
In order to keep products and technologies out of the hands of nations and terrorists that threaten the safety of the international community, the Advantest Group pays the utmost caution to laws and regulations regarding security export control, along with self-management. In the unlikely event of an illegal export, legal sanctions such as temporary export bans will be imposed, which will call into question the social responsibility of the company that made the illegal export and lead to severe damage. Advantest has a basic policy of global compliance with laws and regulations, and has established in-house regulations that require export control to be implemented based on each country's laws and regulations.



In international society, which is changing rapidly, security issues such as terrorist attacks and the development of weapons of mass destruction are becoming more serious by the day. As many Japanese products incorporate advanced technologies, it is necessary to implement measures that prevent leakage to countries and organizations that are subject to international sanctions. The Advantest Group carries out appropriate business practices by having export control officers collect information based on updated laws and orders, etc., based on laws, preventing mishandling by applying them to the entire company system, and incorporating this information into on-site education and training programs.

An export control system in compliance with laws and regulations

At Advantest, the Representative Director, Senior Executive Officer and President serves as the chief executive for export control, who establishes and operates the management system under the leadership of the top management. Meanwhile, to ensure that management decisions are promptly communicated to all employees, the General Manager of Administration (Executive Officer) in Japan, where the company's headquarters are located, and the managers of each overseas subsidiary are responsible for export control respectively, who operate in accordance with the laws and regulations of each country or region and establish an internal system that conforms with our basic export control policy and regulations.



The Export Control Division of the Head Office regularly audits each country whether export procedures are being conducted properly in accordance with the basic policy/rules and regulations on export control, and the results are reported to the Chief Export Control Officer (Group CEO) and the Export Control Manager of each country.

Export control in the case of US-China trade friction

The working group in the figure considers and takes measures against the trade friction between China and the US. Although this is an issue in terms of international law, US export control regulations are applied extraterritorially to Japan. For this reason, working groups with the participation of related domestic and overseas parties have been established to share information at bi-weekly meetings and to ensure that there are no violations of laws or regulations that the US would regard to be problematic.

The specific operations of the working group are as follows:

- For transactions with specific customers
Checking the percentage of U.S.-origin items and direct product regulations to determine whether the product is subject to the regulations while considering the strengthening of regulations under the U.S. Export Administration Regulations (EAR).
- For concerns about the objectives of our products
In addition to the confirmation of conventional use, obtaining a written assurance that the product does not fall under any further restricted use.
- For concerns that arise regarding customer information due to the introduction of new laws and regulations or amendments to laws and regulations
In the case of new customer registration, the existence of and business activities of the company in question will be verified using public information to determine whether to do business with the company.

In addition, in terms of management of existing clients, a written confirmation of non-applicability to effectuated regulations that may newly come into conflict with regulations due to the introduction of new regulations or amendments to laws and ordinances is obtained.

Export control education

As the vast majority of Advantest employees operate globally, we provide e-learning that outlines export control along with annual training on export control concepts and necessary procedures. All employees in Japan and overseas participate. The content of these initiatives include "the business environment," "export control for security," "targets of export control," "Advantest's export control policy," "points of caution upon export," "export of technology (provision of services)," and "EAR." We will continue to develop and implement more practical content, such as rules reinforcement and addressing important topics.

Risk management related to international affairs

Amid today's rapidly changing business environment, whilst the US diplomacy towards China and the Russian-Ukrainian crisis, it is only natural that risks are also becoming more complex and diversified. Advantest has become a supporting member of the Center for Information on Security Trade Controls for the purpose of obtaining information on changes in the international situation and amendments to laws and regulations and reflecting our own requests during direct dialogues with regulatory authorities or when expressing opinions or making recommendations from the industry. We also participate in a working group owned by the Semiconductor Equipment and Materials International (commonly known as SEMI) to analyze the impact of revisions to laws and regulations and to gather information from various perspectives on how to respond to industry standards. In addition, we have a system in place to consult with outside experts such as lawyers, as necessary, when there is an introduction or amendment of laws and regulations that may have an adverse effect on our business.

Tax Compliance

Basic Principle

We assess tax risks on a quarterly basis and strive to establish appropriate tax governance throughout the Group under the leadership of our CFO, in order to address tax risks associated with the globalization of our business.

Basic policy on tax

We fulfill its corporate social responsibility by appropriately paying taxes based on compliance with national and regional laws, and tax guidelines published by international organizations such as the OECD and the BEPS (Base Erosion and Profit Shifting) Action Plan. We do not engage in contrived arrangements for the purposes of avoiding tax.

(1) Secure transparency

We shall have appropriate disclosures like Annual Financial Report in accordance with the Financial laws and regulations. With respect to taxes, we disclose tax information based on laws and regulations in disclosed reports.

(2) Build relationship of trust with tax authorities

We strive to reduce tax risks by building a strong trustworthy relationship with national tax authorities by responding appropriately and cooperatively to their requests for information disclosure.

(3) Appropriate management of the transfer pricing taxation

We recognize the importance of the transfer pricing taxation and executes inter-company transactions based on arm's length principle. We will also pay taxes in proportion to the contribution of the added value created in each country / region.

(4) Tax Havens

We do not engage in deliberate tax avoidance through the use of tax havens (i.e., countries or jurisdictions with no or significantly lower tax rates).

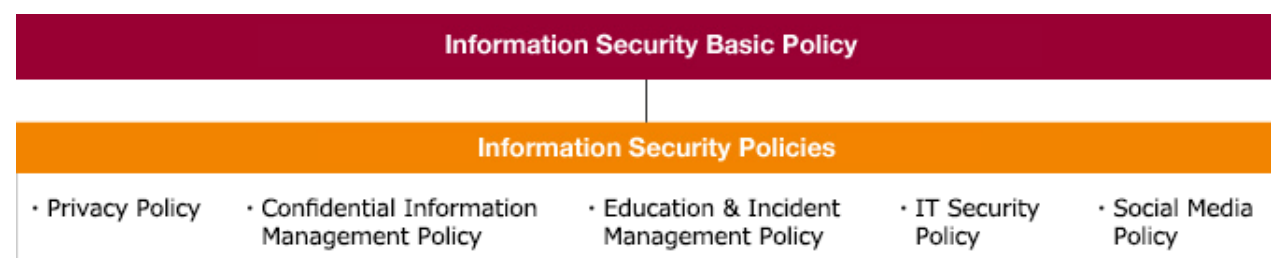
Information Security

Our Commitment to Information Security

The Advantest Group recognizes information received from customers and clients, in addition to our company's technology and sales information, to be valuable information resources. We are committed to proper management of information through the security measures of the Global Information Security Committee, which include establishing regulations, constructing control systems, and providing employee education..

Policies and Rules Related to Information Security

Advantest has established an Information Security Basic Policy. Rules are specified in five policies: our Privacy Policy, Confidential Information Management Policy, Education & Incident Management Policy, IT Security Policy, and Social Media Policy. Each policy will be reviewed by the responsible department, as necessary.



Organization of the Information Security Management System

Advantest recognizes information security management to be a critical business management issue, and has instated the Chief Compliance Officer (CCO) as the Information Security Officer within a global system.

Under the CCO are the Global Information Security Committee and Global Information Security Team, with local/regional IT security support teams in each country/region.

The Global Information Security Committee deliberates on information security measures to be applied to the entire Group from various angles, and examines the establishment/revision/abolition of policies and rules, which are then deployed to each country/region. Individual security requirements from each country/region are also examined by the Global Information Security Committee and unified responses are taken.



System for Responding to Information Security Incidents

In FY2020, Advantest formed the Advantest CSIRT^{*1} to reinforce initial response systems for information security incidents. Furthermore, a SOC^{*2} security monitoring system that operates 24 hours a day, 365 days a year has also been incorporated to facilitate early detection and swift response to global cyberattacks.

Cooperation between related parties in case of damage by a cyberattack is checked once a year. We also determine whether responses to information security incidents are properly functioning by conducting cyberattack training.

If employee discovers a security incident, the employee will report to manager immediately. Upon receipt of the report, the manager will contact the IT team of their company or regional headquarters. If the employee cannot reach his/her manager, the employee will contact the nearest IT team.

*1 CSIRT (Computer Security Incident Response Team)

*2 SOC (Security Operation Center)



Efforts to protect information

Information Security Training

Based on our belief that people are the last line of defense in information security, our Group is working to ensure that our information security policies and relevant regulations are thoroughly understood. Information security training, in which all employees participate, is based on the policies of "Personal Information Protection", "Confidential Information Management", "Training and Incident Response" and "IT Security" along with training that includes simulations of actual cyberattacks. From FY2021, we changed the information security training platform to provide an environment where employees can take lessons in an easier manner and deepen their understanding.

Furthermore, information on information security is published on the company website to provide information to employees in a timely manner.

Training/Awareness Raising as Part of the Information Security Training

- Information Security Training through e-learning for all employees: 2
- Targeted email threat training: 2
- Broadcast of information to raise awareness: 10

Initiatives for Strengthening Information Security

- The Advantest Group has established a system in which our audit division conducts information security audits. This enables more objective checks to be carried out based on specified rules and provides a way for the divisions that have been audited to give feedback.
- Since FY2019, we have been making efforts to further reinforce security by configuring multi-factor authentication in order to prevent identity theft.
- Security risk assessments and vulnerability tests conducted by external organizations are carried out to objectively evaluate our information security measures, and the results enable us to narrow down the points that need improvement in order to raise our level of security.
- As security measures, enhanced filtering functions and adding warnings on emails sent from outside the company have been added.
- Acquired ISO27001 certification to ensure continuous implementation of PDCA to reinforce our level of security. Efforts are underway to achieve certification among the entire Advantest group, including our overseas bases.

Acquisition status of ISO27001 certification

Japan	August 20, 2021	Semiconductor test system related departments (R&D, manufacturing, sales, maintenance)
Germany	July 29, 2022	Semiconductor test system related departments (R&D, sales, maintenance)
The USA	September 28, 2023	Semiconductor test system related departments (R&D, sales, maintenance)
Singapore	August 15, 2024	Semiconductor test system related divisions (engineering support & maintenance, supply chain management)

Confidential Information Protection

Our Information Security Basic Policy defines confidential information as information that has been disclosed by clients under contract along with information that is important to the company. Moreover, the policy stipulates that such information must be handled in accordance with relevant regulations.

Accordingly, we are committed to ensuring that confidential information is not divulged outside the company by ensuring that it is protected through the use of adequate controls governing its storage, disclosure and handling. In fiscal 2023, there were no incidents involving the unauthorized disclosure of important confidential information, etc.

Personal Information Protection

We consider the confidentiality of all personal information entrusted to us to be very important, and accordingly we take steps to ensure that such information is properly protected and managed.

Our commitment to safeguarding personal information entails posting personal information managers in divisions that handle such duties, and ensuring that those managers carry out their duties properly with regard to overseeing such information. Furthermore, we perform regular audits of personal information management and usage practices in each division, and make improvements whenever deficiencies are discovered.

In Group companies outside of Japan, Regional Information Security Officers work to protect and manage personal information in accordance with the laws, regulations, and demands of each respective country or region.

There were no major cases of personal information leaks in FY2023.

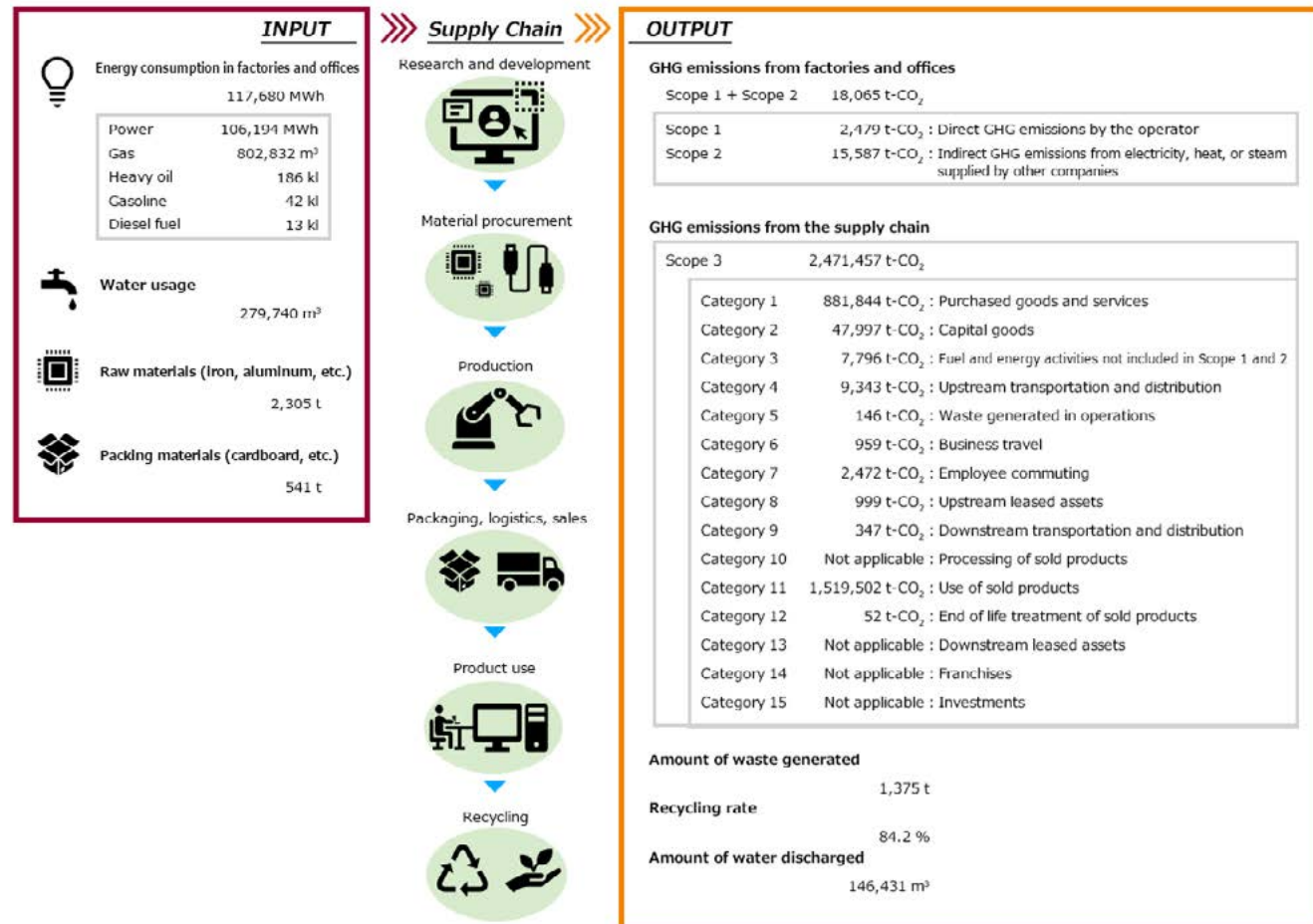
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ESG Data

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Material Flow

Material Flow (FY2023)



Data Collection

Environmental Data

Energy

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Energy Consumption and Power Generation	Energy consumption	Japan	MWh	45,338	42,903	44,609	43,537	42,673	44,672
		Overseas	MWh	55,159	61,141	63,507	68,206	68,632	73,008
		Total	MWh	100,497	104,044	108,116	111,744	111,305	117,680
	Electricity consumption	Japan	MWh	37,361	37,334	40,038	40,321	39,716	41,734
		Overseas	MWh	39,932	44,726	50,620	54,648	56,582	64,460
		Total	MWh	77,294	82,059	90,658	94,969	96,298	106,194
	Gas consumption	Japan	m ³	316,752	131,864	21,773	21,440	20,468	19,460
		Overseas	m ³	1,224,000	1,322,043	1,044,524	1,078,604	968,752	783,372
		Total	m ³	1,540,751	1,453,906	1,066,296	1,100,043	989,221	802,832
	Heavy oil consumption	Japan	kl	277	263	312	190	166	168
		Overseas	kl	40	41	24	48	32	18
		Total	kl	317	304	337	238	198	186
	Gasoline consumption	Japan	kl	46	53	43	42	41	42
		Overseas	kl	0	0	0	0	0	0
		Total	kl	46	53	43	42	41	42
	Diesel fuel consumption	Japan	kl	13	12	9	8	12	13
		Overseas	kl	0	0	0	0	0	0
		Total	kl	13	12	9	8	12	13
	Renewable power purchased	Japan	MWh	0	0	8,327	16,859	16,136	21,807
		Overseas	MWh	0	0	0	0	20,567	24,544
		Total	MWh	0	0	8,327	16,859	36,703	46,351
	Amount of Tradable Green Certificate purchases	Japan	MWh	0	0	0	0	2,741	0
		Overseas	MWh	9,200	23,072	31,629	33,994	21,198	22,023
		Total	MWh	9,200	23,072	31,629	33,994	23,939	22,023
	Power generation of solar power generation systems (Private power generation)	Japan	MWh	0	0	0	0	0	0
		Overseas	MWh	0	0	0	0	0	621
		Total	MWh	0	0	0	0	0	621

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
	Total quantity of renewable power	Japan	MWh	0	0	8,327	16,859	18,877	21,807
		Overseas	MWh	9,200	23,072	31,629	33,994	41,765	47,188
		Total	MWh	9,200	23,072	39,956	50,853	60,642	68,995
	Renewable Power Percentage	Japan	%	0.0	0.0	20.8	41.8	47.5	52.3
		Overseas	%	23.0	51.6	62.5	62.2	73.8	73.2
		Total	%	11.9	28.1	44.1	53.5	63.0	65.0
	Power generation of solar power generation systems (Electricity sold)	Japan	MWh	0	0	0	0	0	0
		Overseas	MWh	525	0	0	0	0	0
		Total	MWh	525	0	0	0	0	0

* Values for the total quantity of renewable power are a tally of renewable power purchased, amount of tradable green, and Power generation of solar power generation systems (Private power generation) certificate purchases.

GHG Emissions

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
GHG Emissions	Scope1 + Scope2 (* Scope 2 refers to the market based)	Japan	1,000t-CO ₂ e	19.68	19.14	16.25	11.83	11.04	9.15
		Overseas	1,000t-CO ₂ e	18.45	14.71	11.93	13.21	9.43	8.92
		Total	1,000t-CO ₂ e	38.13	33.85	28.18	25.04	20.47	18.07
	Scope1 ¹	Japan	1,000t-CO ₂ e	1.86	1.44	1.43	1.23	1.21	0.89
		Overseas	1,000t-CO ₂ e	2.83	3.04	2.39	2.53	2.24	1.58
		Total	1,000t-CO ₂ e	4.68	4.48	3.81	3.75	3.45	2.48
	Scope2 (Location-Based)	Japan	1,000t-CO ₂	18.68	18.22	18.82	17.46	17.24	18.28
		Overseas	1,000t-CO ₂	19.61	21.33	18.91	20.40	20.49	23.64
		Total	1,000t-CO ₂	38.29	39.54	37.73	37.86	37.73	41.91
	Scope2 (Market-Based)	Japan	1,000t-CO ₂	17.82	17.70	14.83	10.60	9.83	8.25
		Overseas	1,000t-CO ₂	15.62	11.67	9.54	10.69	7.20	7.33
		Total	1,000t-CO ₂	33.45	29.37	24.37	21.29	17.02	15.59
	Scope3	Category1	1,000t-CO ₂	489.53	400.46	482.02	671.61	966.74	881.84
		Category2	1,000t-CO ₂	15.19	22.73	31.55	41.53	57.71	48.00
		Category3	1,000t-CO ₂	3.58	3.71	6.94	7.21	7.22	7.80
		Category4	1,000t-CO ₂	6.20	5.27	6.88	9.36	10.34	9.34
		Category5	1,000t-CO ₂	0.18	0.15	0.16	0.14	0.14	0.15
		Category6	1,000t-CO ₂	0.64	0.72	0.75	0.84	0.93	0.96
		Category7	1,000t-CO ₂	1.84	2.04	1.81	2.11	2.37	2.47

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
		Category8	1,000t-CO ₂	0.40	0.39	0.26	0.35	1.00	1.00
		Category9	1,000t-CO ₂	0.55	0.33	1.01	0.36	0.47	0.35
		Category10	1,000t-CO ₂	N/A					
		Category11	1,000t-CO ₂	1,175.02	855.01	1,151.98	1,319.35	1,991.31	1,519.50
		Category12	1,000t-CO ₂	0.04	0.04	0.05	0.06	0.07	0.05
		Category13	1,000t-CO ₂	N/A					
		Category14	1,000t-CO ₂	N/A					
		Category15	1,000t-CO ₂	N/A					
		Total	1,000t-CO ₂	1,693.16	1,290.84	1,683.41	2,052.92	3,038.31	2,471.46
	Total Emissions ^{*2}		1,000t-CO ₂	1,731.30	1,324.69	1,711.59	2,077.96	3,058.78	2,489.52

* 1 : From FY2018 onward, GHG emissions (PFCs and SF6), excluding those from energy sources, are included in the calculations.

* 2 : Total emissions, including Scope 3, have been calculated from FY2018 onward. The quantity of total emissions is calculated with Scope 2 as the market-based method.

* Referenced guidelines, electricity and fuel CO₂ emissions factors, and heat conversion coefficient

- Ministry of the Environment, "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain"
- Ministry of the Environment, List of calculation methods and emission factors for calculating, reporting, and disclosure systems of Greenhouse Gas Emissions.
- CO₂ emission factors for overseas power consumption: Based on the emission factors announced by each electric company and government authorities of each country as well as those by country announced in IEA Emissions Factors 2023, which was issued by the International Energy Agency (IEA).

* Scope of calculations (Scope) of GHG emissions

- Scope 1: Direct GHG emissions by businesses themselves (fuel combustion, industrial processes)
- Scope 2: Indirect emissions due to use of electricity or heat/steam supplied by other companies
- Scope 3: Other indirect emissions, excluding those of Scopes 1 and 2 (emissions of other companies related to business activities)

Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
GHG emissions, excluding those from energy source	PFCs	t-CO ₂ e	9.04	5.94	9.54	12.31	11.61	9.34
	SF ₆	t-CO ₂ e	146.49	170.72	304.27	440.33	490.20	166.66
	Total	t-CO ₂ e	155.53	176.65	313.80	452.64	501.81	176.00

Water, Waste

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Water	Water use	Japan	m ³	178,897	174,146	166,075	155,707	151,614	159,889
		Drinking water	m ³	59,601	58,073	58,722	55,646	55,522	56,853
		Ultra pure water (including in the total amount of drinking water)	m ³	1,639	1,754	1,540	1,264	732	501
		Industrial water	m ³	119,296	116,073	107,353	100,061	96,092	103,036
		Groundwater	m ³	0	0	0	0	0	0
		Overseas	m ³	101,429	86,692	84,196	80,698	90,515	119,851
		Total	m ³	280,325	260,838	250,271	236,405	242,129	279,740
	Drainage amount	Japan	m ³	59,927	62,001	58,389	49,950	55,974	55,388
		Drainage to sewage	m ³	17,611	16,894	17,258	16,384	18,113	18,242
		Drainage to public waters	m ³	42,316	45,107	41,131	33,566	37,862	37,146
		Overseas	m ³	101,429	86,692	84,196	80,698	56,795	91,043
		Total	m ³	161,355	148,693	142,585	130,648	112,769	146,431

* Overseas drainage amount has been calculated with the same values as the water use (except Korea).

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Waste	Amount of waste generated	Japan	t	1,088	1,011	1,005	960	1,039	947
		Overseas	t	231	230	277	287	313	427
		Total	t	1,319	1,241	1,282	1,246	1,352	1,375
	Amount of hazardous waste generated	Japan	t	10	12	11	6	7	7
		Overseas	t	0	0	18	2	11	27
		Total	t	10	12	29	8	18	34
	Amount of waste recycled	Japan	t	694	618	634	616	911	895
		Overseas	t	136	155	200	222	232	262
		Total	t	830	773	834	837	1,142	1,157
	Recycling rate	Japan	%	63.8	61.1	63.1	64.1	87.7	94.5
		Overseas	%	58.8	67.6	72.1	77.3	73.9	61.3
		Total	%	62.9	62.3	65.1	67.2	84.5	84.2

* Weight of waste generated and recycled in Japan, including valuables are aggregated and disclosed.

Therefore, the domestic recycling rate is calculated by the following formula.

Domestic recycling rate = (amount of waste recycled + amount of valuables) ÷ (amount of waste + amount of valuables)

Atmospheric emissions and chemicals

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Number of cases that exceeded air and water quality standard values	Emissions to the atmosphere	Japan	Cases	0	0	0	0	0	0
	Emissions to bodies of water	Japan	Cases	0	0	0	0	0	0

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Amount of air and water pollutants emitted	Emissions to the atmosphere Nox	Japan	kg	701	322	392	89	79	41
	Emissions to the atmosphere Sox	Japan	kg	450	224	302	37	32	11
	Emissions to the atmosphere Soot and smoke	Japan	kg	8	10	26	5	3	3
	Emissions to bodies of water (BOD)	Japan	kg	201	264	176	183	176	173
	Emissions to bodies of water (COD)	Japan	kg	173	220	215	145	160	198

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
PRTR data	PRTR substances released	Japan	t	0.46	0.19	0.08	0.21	0.05	0.07
	PRTR substances transferred	Japan	t	0.35	0.22	0.20	0.40	0.40	0.48

* Calculations include applicable substances whose annual use is less than the reported amount under the PRTR Law.

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
VOC data	Amount of VOCs used	Japan	t	2.75	2.75	2.58	2.39	2.69	2.57

* The 20 substances (isopropyl alcohol, toluene, acetone, butyl acetate, methanol, xylene, methyl ethyl ketone,dichloromethane, styrene, ethanol, and others), that account for 95% of the total emissions covered in the status report submitted by the four electrical and electronic industry groups* as part of their "Voluntary measures to reduce VOC emissions" requested by the Ministry of Economy, Trade and Industry, are aggregated.
Four electrical and electronic industry groups (JEMA, CIAJ, JEITA, and JBMIA)

Environmental Communication

Item		Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Environmental complaints	Complaints from stakeholders	Advantest Group	Cases	0	0	0	0	0	0
	Major violations of environmental laws and regulations		Cases	0	0	0	0	0	0

Environmental Education

Item	Boundary	Target (Persons)	Participants (Persons)	Participation ratio (%)
Participation in general environmental education	Japan	2,805	2,791	99.5
	Overseas	4,079	4,073	99.9
	Total	6,884	6,864	99.7

Environmental accounting

Japan

Targets: Seven bases in Japan (including consolidated subsidiaries), data collection period: April 2023 to March 2024

Environmental conservation costs

Unit: Mil. Yen

Cost classification	Main initiatives	Environmental capital investment	Cost
		FY2023	FY2023
1) Cost within the business area			
(1) Pollution control costs	Installation/repair of pollution prevention facilities, environmental measurement, and maintenance/inspection	4.28	63.22
(2) Global environmental conservation costs	Installation of energy-saving equipment/facilities	85.95	76.94
(3) Resource recycling costs	Waste processing/recycling and construction of water supply facilities	7.00	32.93
2) Upstream/downstream costs	Green procurement/purchasing and introduction/development of recycled packaging materials	0.00	4.27
3) Costs of management activities	Operation of environmental management systems, biotopes, and disclosure of environmental information	0.00	204.37
4) R&D costs	R&D of environmentally friendly products and manufacturing technologies	0.00	65,501.90
5) Social activity costs	Greening activities in surrounding areas	0.00	6.09
6) Environmental damage costs	Fines/lawsuits related to environmental remediation and conservation	0.00	0.00
Total		97.23	65,889.72

Environmental conservation effects

Unit: Mil. Yen

Effect classification	Main initiatives	Economic benefits
		FY2023
1) Economic impact		
(1) Reduction of energy usage fees	Reduction of energy usage fees by incorporating energy-saving equipment/facilities and energy-saving initiatives	0.23
(2) Gain from recycling sales	Gain from the sale of valuables (metal scrap, etc.)	43.62
(3) Decrease in treatment costs due to waste reduction	Decrease in waste liquid treatment costs due to wastewater processing facilities, etc.	0.00
Total		43.85

Effect classification	Main initiatives	Amount reduced/effectively used	
		FY2023	
2) Quantitative effects			
(1) Reduction of electricity consumption	Reduced electricity consumption due to the installation of energy-saving equipment/facilities and operational adjustments	Facilities :	15(MWh)
(2) Reduction of energy consumption	Reduced energy consumption due to the installation of energy-saving equipment/facilities and operational adjustments	Facilities :	55(GJ)
(3) Reduction of CO ₂ emissions	Reduced CO ₂ emissions due to the installation of energy-saving equipment/facilities and operational adjustments	Facilities :	6.66(t-CO ₂)
(4) Effective utilization ofresources	Amount of recycled metal scrap, office paper, and waste plastics, etc.		895(t)
(5) Effective waste utilization ratio	Ratio of recycling versus total emissions of waste produced at business sites		95(%)

Overseas

Target: Nine overseas consolidated subsidiaries, data collection period: April 2023 to March 2024

Environmental conservation costs

Unit: Mil. Yen

Cost classification	Main initiatives	Cost
		FY2023
Global environmental conservation costs	Installation of energy-saving equipment/facilities and improvement of facilities, etc.	99.60
Resource recycling costs	Waste processing costs, etc.	3.47
Costs of management activities	Operation of environmental management systems, fees for environment-related seminars, etc.	2.71
Social activity costs	Greening activities in surrounding areas, donations to social organizations, etc.	48.05
Total		153.82

Environmental conservation effects

Unit: Mil. Yen

Effect classification	Main initiatives	Economic benefits
		FY2023
1) Economic impact		
(1) Reduction of electricity usage fees	Reduction of electricity usage fees by incorporating energy-saving equipment/facilities	0.31
(2) Gain from recycling sales	Gain from the sale of valuables	0.54
Total		0.85

Effect classification	Main initiatives	Amount reduced/ effectively used
		FY2023
2) Quantitative effects		
(1) Reduction of electricity usage fees	Reduction of electricity usage fees by incorporating energy-saving equipment/facilities	21 (MWh)
(2) Reduction of CO ₂ emissions	Reduced CO ₂ emissions due to the installation of energy-saving equipment/facilities	7(t-CO ₂)

Social Data

Human Resources

	Boundary	Item	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Employee by region	Japan	Male	Person	2,152	2,146	2,213	2,220	2,256	2,289
		Female	Person	416	466	490	504	527	530
		Total	Person	2,568	2,612	2,703	2,724	2,783	2,819
		Ratio of Female	%	16.2	17.8	18.1	18.5	18.9	18.8
		Ratio by region	%	52.0	47.5	47.0	42.1	39.1	38.3
	Asia	Male	Person	771	836	905	959	1,088	1,105
		Female	Person	236	273	290	321	372	379
		Total	Person	1,007	1,109	1,195	1,280	1,460	1,484
		Ratio of Female	%	23.4	24.6	24.3	25.1	25.5	25.5
		Ratio by region	%	20.4	20.2	20.8	19.8	20.5	20.2
	Europe	Male	Person	613	676	720	763	903	955
		Female	Person	128	143	153	157	202	220
		Total	Person	741	819	873	920	1,105	1,175
		Ratio of Female	%	17.3	17.5	17.5	17.1	18.3	18.7
		Ratio by region	%	15.0	14.9	15.2	14.2	15.5	16.0
	North America	Male	Person	512	764	756	1,178	1,363	1,402
		Female	Person	108	199	229	362	406	478
		Total	Person	620	963	985	1,540	1,769	1,880
		Ratio of Female	%	17.4	20.7	23.2	23.5	23.0	25.4
		Ratio by region	%	12.6	17.5	17.1	23.8	24.9	25.6
	Overseas Total	Male	Person	1,896	2,276	2,381	2,900	3,354	3,462
		Female	Person	472	615	672	840	980	1,077
		Total	Person	2,368	2,891	3,053	3,740	4,334	4,539
		Ratio of Female	%	19.9	21.3	22.0	22.5	22.6	23.7
		Ratio by region	%	48.0	52.5	53.0	57.9	60.9	61.7
	Total	Male	Person	4,048	4,422	4,594	5,120	5,610	5,751
		Female	Person	888	1,081	1,162	1,344	1,507	1,607
		Total	Person	4,936	5,503	5,756	6,464	7,117	7,358
		Ratio of Female	%	18.0	19.6	20.2	20.8	21.2	21.8

* Boundary: Advantest Group

	Scope	Item	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees by employment type	Regular Employees	Male	Person	3,827	4,108	4,242	4,739	5,194	5,326
		Female	Person	803	940	1,019	1,202	1,350	1,440
		Total	Person	4,630	5,048	5,261	5,941	6,544	6,766
	Non-regular Employees	Male	Person	221	314	352	381	416	425
		Female	Person	85	141	143	142	157	167
		Total	Person	306	455	495	523	573	592
	Total	Male	Person	4,048	4,422	4,594	5,120	5,610	5,751
		Female	Person	888	1,081	1,162	1,344	1,507	1,607
		Total	Person	4,936	5,503	5,756	6,464	7,117	7,358

* Boundary: Advantest Group

	Boundary	Item	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees in management positions	Japan	Male	Person	503	483	486	465	465	472
		Female	Person	12	13	15	18	20	20
		Total	Person	515	496	501	483	485	492
		Ratio of Female	%	2.3	2.6	3.0	3.7	4.1	4.1
		Ratio by region	%	44.5	42.1	41.4	38.0	37.5	37.4
		Of which, were hired locally	Person	514	495	501	483	484	491
		Ratio of locally-hired employees appointed	%	99.8	99.8	100.0	100.0	99.8	99.8
	Asia	Male	Person	210	218	226	225	237	233
		Female	Person	40	40	43	45	45	49
		Total	Person	250	258	269	270	282	282
		Ratio of Female	%	16.0	15.5	16.0	16.7	16.0	17.4
		Ratio by region	%	21.6	21.9	22.2	21.2	21.8	21.5
		Of which, were hired locally	Person	233	244	255	257	272	273
		Ratio of locally-hired employees appointed	%	93.2	94.6	94.8	95.2	96.5	96.8

	Boundary	Item	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	
	Europe	Male	Person	170	183	200	214	223	239
		Female	Person	16	17	19	23	25	25
		Total	Person	186	200	219	237	248	264
		Ratio of Female	%	8.6	8.5	8.7	9.7	10.1	9.5
		Ratio by region	%	16.1	17.0	18.1	18.6	19.2	20.1
		Of which, were hired locally	Person	184	194	215	232	243	261
		Ratio of locally-hired employees appointed	%	98.9	97.0	98.2	97.9	98.0	98.9
	North America	Male	Person	187	204	198	246	251	247
		Female	Person	19	21	24	36	27	29
		Total	Person	206	225	222	282	278	276
		Ratio of Female	%	9.2	9.3	10.8	12.8	9.7	10.5
		Ratio by region	%	17.8	19.1	18.3	22.2	21.5	21.0
		Of which, were hired locally	Person	197	217	217	276	269	268
		Ratio of locally-hired employees appointed	%	95.6	96.4	97.7	97.9	96.8	97.1
	Overseas Total	Male	Person	567	605	624	685	711	719
		Female	Person	75	78	86	104	97	103
		Total	Person	642	683	710	789	808	822
		Ratio of Female	%	11.7	11.4	12.1	13.2	12.0	12.5
		Ratio by region	%	55.5	57.9	58.6	62.0	62.5	62.6
		Of which, were hired locally	Person	614	655	687	765	784	802
		Ratio of locally-hired employees appointed	%	95.6	95.9	96.8	97.0	97.0	97.6
	Total	Male	Person	1,070	1,088	1,110	1,150	1,176	1,191
		Female	Person	87	91	101	122	117	123
		Total	Person	1,157	1,179	1,211	1,272	1,293	1,314
		Ratio of Female	%	7.5	7.7	8.3	9.6	9.0	9.4
		Of which, were hired locally	Person	1,128	1,150	1,188	1,248	1,268	1,293
		Ratio of locally-hired employees appointed	%	97.5	97.5	98.1	98.1	98.1	98.4

* Boundary: Advantest Group

* Definition of "management position": Level 7 or higher in a 10-level status system. Of the 10 levels, job levels 1 to 6 are general employees, while levels 7 to 10 are designated as management positions.

	Item		Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees by age group	Age - 29	Male	Person	329	380	443	627	884	913
		Female	Person	118	156	156	215	262	256
		Total	Person	447	536	599	842	1,146	1,169
	Age 30 - 39	Male	Person	692	752	793	969	1,088	1,153
		Female	Person	197	225	258	291	338	380
		Total	Person	889	977	1,051	1,260	1,426	1,533
	Age 40 - 49	Male	Person	1,411	1,394	1,347	1,328	1,325	1,283
		Female	Person	297	318	334	356	382	419
		Total	Person	1,708	1,712	1,681	1,684	1,707	1,702
	Age 50 - 59	Male	Person	1,236	1,355	1,415	1,519	1,581	1,681
		Female	Person	163	208	228	289	317	331
		Total	Person	1,399	1,563	1,643	1,808	1,898	2,012
	Age 60 -	Male	Person	159	227	244	296	316	296
		Female	Person	28	33	43	51	51	54
		Total	Person	187	260	287	347	367	350
	Total	Male	Person	3,827	4,108	4,242	4,739	5,194	5,326
		Female	Person	803	940	1,019	1,202	1,350	1,440
		Total	Person	4,630	5,048	5,261	5,941	6,544	6,766

* Boundary: Advantest Group (Regular workers only)

Recruitment and turnover

	Boundary	Item	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Number of new hires	Japan	Male	Person	20	43	41	49	70	85
		Female	Person	4	14	15	18	23	12
		Total	Person	24	57	56	67	93	97
		Ratio of Female	%	16.7	24.6	26.8	26.9	24.7	12.4
		Ratio by region	%	7.2	9.7	14.7	6.2	8.1	11.4
	Asia	Male	Person	102	97	110	147	209	95
		Female	Person	24	47	30	45	60	27
		Total	Person	126	144	140	192	269	122
		Ratio of Female	%	19.0	32.6	21.4	23.4	22.3	22.1
		Ratio by region	%	37.6	24.5	36.7	17.7	23.4	14.4
	Europe	Male	Person	54	62	58	67	188	99
		Female	Person	10	18	17	12	46	25
		Total	Person	64	80	75	79	234	124
		Ratio of Female	%	15.6	22.5	22.7	15.2	19.7	20.2
		Ratio by region	%	19.1	13.6	19.7	7.3	20.3	14.6
	North America	Male	Person	95	223	77	563	421	318
		Female	Person	26	84	33	181	133	188
		Total	Person	121	307	110	744	554	506
		Ratio of Female	%	21.5	27.4	30.0	24.3	24.0	37.2
		Ratio by region	%	36.1	52.2	28.9	68.8	48.2	59.6
	Overseas Total	Male	Person	251	382	245	777	818	512
		Female	Person	60	149	80	238	239	240
		Total	Person	311	531	325	1,015	1,057	752
		Ratio of Female	%	19.3	28.1	24.6	23.4	22.6	31.9
		Ratio by region	%	92.8	90.3	85.3	93.8	91.9	88.6
	Total	Male	Person	271	425	286	826	888	597
		Female	Person	64	163	95	256	262	252
		Total	Person	335	588	381	1,082	1,150	849
		Ratio of Female	%	19.1	27.7	24.9	23.7	22.8	29.7

* Boundary: Advantest Group (Regular workers only)

	Boundary	Item	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Number of employee turnover	Japan	Male	Person	28	32	13	21	25	22
		Female	Person	5	12	2	4	5	4
		Total	Person	33	44	15	25	30	26
		Ratio of Female	%	15.2	27.3	13.3	16.0	16.7	15.4
		Ratio by region	%	23.6	30.3	8.6	7.3	6.4	4.8
	Asia	Male	Person	37	34	37	89	74	65
		Female	Person	4	11	16	15	8	12
		Total	Person	41	45	53	104	82	77
		Ratio of Female	%	9.8	24.4	30.2	14.4	9.8	15.6
		Ratio by region	%	29.3	31.0	30.5	30.2	17.4	14.1
	Europe	Male	Person	22	18	9	17	30	32
		Female	Person	7	1	4	6	3	7
		Total	Person	29	19	13	23	33	39
		Ratio of Female	%	24.1	5.3	30.8	26.1	9.1	17.9
		Ratio by region	%	20.7	13.1	7.5	6.7	7.0	7.2
	North America	Male	Person	32	29	84	144	247	284
		Female	Person	5	8	9	48	78	119
		Total	Person	37	37	93	192	325	403
		Ratio of Female	%	13.5	21.6	9.7	25.0	24.0	29.5
		Ratio by region	%	26.4	25.5	53.4	55.8	69.1	73.9
	Overseas Total	Male	Person	91	81	130	250	351	381
		Female	Person	16	20	29	69	89	138
		Total	Person	107	101	159	319	440	519
		Ratio of Female	%	15.0	19.8	18.2	21.6	20.2	26.6
		Ratio by region	%	76.4	69.7	91.4	92.7	93.6	95.2
	Total	Male	Person	119	113	143	271	376	403
		Female	Person	21	32	31	73	94	142
		Total	Person	140	145	174	344	470	545
		Ratio of Female	%	15.0	22.1	17.8	21.2	20.0	26.1
	Turnover ratio	Male	%	3.21	2.95	3.48	6.39	7.93	7.76
		Female	%	2.79	3.99	3.30	7.16	7.82	10.52
		Total	%	3.14	3.13	3.45	6.54	7.91	8.33

* Boundary: Advantest Group (Regular workers only)

* From December 2019 onward, the method of including employees who leave at the end of the month within that month's tally was changed to include them in the count for the following month.

Diversity and Inclusion, Working Style

	Boundary		Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Number of re-employment system users ^{*1}	Advantest Corporation ^{*4}		Person	33	54	60	74	44	50
Employment rate of people with disabilities	Advantest Corporation ^{*4} , Advantest Green, Advanfacilities		%	2.48	2.66	2.79	2.83	2.91	2.84
(Legal ratio of employment of people with disabilities)			%	2.20	2.20	2.20	2.30	2.30	2.30
(Average ratio of employment of people with disabilities in the private sector nationwide)			%	2.05	2.11	2.15	2.20	2.25	2.33
Number of employees taking childcare leave	Advantest Corporation ^{*4}	Male	Person	1	4	2	4	7	17
		Female	Person	31	25	27	24	20	24
		Total	Person	32	29	29	28	27	41
Number of employees who applied for shortened working hours for childcare	Advantest Corporation ^{*4}	Male	Person	1	2	3	3	2	3
		Female	Person	60	71	76	75	76	78
		Total	Person	61	73	79	78	78	81
Number of employees taking nursing/care leave	Advantest Corporation ^{*4}	Nursing leave	Person	54	38	40	41	19	24
		Care leave	Person	21	4	3	10	5	7
		Total	Person	75	42	43	51	24	31
Ratio of employees taking paid leave	Advantest Corporation ^{*5}		%	70.7	68.7	68.7	73.7	76.1	80.0
Number of employees taking accumulated leave	Advantest Corporation ^{*4}		Person	81	87	124	317	127	56
Average amount of overtime per individual ^{*2}	Advantest Group (Japan/China/South Korea)		Hours	15.0	14.3	16.9	19.7	20.5	19.7
Ratio of occupational accidents ^{*3}	Advantest Corporation ^{*5} , Subsidiaries in Japan		-	0.4	0.2	0.0	0.0	0.2	0.2
	Advantest Group		-	0.3	0.2	0.1	0.1	0.5	1.0
Ratio of occupational accidents(LTIR) ^{*6}	Advantest Corporation ^{*5} , Subsidiaries in Japan		-	0.076	0.036	0.000	0.000	0.036	0.035
	Advantest Group		-	0.064	0.039	0.018	0.017	0.094	0.206

* 1: The number of individuals who have newly started to use the re-employment system. (Those who have continued to use the system from the previous year were not included.)

* 2: Overtime hours for management positions with no subordinates are included for South Korea only.

* 3: The number of fatalities and injuries due to occupational accidents per one million working hours. The data includes temporary employees from FY2019 onward.

"Advantest Corporation" in the table above is as follows.

*4: Includes employees seconded to affiliated companies, but excludes employees seconded from affiliated companies.

*5: Excludes employees seconded to affiliated companies, but includes employees seconded from affiliated companies.

*6: The number of fatalities and injuries due to occupational accidents per two hundred thousand working hours. The data includes temporary employees from FY2019 onward.

"Advantest Corporation" in the table above is as above.

Employee Education

	Training Category	Target	Participants (Persons)	Training hours (hours)
Status of education and training implementation	Business training (human resource management, etc.)	Management / General employees	1,134	7,563
	Technical training (technology)	Management / General employees	1,032	2,993
	E-learning (human resource management, etc.)	Management / General employees	29,689	10,312
	New recruit training (per level)	Management / General employees	39	15,067
	Languages/TOEIC (global)	Management / General employees	1,349	17,623
	External seminars (business skills, etc.	Management / General employees	216	1,397
	Total		33,459	54,954

* Boundary: Training sponsored by Advantest Corporation (excluding group-wide training. Includes employees seconded to affiliated companies, but excludes employees seconded from affiliated companies.)

	Education Category	Target	Number of participants (total No. of individuals)	Hours of education (hours)
Status of safety and health education implementation	General education	Management / General employees	13,233	6,795
	Technical education	Management / General employees	867	5,818

* Boundary: Advantest Group

Governance Data

Governance System (As of June 28, 2024)

Structure	Company with an Audit and Supervisory Committee
Number of Directors	9(male : 7 / female : 2)
Number of Outside Directors	5 (55.5%)
Number of Non-Japanese Directors	2 (22.2%)
Number of Female Directors	2 (22.2%)
Term of Office for Directors Who Are Not Audit and Supervisory Committee Members	1 year
Number of Directors Who Are Audit and Supervisory Committee Members	3
Number of Outside Directors	2
Chairperson of Audit and Supervisory Committee	Outside Director
Term of Office for Directors Who Are Audit and Supervisory Committee Members	2 years
Nomination and Compensation Committee	Inplace
Nomination and Compensation Committee Members	3 Directors (Two of which are outside Directors)
Nomination and Compensation Committee Chair	Outside Director
Performance-based Compensation System	In Place
Executive Officer System	In Place
Executive Officers	26
Non-Japanese Executive Officers	14

Executive Compensation

Officer Category	Company category	Total Compensation (Mil. yen)	Total Compensation by category (Mil. yen)				Number of Eligible Directors
			Cash Compensation		Non-cash Compensation		
			Fixed Compensation	Performance-based Compensation	Restricted stock compensation	Performance-based Stock remuneration	
Directors (excluding Audit and Supervisory Committee members) (excluding Outside Directors)	Advantest Corporation (The Company)	618	205	99	143	171	5
	The consolidated subsidiaries	19	19	—	—	—	
Directors (Audit and Supervisory Committee members) (excluding Outside Directors)	Advantest Corporation (The Company)	45	45	—	—	—	1
Outside Directors (excluding Audit and Supervisory Committee members)	Advantest Corporation (The Company)	46	46	—	—	—	4
Outside Directors (Audit and Supervisory Committee members)	Advantest Corporation (The Company)	34	34	—	—	—	3

1. As of March 31, 2024, the number of directors (excluding outside directors and directors who are Audit and Supervisory Committee members) and outside directors were three and five, respectively.
2. Performance-based bonuses are paid to directors (excluding outside directors and directors who are Audit and Supervisory Committee members) as performance-based compensation.
3. Restricted stock compensation and performance-based stock remuneration are recorded as expenses in accordance with IFRS for FY2023.

Approach to Data Aggregation and Third-Party Verification

Approach to and Methods for Environmental Data Collection

Targets and period of environmental data collection

Environmental data (Excel file) is available in [ESG-Related Information](#).

Period	April 1, 2023, to March 31, 2024
Targets	Advantest Corporation and its major domestic/overseas consolidated subsidiaries

Item	Region	2018	2019	2020	2021	2022	2023
Aggregation range (Those in Japan includes including affiliated companies)	Japan	8 bases	7 bases	7 bases	7 bases	7 bases	7 bases
	Overseas	Major overseas affiliates 9 companies					
Employee coverage	Global	–	–	–	85.6%	79.6%	86.5%

Approach and methods for GHG-related data collection

Quantity of GHG emissions from business facilities

Calculations are based on usage of electricity, heat, and fuel at business facilities, and usage of GHGs (for manufacturing processes, equipment, etc.)

CO ₂ emissions (from energy) accompanying the use of energy	Calculations are performed by multiplying the usage amount of electricity, heat, and fuel (including fuel for vehicles, etc.) at each business facility against the CO ₂ emission factors. When using renewable energy (including certificates), the CO ₂ emission factors is set to zero.
GHG emissions from PFCs, etc. (with a non-energy origin)	Calculations are performed by multiplying the GHG emissions at each business facility against global warming potential values to convert into quantities of CO ₂ .

Referenced guidelines as well as energy and fuel CO₂ emission factors and heat conversion coefficient

Japan	Ministry of the Environment, "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain" Ministry of the Environment, "Amount of Greenhouse Gas Emissions—List of Calculation Methods and Emission Coefficients within the Calculation/Reporting/ Disclosure System"
Overseas	Based on the emission factors announced by each electric company and government authorities of each country as well as those by country announced in IEA Emissions Factors, which was issued by the International Energy Agency (IEA).

Quantity of CO₂ emissions from purchased products and services «Scope 3, Category 1»

The quantity of CO₂ emissions from products and services purchased by Advantest is calculated by multiplying the corresponding primary unit in the "Global Embodied Energy and Emission Intensity based on the Standard Purchaser Price" (issued by the National Institute for Environmental Studies) per purchased item.

For items for which we are unable to separate transportation costs from the purchase prices, the quantity of emissions including transportation is not tallied under Category 4 "CO₂ emissions during transport from primary suppliers to our company," but such emissions are included in Category 1 emissions for calculation.

Quantity of CO₂ emissions during product usage «Scope3, Category 11»

The amount of CO₂ emissions during product usage is calculated by multiplying the emissions coefficients from the World category in "IEA Emissions Factors" against the lifetime electricity consumption of products on the market this fiscal year. The amount of CO₂ emissions during product use is calculated according to the following formula.

Numbers of units sold × Electricity consumption at operation × Annual hours of operation × Years used × CO₂ emissions coefficient

Among the semiconductor testing devices sold by the Advantest Group, CO₂ emissions calculations are for the SoC test systems and memory test systems.

The lifetime electricity consumption quantity assumes each product is used for 10 years, and calculations are performed by multiplying the amount of electricity consumed based on the product specification calculations for the target system against the number of units sold for the relevant product.

Scope3 calculation summary

	Category classification	Calculation summary
Category1	Purchased goods and services	The quantity of emissions of some datacenter usage, along with emissions from the resource collection stage up to the manufacturing stage for raw materials/ components sold by the Advantest Group and its purchased items
Category2	Capital goods	Emissions from manufacturing facilities, etc. in which the Advantest Group has invested
Category3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	Emissions accompanying the procurement of fuel and energy used at Advantest Group business facilities
Category4	Upstream transportation and distribution	Emissions accompanying the transport of procured components and purchased products by the Advantest Group, and those accompanying the storage of such products
Category5	Waste generated in operations	Emissions accompanying the treatment of waste generated at business facilities of the Advantest Group
Category6	Business travel	Emissions due to business trips made by Advantest Group employees
Category7	Employee commuting	Emissions due to commuting by Advantest Group employees
Category8	Upstream leased assets	Emissions accompanying leased assets of the Advantest Group * Excludes those calculated under Scope 2
Category9	Downstream transportation and distribution	Emissions accompanying the transport of products sold by the Advantest Group
Category10	Processing of sold products	(N/A)
Category11	Use of sold products	Emissions accompanying electricity consumption due to use of Advantest Group products in customer businesses
Category12	End-of-life treatment of sold products	Emissions accompanying the disposal of products sold by the Advantest Group
Category13	Downstream leased assets	(N/A)
Category14	Franchises	(N/A)
Category15	Investments	(N/A)

Approach to and methods for data collection related to resources

Quantity of waste generated

The total weight of industrial waste and general waste generated from business facilities.
The amount of waste generated in Japan is tabulated and disclosed as weight including valuable materials.

Quantity of water used and discharged

Quantity of water used	The quantity of water used at business facilities (drinking water, industrial water, and groundwater). The purchased quantity is substituted for drinking water and industrial water.
Quantity of water discharged	The quantity of water generated at business facilities discharged to sewage and public waters. For business facilities for which the amount of water discharged cannot be readily determined, the amount of water used is considered to be the amount of water discharged.

Approach to and methods for data collection for other environmental data

Management of chemical substances

To ensure safe management of and compliance with laws and regulations on chemical substances, we implement registration, safety reviews, and control per bottle/package unit for chemical substances used in-house. Furthermore, SDSs, which are the foundation of chemical substance handling, are always available for viewing.

Quantity of chemical substances handled	The quantity of chemical substances purchased and used at each business facility is monitored and calculated.
Quantity of chemical substances emissions/transfers	The quantity of chemical substances emitted/transferred due to operations is calculated by multiplying the handled amount by coefficients.

Quantity of water pollutant discharge (BOD, COD)

The quantity is calculated by multiplying the discharged water concentration by the discharged quantity. This applies to business facilities with legal or other requirements (such as contracts).

Quantity of air pollutant emissions (NOx, SOx)

The quantity is calculated by multiplying the exhaust concentration by the exhaust quantity. This applies to business facilities with legal or other requirements (such as contracts).

Third-Party Assurance

Third-party assurance

Third-party assurance has been obtained from Ernst & Young ShinNihon LLC to ensure increased reliability of selected social and environmental performance indicators included in the ESG Data.

Please click "[here](#)" to view the "ESG Data Book".

 [Independent Assurance Report](#)