

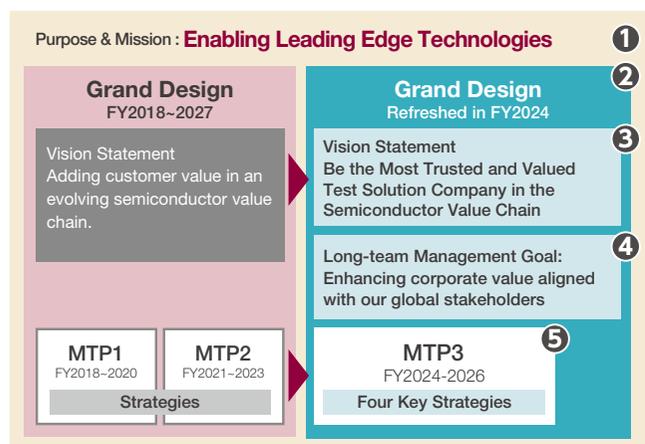
Strategy

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Mid- to Long-term Management Policy: the “Grand Design”

Advantest’s corporate purpose and mission is “Enabling Leading-Edge Technologies.” The “Grand Design” defines the commitments and strategies needed for Advantest to fully strive as a company that embodies this corporate mission and purpose. In FY2018, we formulated this management policy for the first time, and in 2024, we updated it based on our latest long-term business environment forecast.

Under the “Grand Design,” we formulate a three-year management plan, and we are now executing the third Mid-term Management Plan (MTP3).



Components of our mid- to long-term management policy

1 Purpose & Mission

Since 1990, Advantest has held “Enabling Leading-Edge Technologies” to be our raison d’être. Advantest continuously strives to improve so that it can offer products and services that satisfy customers around the world and contribute to the future of society through the development of the most advanced technologies.

2 Grand Design

This long-term management policy defines the commitments and strategies needed for Advantest to thrive as a company that embodies its corporate mission and purpose. This helps

employees around the world work together to create customer value and improve corporate value.

3 Vision Statement

“Be the Most Trusted and Valued Test Solution Company in the Semiconductor Value Chain”

Our Vision Statement describes what we want Advantest to be in the future.

Rather than just providing customers with semiconductor testing hardware, we are becoming an essential hub and partner for the entire semiconductor value chain. We achieve this by delivering value in the form of innovative test solutions that enhance efficiency and address the increasingly complex challenges of semiconductor test. By expanding the economic and social benefits it provides, Advantest aims to become the most trusted and valued test solution company in the semiconductor value chain for all our stakeholders.

4 Long-Term Goal:

“Enhancing Stakeholder Values” is our long-term management goal.

We will promote various initiatives that help to create a sustainable future for the world in an integrated manner while focusing on solving customer issues. Simultaneously, we aim to incorporate the needs and expectations of our stakeholders into our business activities. This approach will expand the significance of our purpose and mission and the value we provide in a balanced, multifaceted way, both economically and socially.

5 Mid-Term Management Plan

This three-year management plan outlines strategies and targeted management metrics aligned with the vision described in the Grand Design.

We have already executed two mid-term management plans, and we have been executing our third Mid-term Management Plan (MTP3) since 2024.

Value to Stakeholders

We will strive to earn the trust of our stakeholders.



Overview of the Third Mid-Term Management Plan [MTP3, FY2024-FY2026]

Advantest expects that the semiconductor test market will continue to grow in the medium- to long-term, while experiencing short-term down cycles. In addition, Advantest believes that its business opportunities will expand over the medium- to long-term, not only as the semiconductor market grows, but also as the industry faces the structural challenges of managing the increasing complexity of semiconductors. Against such an industry landscape, Advantest will strive to expand the value it provides to stakeholders over the medium- to long-term by promoting its Third Mid-term Management Plan, which was formulated in accordance with the refreshed “Grand Design.”

Targeted Management Metrics

In MTP3, Advantest will strive to enhance its corporate value by increasing sales, improving profitability, and improving capital efficiency through the four strategies. Given this framework, the management metrics that are emphasized in MTP3 are sales, operating profit margin, net income, return on invested capital (ROIC), and basic earnings per share (EPS). Advantest has been endeavoring to grow all these numbers. In order to evaluate the progress of the plan from a medium- to long-term perspective, Advantest uses three-year averages for the metrics on the right to level the impact of industry cycles.

In FY2024, the first year of MTP3, Advantest delivered record-breaking results, driven by robust tester demand for HPC/AI-related semiconductors. Furthermore, in October 2025, because it appeared that Advantest was more likely than before to exceed the numerical targets set forth at the time of MTP3 formulation, Advantest revised MTP3 management targets based upon developments to date and the recognition on business environment at that time.

	FY2024 - FY2026 Avg. ^{*1,2} (Revised in Oct. 2025) ^{*2}	FY2024 results ^{*2}	Announcement in Jun. 2024 ^{*1}
Sales	JPY 835 - 930B	JPY 779.7B	JPY 560 - 700B
Operating Profit Margin	33 - 36%	29.3%	22 - 28%
Net Income	JPY 207 - 248B	JPY 161.2B	JPY 93 - 147B
Return on Invested Capital^{*3} (ROIC)	34 - 39%	31.5%	18 - 28%
Basic EPS	JPY 284 - 341	JPY 218.67	JPY 127 - 202

^{*1} The exchange rates used in the June 2024 announcement were 140 yen to the US dollar and 155 yen to the Euro. The revised targets in October 2025 use the same exchange rates for FY2025 3Q-4Q and FY2026.

^{*2} Actual rates in FY2024 were 153 yen to the US dollar and 164 yen to the Euro, FY2025 1Q were 146 yen to the US dollar and 162 yen to the Euro, and FY2025 2Q were 146 yen to the US dollar and 170 yen to the Euro.

^{*3} Return on Invested Capital = NOPAT / Invested capital (average at beginning and end of period). NOPAT = Operating income x (1 - tax ratio 25%). Invested Capital = Borrowings + Corporate bonds + Total equity, with excluding Lease liabilities.



Please refer to the IR Library website for more information about MTP3 updates in October, 2025.

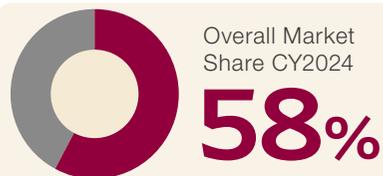
Overview of the third mid-term management plan [MTP3, FY2024-FY2026]

Four strategies of MTP3: Backgrounds and Progress in FY2024

1 Outpace the growth in our core market

In the core market, Advantest expects new growth opportunities to arise from increased semiconductor production volumes, high-performance semiconductors, and the increasing complexity of semiconductors. To seize these opportunities, Advantest will create new value that brings "Automation of Test," or improved efficiency in semiconductor testing, to its customers. Advantest can achieve automation not only by improving the performance of individual test solutions but also through the organic integration of its diverse portfolio of products and solutions, as well as collaborations with external partners. Through these efforts, Advantest will strive to grow faster than its core market.

- Succeeded in maintaining a majority share in the semiconductor tester (ATE) market by expanding products with strong customer appeal that address changes in technology and test trends, as well as through key customer and regional strategies.
- Launched several pioneering new key test solutions, such as a new power supply for AI/HPC applications and several new memory test systems to address next-generation memory devices.
- Aggressively implemented R&D investments and marketing initiatives in emerging growth areas, addressing future developments in semiconductor technology.



▶ P.22-27 CxO Message

2 Expand adjacently / new businesses

As semiconductors continue to become more high-performance and complex, there is demand for broader and more integrated test solutions. Advantest has been expanding its business into system-level test and test peripherals and will continue to increase the value it provides to customers. More specifically, Advantest will utilize its installed base of products to promote its field services, Advantest Cloud Solutions™ and Applied Research & Venture Team to create business opportunities.

- Expanded opportunities in the semiconductor design verification and silicon validation process with the launch of SiConic™, a groundbreaking automated silicon validation solution.
- Established strategic partnerships with probe card manufacturers, including Technoprobe S.p.A. (Italy), FormFactor, Inc. (U.S.), and Micronics Japan Co., Ltd. (Japan), to develop high-performance and comprehensive testing solutions that meet customers' future testing needs.
- Strengthened test engineering services by acquiring Salland Engineering International B.V. (Netherlands).

"SiConic: a Solution for Automated Silicon Validation" released in December 2024



3 Drive operational excellence

Advantest will continue to solve testing issues in the semiconductor industry by utilizing in-house technologies, expertise, and resources on a cross-functional basis. In addition to the above, to become a company that is valuable to all stakeholders, Advantest believes that it needs to improve not only the excellence of its products and technologies but also the efficiency and effectiveness of all its operations. To this end, Advantest is committed to accelerating internal operations and streamlining resources by using DX (digital transformation), building a resilient supply chain, strengthening human capital through recruiting qualified talent and expanding employee training, and improving internal productivity through the use of AI and data analytics.

- Reinforced our capabilities to respond to robust test demands by enhancing our supply chain management.
- Proactively executed IT investments to enhance the agility and efficiency of internal operations.
- Made various initiatives to improve employee engagement to strengthen human capital, the source of value creation.

▶ P.30-32 CHO Message

Production Capacity

3x
in last several years

4 Enhance sustainability

Advantest will further strengthen its foundation for enhancing corporate value through proactive and positive action on a variety of sustainability issues. This includes climate change and human rights, the execution of responsible business activities, such as legal compliance and adherence to ethical business practices, and the reinforcement of risk management and enhancement of corporate governance. By taking these steps, Advantest seeks to earn greater trust from each stakeholder. Advantest will also strive to cultivate and instill a common culture and shared values within the company, as these are the starting points for promoting initiatives related to sustainability.

- Renewed our basic policy and action plan on sustainability and established new mid-term KPIs to expand the value provided to stakeholders.

▶ P.49-50 CSRO Message



▶ Sustainability Policy

Interview with CxOs

Trusted Innovation, Navigating Complexity



Interview with CxOs

As the industry enters a new era characterized by the rapid development of AI technology and increasing complexity, Advantest's global CxO team is working together closely to determine the best strategies for navigating today's market. We spoke with Chief Technology Officer Juergen Serrer, Chief Supply Chain Officer Richard Junger, and Chief Customer Relations Officer Sanjeev Mohan about their collaborative process and their plans to drive future success.

Q What is complexity, and where do we see it in the semiconductor industry today?

Serrer: Our customers are now faced with the fact that multiple new technologies are stacking up. For example, chiplets are small integrated circuits designed for a specific function and are paired with multiple other chiplets in a single package. Chiplets enable higher performance, scalability, and yield. However, with stacking and integration, chiplets also present unique thermal challenges, which are significant factors in failure mechanisms. Additionally, new technologies in various fields are driving the evolution of semiconductors, such as silicon photonics and enormous amounts of memory with HBM, all of which are accelerating simultaneously. Not to mention, our customers are in a time-to-market race. All of these challenges are combined under the term "complexity."

Junger: The complexity of devices designed and manufactured by our customers adds complexity to their supply chains, which in turn increases the complexity of our own supply chains. Additionally, the supply side of the

market is also experiencing complexity due to geopolitical challenges stemming from the evolving dynamics of the AI industry.

So, we are essentially facing complexity on both ends: on the customer side and on the supply chain side.

Q What does growing complexity mean for the industry, and for Advantest?

Mohan: As complexity grows, our customers are expecting more from Advantest. In the past, we have been leaders in ATE. But now, as these devices become increasingly complex, customers are seeking a comprehensive solution and our total expertise regarding a variety of subjects such as parts management, device handling, thermal power challenges, and any other concerns they may have.

Serrer: The problems we are seeing in the industry right now are interdisciplinary. Years ago, a design problem could only be solved in design. Problems with test were addressed by the test team. However, the issues we face today can only be resolved through collaboration between



Juergen Serrer
Chief Technology Officer (CTO)



Click here to watch the
CTO interview video

Interview with CxOs

all disciplines. The Era of Complexity needs solutions along all insertions, and the solutions need to be interdisciplinary. That is why we are talking to EDA companies and have partnerships with probe card companies. We are working to ensure that we not only deliver a tester but also provide a comprehensive solution, including interfaces and peripherals that they need.

As for what complexity means for Advantest, this complexity is good for us because it drives the need for more tests, additional test capabilities, and new test methodologies. So, rather than a threat, I think it presents a unique opportunity for Advantest.

Q How is the role of test evolving, and how must Advantest transform to keep pace with the rising complexity in customer needs?

Serrer: Like I said before, the issues our customers see are interdisciplinary. All technologies are stacking, and they are asking us for more efficiency. So, how do you do that? Unlike in the past when test was a binary go/no-go decision, today's role of test involves device trimming that adjusts the underlying design, so devices are calibrated properly and perform as intended. This enables engineers to feed back data to improve both design and manufacturing processes. As semiconductors have become increasingly complex, featuring multiple chiplets and memory ICs stacked and packaged into a single device, testing has evolved to employ a wide range of test methodologies and capabilities, adapting to the diverse needs of different devices and test scenarios. Our strategy

is to innovate the entire flow, linking all test insertions from design to wafer sort, final test, and system-level test, into one unified flow. With that in mind, our newly released product SiConic™ plays a significant role because it allows us to bridge the gap between ATE and EDA or design. We want to make sure that test content is debugged, reusable, and that the data acquired during testing is analyzed and fed back to improve the design and manufacturing process. This approach aligns with our “Automation of Test” strategy, which aims to increase efficiency and enable our customers to accelerate their time-to-market and enhance product quality.

Q What do you think has enabled the company to increase its market share in recent years?

Serrer: Well, I think Advantest is uniquely positioned. We have a proven approach that allows us to anticipate future trends, resulting in a high success rate in investing in the right areas and delivering superior solutions at the right time. It all starts with understanding the industry's problems—really diving deep into the challenges our customers are facing, both technically and operationally. We also have a passionate global team that executes, whether that is in R&D or in servicing our customers through application and uptime support.

Mohan: Much of our success stems from years of hard work. Achieving a 58% market share is not something that happened overnight. As a company, we really value our customer relationships, and we strive to build long-term partnerships, some of

which have lasted for decades. We do not just focus on what our customers need today—we also consider what our customers need tomorrow. With this mindset, we have strong processes in place to understand the evolving needs of our customers, meaning our sales teams are deeply engaged with customers to understand their current challenges and future needs. Our relationships have allowed us to build industry-leading solutions and maintain a leading market share.

Q What sets Advantest apart? What specific strengths does the company have in testing AI/HPC applications?

Mohan: Advantest's growth over the last year has come as a result of our market position in the AI-related business segment. There are many reasons for this success. It starts with our V93000 product line, which has been an industry leader in the high-performance compute space for many, many years. With our V93000, we have been testing GPUs for decades, and we have learned a lot in terms of how to test these types of devices. Because of our technical expertise, we have also had strong relationships with leading manufacturers of HPC devices for a very long period of time. As I mentioned earlier, we value our relationships with our customers and we cater to a diverse set of needs, ranging from technical to business and commercial aspects. That has really allowed us to develop products in line with our customers' offerings, so we can evolve together and set ourselves apart in this space.

Interview with CxOs



Richard Junger

Chief Supply Chain Officer (CSCO),
Chief Digital Officer (CDO) &
Chief Information Technology Officer (CIO)

Click here to watch the
CSCO, CDO & CIO interview video



Q How does Advantest maintain agility in response to sudden demand changes in this dynamic industry?

Junger: In our industry, the ability to ship is key to ensuring our customers can ramp up their test capacity when needed. If you can not deliver, you can not compete. Moreover, our test systems consist of over one million components, each serving a critical role in the functionality of the final product. If even one component is missing, the final product can not be shipped. That is why we have made a fundamental shift from a “just-in-time” model to a “just-in-case” approach. We conduct detailed scenario planning—developing strategies for high, expected, and low cases. Working closely with our suppliers, we leverage buffer strategies and visibility tools so they can respond quickly to market fluctuations. With this approach, we have been able to expand our production capacity by approximately three times in the last several years. By building strategic buffers, we can respond immediately to demand surges. Additionally, careful inventory management is required to oversee product rollovers. We work closely with business units to ensure we are prepared for growth while minimizing the risk of inventory obsolescence. We also adopt a hybrid production approach that combines outsourced and in-house manufacturing. Our supply chain model is tailored to each product, striking an effective balance between the two.

For high-volume, low-mix or highly configurable products, we utilize fully outsourced manufacturing through Electronics Manufacturing Services (EMS) partners, leveraging their scale and manufacturing expertise. On the

other hand, for low-volume, high-complexity products, we rely on in-house production. These products require a higher level of sophistication in both design and production, so close coordination across design, engineering, and supply chain teams is essential to ensure precision and quality. These approaches allow us to flexibly scale production in response to business cycles and shifting market demands. Proactive investment is key. We always want to be ahead of the curve, so we are making upfront investments to be well-positioned as this industry growth materializes.

Serrer: We also consider the dynamic nature of the semiconductor industry when planning the development of new technologies. At Advantest, we use a three-stage planning horizon when developing new products. We look at future trends five to eight years out and identify future disruptive technologies. Then, we start to pre-develop technology for future solutions and features three to five years in advance. Last, over the remaining three years, we will develop the actual solutions, including preparing the ramp of our supply chain and support. This structured, forward-thinking approach ensures that we stay ahead of industry shifts and continue delivering innovative solutions that meet our customers' evolving needs.

Q How is Advantest catering to its global customer base?

Mohan: Advantest is a global company with a footprint in every major region and country. What this means is we have built very strong applications engineering teams and sales teams in all of our regions. We have also strategically

Interview with CxOs

allocated R&D resources across all major areas, enabling them to maintain close contact with our customers. Most of our customers are global, and they have engineering and manufacturing sites all over the world to keep up with their evolving needs.

When I think about serving our global customer base, I also think about our culture of INTEGRITY, with “T” standing for “Teamwork.” We have tried to build a very global team.

Working closely with our colleagues allows us to respond quickly to our customers' evolving needs, adapting and growing together as a team. Moreover, our compensation system is unique in that the sales team at Advantest is not commission-based. Because of this, our culture is oriented towards shared success and market share growth.

Together, we work as one team, committed to serving our customers' needs.

Q Looking ahead, what future trends do you see affecting Advantest's business in the future? What investments are key to maintaining a competitive edge?

Serrer: I think we have been pretty good in recent years at predicting trends—something that is reflected in our market leadership in high-performance computing, AI, and high-bandwidth memory. Key trends we are seeing now include more test content, higher speeds, thermal, and power, also resulting in changing test methodologies. We will continue to invest in efficiency and optimization, for sure. Second, we will continue to invest in technology leadership, whether that is ASIC development, high-speed interfacing technology, or die-level handling solutions.

There is also silicon photonic testing—something we have been investing in for a long time.

Internally, we must become more efficient to keep pace with the rapid growth in the AI market. We have structured the test system business group in a way that allows us to have business units for every market segment, enabling us to learn quickly and respond effectively. Under my leadership, I ensure that the views and components of each business unit are aligned to create a cohesive test strategy along all insertions for our customers.

Junger: Based on our MTP3 strategy to promote operational excellence, we are driving a digital transformation of our entire supply chain. This is something I will manage in my integrated roles of Chief Supply Chain Officer, Chief Information Officer, and Chief Digitalization Officer. Our focus now is on building a “Connected Supply Chain”—a fully integrated, data-driven ecosystem that provides real-time visibility across demand, order status, production, and delivery. This digital infrastructure allows us to share data with our partners, empowering them to make quick decisions and respond flexibly to market changes.

To unlock further value, we are applying AI and advanced analytics to identify and resolve issues that were previously undetectable, paving the way for significant improvements in quality, productivity, and responsiveness.

We consider digital transformation to be essential to future competitiveness.



Sanjeev Mohan
Chief Customer Relations Officer (CCRO)



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CCRO interview video

Interview with CxOs



How is Advantest integrating environmental and social responsibility to ensure its growth is sustainable?

Junger: There are multiple measures to do that, one of them being in the product design cycle. As we develop products, we consider the processes involved in building products—their turnaround time, effectiveness, efficiency, and energy consumption measures. We account for rules such as PFAS (Per- and Polyfluoroalkyl Substance) and others when building new products as well.

We also consider these sustainability-related conditions when we are selecting our suppliers. On a regular basis, we review sustainability requirements with our core suppliers at least once a year to ensure compliance with our internal procurement policies and external legal requirements.

Serrer: In general, semiconductor equipment is very energy-hungry, so ATE is no exception. That being said, we are taking steps to support our sustainability initiatives by making the most out of the power our systems consume. So, if you look at our history, we are driving channel densities, from 64 channels to 128 to 256. With that, we can provide our customers with more test capacity over time, adding features that make tests more efficient. In that sense, we use the power we pull more efficiently to provide more to our customers during the testing process.



How does long-term trust contribute to resilient partnerships across the value chain?

Junger: In the supply chain, trust and communication are

key. We communicate at multiple stages and levels. At a logistical level, we strive to be as automated as possible to provide easy access to information and facilitate information flows. Then we have the more strategic level, where we collaborate with our suppliers and even their suppliers to align on strategic long-term plans to make sure that we are all synchronized when it comes to ramping the supply chain up and down. Trust is crucial. In establishing long-term trust with our partners, we can create win-win situations and navigate the stormy weather ahead. That is why trust is a key theme in our company's vision.

Mohan: Trends and companies can change very, very quickly in our industry. In building trusting relationships with our partners, we can see these changes before they take shape. We always make it a point to partner with industry leaders and look at things strategically from a long-term perspective. It is less important to us who is winning in the moment. Rather, we are always on the lookout for new, innovative technologies, and we work to be the first to identify and partner with those companies. We aim to develop products that enable our customers to leverage the latest and greatest technologies, and trust plays a key role in that.

Let's talk about your leadership philosophies. What does it take to succeed in this industry?

I believe that human curiosity is one of the key drivers of success. You need to have the passion to dive deep into very difficult problems, technically and economically. You need to have fun working with a lot of different people from various functions—whether it is hardware, software, sales, customers, management, or engineering colleagues such as application engineers and system engineers. That is what you need to be successful.



Serrer



Junger

It does not matter whether the glass is half full or half empty. It is all you have got, so try to make the best of it. If you start arguing, it will evaporate. So, you need to decide quickly on the assets you have and how to make use of them to create value.



Mohan

I am a fierce competitor. From sports to work to everything in between, I like to compete, and I hate to lose. That being said, even when you lose, you learn, and then you can go back and turn the situation around. So having that long-term persistence is key for us, not only personally, but as a company. We are always working to make progress and improve.

CFO Message



Hisako Takada
Chief Financial Officer (CFO)

Building a Financial Structure That Balances Stability and Growth by Utilizing Our Diverse Experiences

my past work experiences, while supporting not only the business divisions but also all other functions across the Company, including supply chain and R&D.

Status of Assets

The minimum cash reserve was assumed to be between ¥100 and ¥120 billion at the time when the Third Mid-term Management Plan (MTP3) was formulated. However, the current business performance has significantly exceeded the initial plan, and the cash reserve has accumulated to a level exceeding that assumption. We continue to prioritize growth investments, including R&D and capital investments, and implement them as planned.

On the other hand, in FY2024, the Company achieved record-high sales and profits, and as a result, cash and cash equivalents remained at a high level. Considering risk factors such as semiconductor regulations and geopolitical issues, our cash position will be significantly influenced by our response to rapid changes in customer demand and M&A strategies. The Company has committed lines of credit and overdraft facilities with financial institutions. By utilizing not

Stepping Into My Role as CFO

I was appointed as CFO of Advantest in April 2025. I am honored to have been entrusted with this important role and am committed to performing my duties with a sense of responsibility and fulfillment every day. I have experience at investment banks and corporations. I also have a long history with Advantest, having been involved in several acquisitions when I worked as a financial advisor. During that time, I had the chance to view our business objectively from an outsider's

perspective. The individuals I met when I was an advisor are still part of our management team today. Because of this, I was able to transition smoothly into my role as a member of the management team. Needless to say, our business has changed dramatically since then, and I have been trying to deepen my understanding of our internal operations and control processes since my appointment in April. I will continue to contribute to the Company's development and the sustainable enhancement of its corporate value by leveraging the professional perspective in corporate finance gained from

CFO Message

only cash on hand but also debt as necessary, we will continue to maintain liquidity that enables us to respond quickly to such fluctuations and seize opportunities for growth. At the same time, we intend to take flexible measures, such as returning any cash deemed surplus to shareholders after considering the balance between investment opportunities, working capital required for our business, and financial soundness.

Shareholder Returns

MTP3 outlines a policy of aiming for a cumulative total return ratio* of 50% or more over a three-year period, combining

dividends and share buybacks. This is a change from the single-year target set in the 2nd Mid-term Management Plan (MTP2) to a three-year cumulative target in order to respond more flexibly to the increasingly volatile business environment. In fiscal 2024, in addition to an annual dividend of ¥39, we repurchased ¥50 billion of our own shares, resulting in a total return ratio of 49%. As the first year of MTP3, we believe we have made a solid start. Regarding dividends, we will maintain a minimum annual dividend of ¥30 as a basic policy, while also striving to pay stable and continuous dividends and increase dividends on a regular basis. In fact, even when our performance declined in FY2023, we increased the dividend

for five consecutive years through FY2024. Although we operate in a cyclical industry that often fluctuates, we strive to achieve profit growth that will allow us to continue to increase dividends. In addition to continuing to increase dividends, we intend to determine the level of dividends by taking into consideration the “DOE” and “dividend payout ratio,” which is the dividend amount relative to retained earnings and net income for the current period.

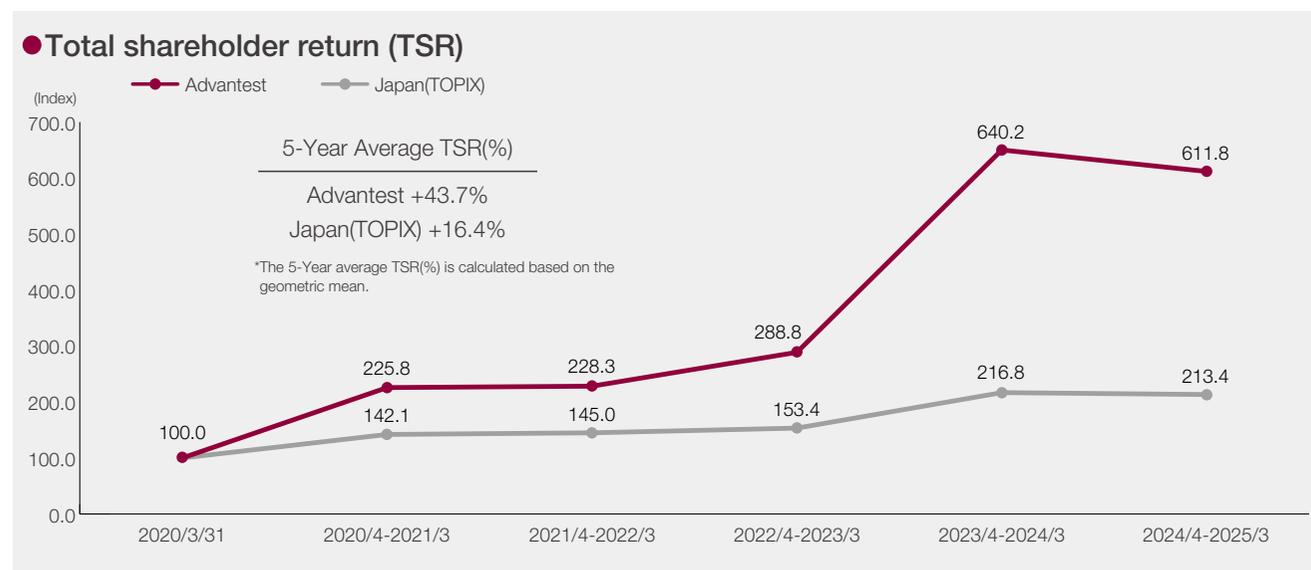
Total Shareholder Return (TSR)

Looking at FY2024 alone, TSR was negative. Given the high volatility of demand in our industry, we use a three-year average rather than a single-year figure as management indicators in our Mid-term Management Plan. We believe that it is also appropriate to evaluate TSR over a three- to five-year period rather than on a single-year basis. I will continue to devote my utmost efforts as CFO to consistently delivering financial performance that meets the expectations of our investors.

Ending Remarks

We will continue to pursue financial strategies that will strongly support business growth and encourage shareholders to hold our shares for a long time, with the aim of further enhancing corporate value. We look forward to your continued understanding and support.

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



TSR(%) for each period	2020/4-2021/3	2021/4-2022/3	2022/4-2023/3	2023/4-2024/3	2024/4-2025/3
Advantest	+125.8%	+2.5%	+60.5%	+351.4%	-28.4%
Japan(TOPIX)	+42.1%	+2.9%	+8.4%	+63.4%	-3.4%

*TSR stock prices are based on fiscal year-end index data from March 31, 2020 to March 31, 2025.

CHO Message



Keith Hardwick
Chief Human Capital Officer (CHO) &
CCO (Chief Compliance Officer)

We want people to build long-term careers at Advantest, so we have been working to create an environment that facilitates sustained growth over years of development.



Click here to watch the CHO & CCO interview video

Responding to Industry Needs

At Advantest, we believe that our employees are our greatest asset, and we deeply value the unique contributions each person brings. They drive the innovation and growth that pushes our company towards the future. As Chief Human Officer (CHO), I work closely with the rest of the Human Capital (HC) team to connect people's work to the company's vision so that we can achieve our goals as a global team. The growing complexity of the semiconductor industry affects

how we support our employees. Advantest's global operations span various business units, functional units, and regional units—all of which need tailored support to remain efficient and productive. As part of our Global Human Capital Transformation initiative to standardize our HC systems and processes, we met with leaders across these units, and they expressed a clear need for a dedicated Human Capital partner. With a representative from HC in various business units, we can provide more support throughout the company, helping our global team remain agile in responding to dynamic changes within the industry.

Strengthening Employee Engagement to Drive Growth

Since March 2022, we have welcomed over 1,500 new employees through both recruitment and M&A. We want people to build long-term careers at Advantest, so we have been working to create an environment that facilitates sustained growth over years of development. That is why employee engagement is one of our top priorities. In FY2024, we conducted a global survey using the Gallup model. Our ratio of engaged employees improved by six points compared to the previous survey, though we are still working toward our MTP3 target. A majority of the plans we put in place to address engagement focus on strengthening communication between managers and their teams to better define goals and expectations, which was a key area for improvement. We will also continue to build on our strengths, which include providing employees with the resources they need to grow and elevating their voices within the company.

CHO Message

Empowering Our Global Team Through INTEGRITY

When we think about employee engagement, one of the primary tools we employ to engage employees across our global organization is INTEGRITY. At Advantest, INTEGRITY is not just a set of values; it is the foundation that supports our long-term value creation and unites our global team. Introduced six years ago, INTEGRITY was created by identifying the key traits shared by our most successful employees.

With 98% of our revenue and over 60% of our workforce based outside Japan, INTEGRITY plays a vital role in building trust and fostering effective collaboration across diverse teams, regions, and functions worldwide. Our customers are global, and so are we. For example, a customer in the U.S. may rely on a support team in Taiwan, which in turn works closely with colleagues in Korea. Being global, collaborative, and team-oriented is fundamental to our success. This shared commitment ensures that our global organization moves cohesively, presenting a unified message in delivering high-quality service to customers worldwide. When you are talking to someone from Advantest, you are getting the same message no matter where your location is.

Moreover, Advantest's strong corporate culture creates an appealing workplace. We make it a point to highlight INTEGRITY at recruiting events and train all new hires on our core values. With INTEGRITY, we unite all employees under a shared set of values that resonates strongly with the work we do, encouraging growth and driving organizational success. In thinking about the future, we are committed to upholding the core spirit of INTEGRITY, but our values must continue to evolve to keep pace with the growth of our industry. Moving

forward, we plan to focus on the key values that resonate the most in today's environment. For example, "I" being "innovation" represents the need for innovative solutions to address the growing complexity of modern semiconductor devices. Furthermore, although Advantest is already "Number One" (symbolized by the "N" in INTEGRITY) in terms of market share, we can emphasize this value to motivate our employees and prevent complacency. To be "Number One," we must remain humble and hungry, and we can use our INTEGRITY principles

to remind ourselves of this commitment. As INTEGRITY continues to evolve, the meaning it represents for our employees will deepen, enriching our corporate identity and the values we hold dear.

Developing Talent to Ensure a Future-Ready Organization

In today's rapidly evolving semiconductor industry, building a future-ready organization is essential for sustained success. At

● Advantest Employee Lifecycle



CHO Message

Advantest, we recognize that navigating rising complexity requires a workforce equipped with the skills, agility, and a mindset to drive innovation forward.

First, attracting and retaining the right talent is paramount. Beyond recruitment, we cultivate an environment that encourages mentorship, knowledge transfer, and collaboration across global teams. This approach not only enhances employee engagement but also solidifies our resilience in this competitive market.

At Advantest, we believe in supporting our employees throughout their entire journey with us. To achieve this, we have established the "Advantest Employee Lifecycle," a comprehensive strategy that starts with "attracting" the right talent through effective "recruitment." This is followed by an "onboarding" process that includes introducing new hires to our corporate culture, along with other aspects of our business, and then "developing" their skills through curated training exercises. "Rewards" and engagement ensure employee "retention," and succession planning paves the way for a smooth "transition" out of the company. This lifecycle ensures that employees are supported at every stage of their journey, fostering continuous growth that is aligned with our business goals.

Our investments in FY2024 expanded this strategy through leveraging the "Advantest Development Framework," which provides clear career pathways and targeted learning programs for both technical and non-technical roles. By enabling employees to build critical skills and leadership capabilities, we are preparing the next generation of talent who will drive future growth.

Investing in skill development is part of our two-part strategy to boost both individual and organizational strength. By elevating

the strengths of our individual employees, we build a strong foundation for our organization to grow from. With this, human capital can leverage the "two wheels" of organizational strength and individual strength to enhance employee engagement and create value.

Through these strategic investments in our people, Advantest is actively shaping a workforce that is ready to meet the challenges of tomorrow. Our human capital initiatives are a cornerstone of our long-term value creation and a key differentiator in sustaining our industry leadership.

● Advantest Development Framework



* The implementation will be adapted to local rules and practices

Risk Management

Each of Advantest's locations around the world has diverse functions, so in order to carry out effective risk management, each unit (each division, regional headquarters, etc.) operates autonomous risk management during normal conditions. We also have a top-down risk response structure to be activated in the event of an emergency.

Our Basic Risk Management Philosophy

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. Examples of such upheavals include the data explosion, the digital revolution, which is further accelerated by the rise of new applications that leverage AI, and ever-faster social change. By linking management strategy with risk management, we aim to comprehensively identify existing and anticipated risks. 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.

In addition, 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 to be fully prepared to respond to risks.

Thus, autonomous risk management by each unit, combined with management oversight, forms the basis of our risk management system.

Risk Management Structure

1. Organization

Under the risk management policy set by the Internal Control Committee, each unit manages its own risks while the Internal Control Committee supervises and evaluates the situation and provides feedback.

Compliance-related risks are tracked by the Chief Compliance Officer (CCO). In addition, certain types of risk information are reported directly to the Board of Directors and the Executive Management Committee.

A Crisis Management Group, headed by the Group CEO, has also been set up to act promptly in the event of an emergency.

2. Process

Each unit incorporates the management plan formulated by the Board of Directors and the Management Committee into its own priority measures. The Internal Control Committee defines the factors (risks) that may hinder the achievement of these priority measures and requests that individual units 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 companywide 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 ways, as appropriate, such as providing proposals for risk analysis and countermeasures and providing necessary information.

Compliance-related risks are tracked by the CCO and reported regularly to the Board of Directors and the Executive Management Committee. In the event of a compliance-related incident, the CCO promptly instructs the relevant unit to take action 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.

In the event of an emergency or a serious matter, a faster response is possible under the direction of the Crisis Management Group.

■ Risk Management

Key Risks & Countermeasures

In FY2024, approximately 370 risks were identified by divisions, business departments, and overseas locations. Among these, we are focusing on specific risks that are key to successfully implementing the four strategies outlined in our third mid-term management plan.

▶ **Four Key Strategies of MTP3**

- ① Outpace the growth in our core market
- ② Expand adjacently / new businesses
- ③ Drive operational excellence
- ④ Enhance sustainability

Key Risks	Strategy Affected by Risk	Primary countermeasure(s)	Executive in Charge*
1 Significant demand fluctuations in the semiconductor industry	①③	<ul style="list-style-type: none"> Expand into adjacent markets Outsource production and diversify suppliers Strengthen services and other businesses, including recurring businesses and new businesses Deepen customer communication and internal communication to acquire the most accurate information 	CSCO CCRO
2 Market share losses due to inability to deliver new products in a timely manner resulting from delays in development and design, failure to achieve performance targets	①②③	<ul style="list-style-type: none"> Strengthen relationships with leading customers, collect information Reduce waste of development resources through early analysis and design reviews at each phase Research new products by analyzing data from semiconductor manufacturing processes 	CTO
3 Market share losses due to inability to procure parts and deliver products in a timely manner	①③	<ul style="list-style-type: none"> Reduce excessive dependence on specific suppliers by measures such as selecting alternative parts and using standard parts Continuously evaluate and review suppliers 	CSCO CDO
4 Weaker profitability due to competition and price pressure	①	<ul style="list-style-type: none"> Understand customer needs Provide unique functions and high-value-added solutions 	CCRO CTO
5 Business continuity impacts in the event of damage to our major facilities or those of our suppliers from natural disasters or other causes	①③④	<ul style="list-style-type: none"> Formulate BCP and obtain relevant information Check suppliers' BCP compliance status Disperse production locations and external suppliers geographically 	CEO CSCO
6 Impacts of global economic and political factors on global business expansion	③	<ul style="list-style-type: none"> Rapidly collect risk information Strengthen relationships with customers and suppliers Establish new shipping processes and alternative procurement routes and production bases to enhance flexibility Establish basic procurement policies and encourage suppliers to understand human rights and occupational safety 	CEO CFO
7 Significant remedial costs due to stricter environmental laws and regulations	①④	<ul style="list-style-type: none"> Monitor environmental legislation trends Consider the adoption of alternative technologies 	CSRO CTO
8 Shortage of highly specialized human capital	④	<ul style="list-style-type: none"> Formulate mid- to long-term recruitment plans Improve work environments and increase employee engagement Introduce a retention system for key engineers Invest in employee training and create a system for transferring knowledge and skills 	CHO
9 Loss of credibility due to violations of laws, regulations, social ethics, or product reliability / safety issues	④	<ul style="list-style-type: none"> Set up and monitor appropriate internal processes Strengthen employee compliance education Ensure regular product quality reviews, quality checks during production, and cross-checks by the quality assurance department 	COO CCO CTO
10 Business continuity impacts / reputational damage owing to IT network and systems failures	④	<ul style="list-style-type: none"> Strengthen cyber-attack detection capabilities Conduct regular information security training Establish a quick response system for information security incidents 	CDO CIO

*CxO Roles (As of November 1, 2025)

Group CEO(Chief Executive Officer)	Douglas Lefever
Group COO(Chief Operating Officer)	Tsukui Koichi
CHO(Chief Human Capital Officer)& CCO(Chief Compliance Officer)	Keith Hardwick
CSRO(Chief Stakeholder Relations Officer)	Yasuo Mihashi
CTO(Chief Technology Officer)	Juergen Serrer
CCRO(Chief Customer Relations Officer)	Sanjeev Mohan
CSCO(Chief Supply Chain Officer), CDO(Chief Digital Officer) & CIO(Chief Information Technology Officer)	Richard Junger
CFO(Chief Financial Officer)	Hisako Takada