

(Translation)

This document has been translated from the Annual Securities Report pursuant to the Financial Instruments and Exchange Act, and Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements pursuant to the Companies Act for the twelve-month period ended March 31, 2026. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.

Annual Securities Report and Business Report

(Annual Securities Report pursuant to the Financial Instruments and Exchange Act, and Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements pursuant to the Companies Act)

From April 1, 2025 to March 31, 2026

(The 84th term)

Advantest Corporation
(E01950)

Table of Contents

	Page
Cover	1
Part I Information on the Company	1
Item 1 Company Overview	1
1. Trends in Main Management Indicators	1
2. History of the Company	4
3. Description of Business	5
4. Status of Affiliated Companies	6
Item 2 Business Overview	7
1. Management Policy, Business Environment and Issues to be Addressed	7
2. Sustainability Approach and Initiatives	11
3. Risk Factors	32
4. Management's Discussion and Analysis	45
5. Material Contracts	50
6. Research and Development	51
Item 3 Status of Facilities	53
1. Overview of Capital Investment	53
2. Status of Major Facilities	53
3. Plans for New Facilities Installation, Retirement	53
Item 4 Status of the Company	54
1. Status of Shares	54
(1) Total Number of Shares	54
(2) Status of Stock Acquisition Rights	55
(3) Status in the Exercise of Bonds with Share Options with Exercise Price Amendment	60
(4) Changes in the Total Number of Issued Shares and the Amount of Common Stock and Others	60
(5) Shareholding by Shareholder Category	60
(6) Major Shareholders	61
(7) Status of Voting Rights	63
(8) Status of Shares Delivered to Directors as Compensation for the Execution of Their Duties during the Fiscal Year	64
2. Status of Acquisition of Treasury Shares	65
3. Dividend Policy	67
4. Corporate Governance	68
5. Status of Employees and Others	105
Item 5 Financial Information	110
1. Consolidated Financial Statements	111
(1) Consolidated Financial Statements	111
(2) Others	180
2. Non-Consolidated Financial Statements	181
(1) Financial Statements	181
(2) Major Assets and Liabilities	194
(3) Others	194
Item 6 Overview of the Stock Affairs of the Company	195
Item 7 Reference Information of the Company	196
1. Information on the Parent Company of the Company	196
2. Other Reference Information	196
Part II Information on the Guarantee Companies of the Company	198
Independent Auditor's Reports	

[Cover]

[Document Filed]	Annual Securities Report (“Yukashoken Hokokusho”)
[Applicable Law]	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act
[Filed with]	Director, Kanto Local Finance Bureau
[Filing Date]	June 26, 2026
[Fiscal Year]	The 84th Term (from April 1, 2025 to March 31, 2026)
[Company Name]	Kabushiki Kaisha Advantest
[Company Name in English]	ADVANTEST CORPORATION
[Title and Name of Representative]	Koichi Tsukui, Representative Director, Senior Executive Officer and President, Group COO
[Address of Registered Office]	1-6-2, Marunouchi, Chiyoda-ku, Tokyo
[Phone No.]	+81-3-3214-7500
[Contact Person]	Hisako Takada, Senior Executive Officer, CFO
[Contact Address]	1-6-2, Marunouchi, Chiyoda-ku, Tokyo
[Phone No.]	+81-3-3214-7500
[Contact Person]	Hisako Takada, Senior Executive Officer, CFO
[Place for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabuto-cho, Chuo-ku, Tokyo)

(Note) This filed document has been prepared as a single document satisfying the requirements for both the Annual Securities Report pursuant to the Financial Instruments and Exchange Act, and Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements pursuant to the Companies Act (hereinafter “Annual Securities Report and Business Report”).

This is an English translation of the Annual Securities Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork (“EDINET”) pursuant to the Financial Instruments and Exchange Act.

In this report, “we,” “our,” “us,” “Advantest” and “Advantest Group” refer to Advantest Corporation and its consolidated subsidiaries, or, as the context requires, “the Company,” and “Advantest Corporation” on a non-consolidated basis.

The term “FY” preceding a year means the twelve-month period ended March 31 of the year subsequent to the year referred to. For example, “FY 2025” refers to the twelve-month period ended March 31, 2026. All other references to years refer to the applicable calendar year. The term “CY” preceding a year means the twelve-month period ended December 31 of the year.

“¥”, “yen”, “JPY” or (Y) means Japanese yen. “B” after an amount means billion.

Cautionary Statement with Respect to Forward-Looking Statements

This Annual Securities Report contains “forward-looking statements” that are based on Advantest’s current expectations, estimates and projections. These statements include, among other things, the discussion of Advantest’s business strategy, outlook and expectations as to market and business developments, production and capacity plans. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “project,” “should” and similar expressions. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause Advantest’s actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including the following:

- changes in demand for the products and services produced and offered by Advantest’s customers, including semiconductors, communications services and electronic goods;
- circumstances relating to Advantest’s investment in technology, including its ability to timely develop products that meet the changing needs of semiconductor manufacturers and communications network equipment and components makers and service providers;
- the environment in which Advantest purchases materials, components and supplies for the production of its products, including the availability of necessary materials, components and supplies during a significant expansion in the market in which Advantest operates; and
- changes in economic conditions, competitive environment, currency exchange rates or political stability in the major markets where Advantest produces, distributes or sells its products.

These risks, uncertainties and other factors also include those identified in “Risk Factors” and set forth elsewhere in this Annual Securities Report.

Part I. Information on the Company

Item1. Company Overview

1. Trends in Main Management Indicators

(1) Consolidated Management Indicators

Business Term		80th	81st	82nd	83rd	84th
Year ended		March 2022	March 2023	March 2024	March 2025	March 2026
Net sales	Millions of Yen	416,901	560,191	486,507	779,707	1,128,610
Income before income taxes	Millions of Yen	116,343	171,270	78,170	224,774	516,720
Net income attributable to owners of the parent	Millions of Yen	87,301	130,400	62,290	161,177	375,353
Comprehensive income attributable to owners of the parent	Millions of Yen	107,286	146,882	84,441	149,428	432,230
Equity attributable to owners of the parent	Millions of Yen	294,621	368,694	431,178	506,539	795,726
Total assets	Millions of Yen	494,696	600,224	671,229	854,210	1,171,816
Equity attributable to owners of the parent per share	Yen	1,551.72	500.61	584.25	690.80	1,097.50
Basic earnings per share	Yen	449.56	174.35	84.45	218.67	515.15
Diluted earnings per share	Yen	447.26	173.68	84.16	218.01	513.30
Ratio of equity attributable to owners of the parent	%	59.6	61.4	64.2	59.3	67.9
Return on equity attributable to owners of the parent	%	30.4	39.3	15.6	34.4	57.6
Price-earnings ratio	Times	21.51	17.44	80.75	29.60	39.46
Cash flows from operating activities	Millions of Yen	78,889	70,224	32,668	285,971	335,182
Cash flows from investing activities	Millions of Yen	(46,907)	(26,706)	(27,940)	(42,189)	(34,552)
Cash flows from financing activities	Millions of Yen	(68,736)	(77,434)	10,760	(82,818)	(230,550)
Cash and cash equivalents at end of year	Millions of Yen	116,582	85,537	106,702	262,544	339,966
Number of Employees (Average number of temporary employees)	Persons	5,941 (315)	6,544 (355)	6,766 (372)	7,001 (387)	7,241 (389)

(Notes) 1. Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter “IFRS”).

2. The Company enacted a 4-for-1 share split of its common share with an effective date of October 1, 2023.

“Equity attributable to owners of the parent per share,” “Basic earnings per share” and “Diluted earnings per share” are calculated based on the assumption that the share split was implemented at the beginning of the 81st business term.

3. From the 84th business term, the number of dispatched workers, which had previously been included in temporary employees, has been excluded in the calculation of the “Average number of temporary employees.” For prior business terms, the same calculation basis has been applied by excluding dispatched workers.

(2) Non-Consolidated Management Indicators

Business Term		JGAAP *				
		80th	81st	82nd	83rd	84th
Year ended		March 2022	March 2023	March 2024	March 2025	March 2026
Net sales	Millions of Yen	355,575	482,576	394,694	673,095	988,232
Ordinary income	Millions of Yen	93,667	150,368	58,068	226,951	425,372
Net income	Millions of Yen	70,814	115,834	49,394	166,854	301,335
Common stock	Millions of Yen	32,363	32,363	32,363	32,363	32,363
(Total number of issued shares)	Thousand Shares	(199,542)	(191,542)	(766,141)	(766,141)	(732,000)
Net assets	Millions of Yen	262,918	305,989	332,607	426,685	583,420
Total assets	Millions of Yen	459,809	533,860	586,204	809,980	998,158
Net assets per share	Yen	1,380.85	414.65	450.14	581.37	804.15
Dividend per share	Yen	120.00	135.00	-	39.00	59.00
(Interim dividend per share)	Yen	(50.00)	(65.00)	(65.00)	(19.00)	(29.00)
Net income per share-basic	Yen	364.61	154.81	66.93	226.24	413.29
Net income per share-diluted	Yen	363.54	154.45	66.80	225.77	412.51
Equity-to-assets ratio	%	57.0	57.2	56.7	52.7	58.4
Rate of return on equity	%	25.9	40.8	15.5	44.0	59.7
Price-earnings ratio	Times	26.52	19.64	101.88	28.61	49.19
Payout ratio	%	32.91	21.80	51.17	17.24	14.28
Number of employees	Persons	1,986	1,988	2,011	1,988	2,033
(Average number of temporary employees)		(214)	(245)	(257)	(275)	(290)
Total shareholder return	%	101.1	128.3	285.8	273.1	848.2
(Comparison: Dividend-included TOPIX)	%	(102.0)	(107.9)	(152.5)	(150.2)	(202.2)
Highest share price	Yen	11,550	12,460	7,456 (29,824)	10,430	29,345
Lowest share price	Yen	7,770	6,600	2,555 (10,220)	4,952	4,703

(Notes) 1. The Company enacted a 4-for-1 share split of its common share with an effective date of October 1, 2023.

“Net assets per share,” “Net income per share-basic” and “Net income per share-diluted” are calculated based on the assumption that the share split was implemented at the beginning of the 81st business term.

2. “Dividend per share” for the 82nd business term is not presented considering the share split. In addition, “Dividend per share” for the 82nd business term before and after the share split is (Y) 137.00 and (Y) 34.25, respectively.

3. The “Market capitalization” of the end of each fiscal year is as follows.

Business Term	79th	80th	81st	82nd	83rd	84th	
Market capitalization	Billions of Yen	1,931.8	1,929.6	2,329.2	5,224.3	4,958.5	14,881.6

The average market capitalization stipulated in Article 19-9, Paragraph 3 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs is ¥3,274.7 billion.

4. From the 84th business term, the number of dispatched workers, which had previously been included in temporary employees, has been excluded in the calculation of the “Average number of temporary employees.” For prior business terms, the same calculation basis has been applied by excluding dispatched workers.
5. The highest and lowest share prices are from Tokyo Stock Exchange Prime Market since April 4, 2022 and those on or before April 3, 2022 are from Tokyo Stock Exchange First Section. In addition, highest and lowest share prices for the 82nd business term indicate the prices after the share split that calculated based on the assumption that the share split was implemented at the beginning of the term, and the highest and lowest share prices before share split are shown in parentheses.

* Accounting principles generally accepted in Japan

2. History of the Company

The Company (formally surviving company, trade name before merger: Toshin-Kogyo Corporation) merged with Takeda Riken Industries on April 1, 1974 as the date of the merger, in order to change the face value of shares, and took over all business activities of the merged company after the merger.

Therefore, the surviving company in substance is Takeda Riken Industries, the merged company, and the following descriptions refer to the surviving company in substance. Further, Takeda Riken Industries changed its name to Advantest Corporation on October 1, 1985 (Of the subsidiaries, the companies whose names have been changed their company names are listed below with the changed company names).

Dec.	1954	Established Takeda Riken Industries in Toyohashi-City, Aichi with a common stock of ¥500,000 as a manufacturer specializing in electronic measuring instruments
Feb.	1957	Moved the registered office to Itabashi-ku, Tokyo
Apr.	1959	Newly constructed and relocated headquarters organization and factory to 1-32-1, Asahi-cho, Nerima-ku, Tokyo
Jan.	1975	Relocated the registered office to Nerima-ku, Tokyo
Feb.	1976	Fujitsu Limited made an equity investment in the Company
Jun.	1982	Established a subsidiary Advantest America Inc. in the U.S.
Feb.	1983	Listed on the Second Section of the Tokyo Stock Exchange
Jun.	1983	Established a subsidiary Advantest Europe GmbH in Germany
Jun.	1983	Opened the head office in Shinjuku NS Building, Shinjuku-ku, Tokyo
May.	1984	Established Gunma Factory in Ora-machi, Ora-gun, Gunma
Sep.	1985	Listed on the First Section of the Tokyo Stock Exchange
Oct.	1986	Established a subsidiary Advantest (Singapore) Pte. Ltd. in Singapore
Jul.	1987	Opened Otone R&D Center (Currently Saitama R&D Center) in Otone Town, Kita-Saitama-gun, Saitama (Currently Shintone, Kazo-City)
Mar.	1990	Established a subsidiary Advantest Taiwan Inc. in Taiwan
Oct.	1996	Opened Gunma R&D Center in Meiwa-machi, Ora-gun, Gunma
May.	2001	Completed construction of Gunma R&D Center No.2
Sep.	2001	Listed on the New York Stock Exchange (NYSE) (Delisted from NYSE in April 2016)
Jun.	2002	Opened Kitakyushu R&D Center in Yahata-higashi-ku, Kita-Kyushu-City, Fukuoka
Sep.	2004	Relocated the head office to the Shin-Marunouchi Center Building in Chiyoda-ku, Tokyo
Jul.	2010	Merged (absorption-type) with subsidiary Advantest Manufacturing, Inc. and subsidiary Advantest Customer Support Corporation
Jul.	2011	Acquired all common shares of Verigy Ltd. and made it a wholly owned subsidiary
Jun.	2018	Relocated the registered office to Chiyoda-ku, Tokyo
Apr.	2022	Transition to the Prime market from the First Section of the Tokyo Stock Exchange in accordance with the restructuring of the Tokyo Stock Exchange market segments

3. Description of Business

Advantest manufactures and sells test system products and mechatronics-related products such as test handlers and device interfaces. Advantest also engages in research and development activities and provides maintenance and support services associated with these products.

Advantest’s previous organizational structure consisted of three reportable segments, which were “Semiconductor and Component Test System Business,” “Mechatronics System Business” and “Services, Support and Others.” In efforts to provide comprehensive test solutions that include not only test equipment but also peripherals, from the fiscal year ended March 31, 2026, Advantest has changed its reportable segments into two, which are “Test System Business” and “Services and Others.” Segment information for the comparative period is after the changes of the reportable segments. These reportable segments are determined based on the nature of the products and the markets. Segment information is prepared on the same basis that management reviews financial information for operational decision-making purposes.

(Test System Business Segment)

The test system business segment provides product lines such as test systems for SoC semiconductor devices, test systems for memory semiconductor devices, test handlers and mechatronic-applied products for handling semiconductor devices, and device interfaces that serve as interfaces with the devices that are measured, and test solutions of system level testing for such as semiconductor and modules.

The production activities of this segment are handled by the Company, several outsourced companies, and others.

Sales activities are mainly conducted by the Company for domestic and some overseas users (Korea, China, etc.), and conducted by Advantest America, Inc., Advantest Europe GmbH, Advantest Taiwan Inc, Advantest (Singapore) Pte. Ltd. and others for other overseas users.

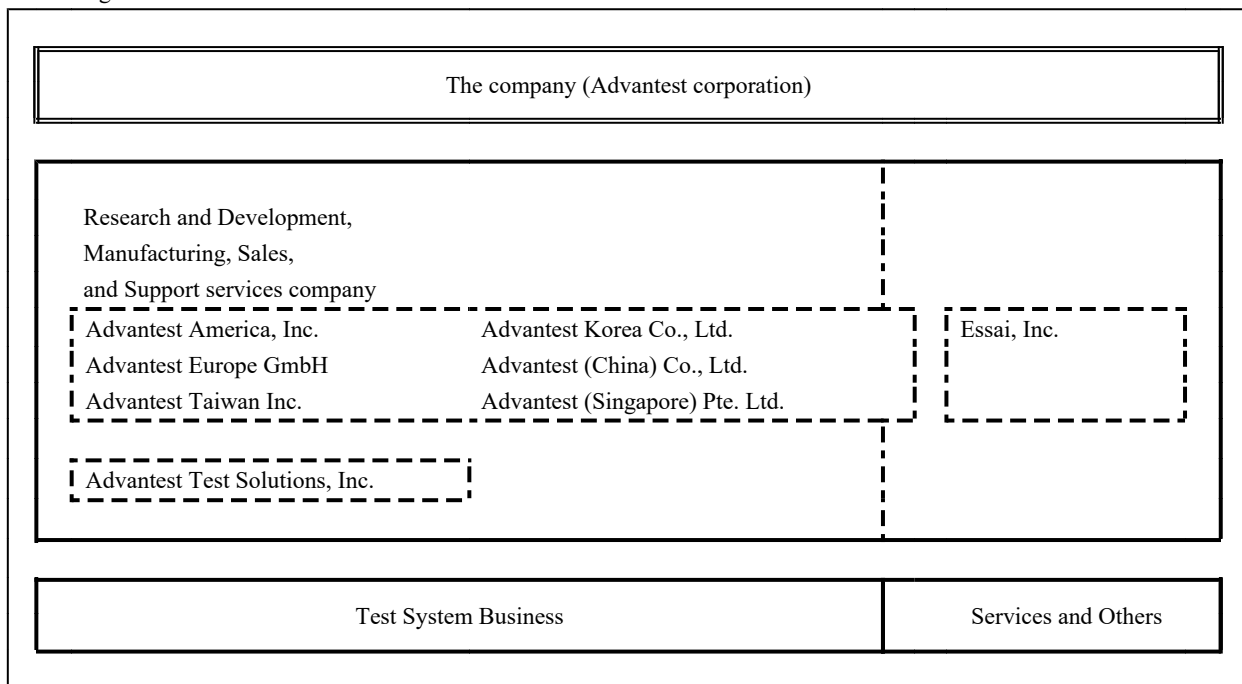
Development activities are conducted by the Company, Advantest Europe GmbH, Advantest America, Inc. and others.

(Services and Others Segment)

The services and others segment consists of comprehensive customer solutions provided in connection with the above segments, operations related to nano-technology products, support services, sales of consumables and others.

The business activities of Advantest are shown in the diagram as follows.

Business Organization Chart



Other than the above, there are 31 consolidated subsidiaries.
Consolidated subsidiaries (Domestic 5, Overseas 34, Total 39)

4. Status of Affiliated Companies

Company name	Location	Common stock	Principal business	Ratio of voting rights holding (%)	Relationship			
					Concurrent post of officers, etc.	Financial assistance	Business transaction	Leasing equipment
Consolidated Subsidiaries Advantest America, Inc.	California, U.S.A.	4,059 thousand US dollars	Development and sales of test systems, etc.	100.0	Yes	Yes	Development and sales of Advantest products	No
Advantest Test Solutions, Inc.	California, U.S.A.	2,500 thousand US dollars	Design and sales of system level test products, etc.	(100.0) 100.0	Yes	No	Design and sales of Advantest products	No
Essai, Inc.	Arizona, U.S.A.	500 thousand US dollars	Design, manufacture and sales of test sockets, etc.	(100.0) 100.0	Yes	No	Design, manufacture and sales of Advantest products	No
Advantest Europe GmbH	Munich, Germany	10,793 thousand Euros	Development and sales of test systems, etc.	100.0	Yes	No	Development and sales of Advantest products	No
Advantest Taiwan Inc.	Hsinchu County, Taiwan	500,000 thousand New Taiwan dollars	Sales of test systems, etc.	100.0	Yes	No	Sales of Advantest products	No
Advantest (Singapore) Pte. Ltd.	Singapore	15,300 thousand Singapore dollars	Sales of test systems, etc.	100.0	Yes	No	Sales of Advantest products	No
Advantest Korea Co., Ltd.	Cheonan, South Korea	9,516 million Korean won	Manufacture and sales support for test systems, etc.	(62.5) 100.0	Yes	No	Manufacture and sales support for Advantest products	No
Advantest (China) Co., Ltd.	Shanghai, China	8,000 thousand US dollars	Sales support for test systems, etc.	(100.0) 100.0	Yes	No	Sales support for Advantest products	No
Other 31 companies								

(Notes) 1. Specified subsidiaries are Advantest America, Inc., and Advantest Taiwan Inc.

2. Of the above, no company has submitted a securities registration statement or securities report.

3. Advantest America, Inc., and Advantest Taiwan Inc. account for more than 10% of consolidated sales (excluding internal sales among consolidated companies). The main profit or loss information is as follows. Note that the numbers are based on local accounting standards.

	Main profit or loss information (Millions of Yen)				
	Net sales	Ordinary income	Net income	Net assets	Total assets
Advantest America, Inc.	336,686	38,405	31,258	206,590	362,887
Advantest Taiwan Inc.	319,736	18,073	14,428	24,079	89,613

4. Percentage of voting rights includes indirectly held shares.

Item2. Business Overview

1. Management Policy, Business Environment and Issues to be Addressed

Forward-looking statements in this section are based on judgments of Advantest as of March 31, 2026.

(1) Advantest’s Basic Management Policy: “The Advantest Way”

Advantest’s corporate purpose and mission is “Enabling Leading-Edge Technologies.” Advantest has consistently contributed to the development of society by constantly striving to improve itself to provide products and services that satisfy its customers worldwide. Advantest believes that continued pursuit of this mission will expand the significance of its existence in society.

Furthermore, as a result of past efforts to expand business, Advantest has become an organization that encompasses diverse cultures, languages, customs, and values. Therefore, Advantest realizes that it is important to cultivate shared values and common codes of conduct as the foundation to conduct business activities in line with its purpose and mission.

Given this background, in 2019, Advantest further developed its existing corporate philosophy system, “The Advantest Way,” and revised it to encompass the direction that Advantest should take in the future and the values that should be emphasized. Currently, all of Advantest’s medium- to long-term management strategies and business activities are conducted in accordance with this revised version of “The Advantest Way.” By continuing to implement activities in line with “The Advantest Way,” Advantest will strive to maximize the value it provides to customers and society, and to earn greater trust from each stakeholder.

“The Advantest Way” consists of the following six elements.

- (1) Purpose & Mission: Enabling Leading-Edge Technologies
- (2) Vision: Be the Most Trusted and Valued Test Solution Company in the Semiconductor Value Chain
- (3) Core Values: INTEGRITY
- (4) Sustainability Policy
- (5) Guiding Principle: Quest for the Essence
- (6) Ethical Standards



Items (1) to (3) stipulate what the Advantest Group aims to be and what the Group should do in order to create value and contribute to the development of society and enhance corporate value over the medium- to long-term. Items (4) to (6) define the values and behaviors required of Advantest's executives and employees to achieve the desired relationship with its stakeholders.

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

Since 2018, Advantest has been setting its mid- to long-term management policy, the “Grand Design,” which defines the commitments and strategies needed for Advantest to fully succeed as a company that embodies its corporate mission and purpose of “Enabling Leading-Edge Technologies.”

Under the 2018 version of the “Grand Design,” Advantest executed two mid-term management plans: the First Mid-term Management Plan (MTP1), and the Second Mid-term Management Plan (MTP2), and achieved market share gains, business expansion, and profitability improvement at a scale and speed that exceeded its original plans.

Then, in 2024, in order to develop further and ensure that Advantest continues to be of greatest value to its customers and society, Advantest refreshed its “Grand Design” to reflect the changes in its management and business structure to date and the latest outlook for the long-term business environment.

Under this refreshed “Grand Design,” Advantest will strive to expand the value it provides to stakeholders and strengthen its business foundation.

<Vision statement>

“Be the most trusted and valued test solution company in the semiconductor value chain.”

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 its stakeholders.

<View on long-term business environment and issues to be addressed>

Uncertainties in the macro business environment are expected to remain high. Global issues such as climate change, geopolitical risks, energy issues, and demographic changes, etc. are becoming more consequential, and the complexity of social issues is increasing dramatically.

While these issues persist, various innovations, represented most dramatically by AI, continue to progress dynamically in various industries to solve such social issues. The semiconductor industry, which forms the foundation of social innovations, is seeing an expansion of inter-company and inter-regional collaboration aimed at further improving performance and ensuring economic rationality, as well as the strengthening of regional supply chain. Along with these trends, Advantest anticipates that the semiconductor value chain will continue to evolve over the medium- to long-term, while further increasing its complexity.

Moreover, when looking ahead at technological trends in semiconductor testing, technological advancements to achieve higher semiconductor performance and energy efficiency, such as further miniaturization, adoption of new architectures, and adoption of advanced packaging, are expected to continue raising the complexity of semiconductor testing. In particular, Advantest expects test complexity will become more significant in AI- and HPC (high performance computing)-related semiconductors, which are thought to be the biggest growth drivers of the semiconductor market.

With this increasing complexity as a key trend in the industry, Advantest anticipates that the semiconductor test-related market will grow over the medium- to long-term as customers invest in increasing their testing capacity. In addition, Advantest foresees that a higher degree of automation will be required to achieve greater efficiency in semiconductor quality assurance processes. Under these trends, Advantest believes that in addition to the development and sale of products with superior performance, the provision of new solutions and services that harmoniously develop and integrate these products will provide the company with further growth opportunities. To that end, Advantest intends to make the realization of such opportunities the cornerstone of its medium- to long-term growth strategies. At the same time, as the entire industry becomes increasingly complex, efficiency will also be important for Advantest. Therefore, Advantest will strive to improve its efficiency in a variety of ways across all aspects of management and operations.

<Long-term management goals>

Semiconductors will be essential for the realization of a sustainable society and the development of various industries. In fact, almost all of Advantest’s businesses are related to the realization and diffusion of semiconductors with superior performance. Therefore, Advantest believes that developing business activities based on its purpose and mission, and contributing to the development and diffusion of such semiconductors by utilizing its leading-edge technologies, will continue to directly contribute to a “safer, more secure and more comfortable” society while realizing its own sustainable growth.

Advantest will strive to promote initiatives that lead to a sustainable society while focusing on solving customer issues, including the increasing complexity in semiconductor testing. Through these efforts, Advantest aims to expand the economic and social value it provides to each stakeholder in a multifaceted and well-balanced manner.

(3) Overview of the Third Mid-term Management Plan [MTP3, FY2024-FY2026]

Advantest expects the semiconductor test-related market to continue to grow over the medium- to long-term, while allowing for 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 complexity of semiconductors.

Against this industry landscape, Advantest Group has been implementing its three-year Third Mid-term Management Plan (MTP3) since FY2024, which was formulated in accordance with the refreshed “Grand Design.” Advantest believes that the strategic initiatives under MTP3 are, overall, progressing ahead of expectations, led by efforts to deliver “Automation of Test” and to build the industry ecosystem that will serve as its foundation. In FY2026, the final year of MTP3, Advantest will continue to advance various initiatives aimed at enhancing corporate value over the medium- to long-term.

<Strategies>

1. Outpace the growth in our core market

In the core market, Advantest expects key growth opportunities to arise from increased semiconductor production volumes, the trend toward higher performance semiconductors, and the increasing complexity of semiconductors going forward. To seize these

opportunities, Advantest will create new value that brings “Automation of Test,” or improved efficiency in semiconductor testing, to its customers. These can be achieved not only by improving the performance of individual test solutions, but also through the organic integration of its diverse portfolio of products and solutions, and collaborations with external partners. Through these efforts, Advantest will strive to continue to grow faster than its core market.

Major progress made in this strategic area in FY2025 includes:

- Further expanded our market share in the semiconductor tester (ATE) market (CY2024: 58%; CY2025: 65%) by expanding sales of products with strong customer appeal that anticipate changes in test demand, as well as through key customer and regional strategies.
- Launched several next-generation test solutions.
- Strengthened R&D capabilities to address medium- to long-term industry challenges. Advanced preparations for the market introduction of high-value-added test solutions in high-growth areas such as next-generation DRAM and silicon photonics, securing the first large ATE order for volume production in the latter.

2. Expand adjacently / new businesses

As semiconductors continue to become more sophisticated and complex, there is growing demand for more comprehensive and more integrated test solutions. Advantest has been expanding its business into system level test and test peripherals, and will continue to further increase the value it provides to customers. More specifically, Advantest will utilize its installed-base products to promote its field services and Advantest Cloud Solutions™, as well as create business opportunities through applied research and venture activities.

Major progress made in this strategic area in FY2025 includes:

- Successfully expanded industry awareness of SiConic™, a groundbreaking automated silicon validation solution, in the semiconductor value chain.
- Expanded cross-industry collaborative initiatives—such as the opening of the “Advantest Innovation Center” and participation in Applied Materials, Inc.'s EPIC (Equipment and Process Innovation and Commercialization) platform—aimed at driving further test value creation.
- Deepened strategic partnerships with three probe card manufacturers, aiming to develop high-performance total testing solutions that will meet customers' future testing needs.

3. Drive operational excellence

Advantest will continue to solve testing issues in the semiconductor industry by utilizing in-house technologies, know-how, and resources on a cross-functional basis. In addition to the above, to become a company that is valuable to all of its 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 of its operations. To this end, Advantest is committed to accelerating internal operations and streamlining resources through DX (digital transformation), building a resilient supply chain, strengthening human capital through recruiting competent talent and expanding employee training, and improving internal productivity through the use of AI and data analytics.

Major progress made in this strategic area in FY2025 includes:

- Fulfilled surging customer demand through advanced supply chain management and strong supplier collaboration.
- Expanded the governed use of AI internally to accelerate operations and improve efficiency.
- Enhanced talent acquisition, development, and retention capabilities, and developed attractive workspaces to support future growth.

4. Enhance sustainability

Advantest will further strengthen its foundation for enhancing corporate value through proactive and positive measures on sustainability issues such as climate change and human rights, the execution of responsible business activities, including legal compliance and adherence to ethical business practices, and the reinforcement of risk management and enhancement of corporate governance. In doing so, Advantest aims to earn greater trust from its stakeholders. Advantest will also continue to cultivate a common culture and shared values within the company, as these are the starting points for promoting initiatives related to sustainability.

Major progress made in this strategic area in FY2025 includes:

- Despite business expansion, GHG emissions (Scope 1 and 2) are expected to remain broadly in line with the prior-year level.

- Strengthened management execution capacity and enhanced the ability to respond to the increasing complexity of the business environment by appointing multiple executives with deep semiconductor industry knowledge and diverse, advanced expertise and experience.

<Targeted management metrics>

In MTP3, Advantest will strive to enhance its corporate value by increasing sales, improving profitability, and improving capital efficiency through the aforementioned 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), and Advantest will strive to improve each of these metrics. In order to evaluate the progress of the plan from a medium- to long-term perspective, Advantest uses three-year averages for the following management metrics to smooth out the impact of industry cycles.

Furthermore, in October 2025, Advantest revised all indicators upward from its initial announcement in June 2024, reflecting a stronger-than-expected outlook for AI/HPC semiconductor testing demand and progress in internal strategic initiatives such as market share expansion.

	MTP3 targets* ¹ (FY2024–FY2026 Avg.)	FY2024 Results* ²	FY2025 Results* ²
Sales	¥835–930B	¥779.7B	¥1,128.6B
Operating profit margin	33–36%	29.3%	44.2%
Net income	¥207–248B	¥161.2B	¥375.4B
Return on Invested Capital* ³ (ROIC)	34–39%	31.5%	54.4%
Basic EPS	¥284–341	¥218.67	¥515.15

*1 Revised targets as of October 2025. The revised targets combine actual results through FY2025 H1 with performance forecasts for FY2025 H2 and FY2026 as of that time. The forecast exchange rate assumptions were 140 yen to the US dollar and 155 yen to the euro.

*2 Actual exchange rates were 153 yen to the US dollar and 164 yen to the euro in FY2024, and 150 yen to the US dollar and 173 yen to the euro in FY2025.

*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.

(4) Business Environment and Key Measures for FY2026

As we look ahead to the business environment surrounding Advantest, the semiconductor market is expected to continue its growth trajectory in CY2026, led by AI-related semiconductors. There are market projections which indicate that the semiconductor market could surpass USD 1 trillion by the end of CY2026. The semiconductor tester market is also expected to reach its largest scale ever, driven by factors such as increasing complexity and production volumes of AI-related semiconductors.

However, given concerns of escalating tensions in the Middle East potentially leading to a slowdown in the global economy, Advantest perceives that the business environment surrounding the company remains unpredictable, due to the growing geopolitical risks and other factors. As high levels of demand continue, supply chain shortages may arise that could affect both our customers' products as well as those of Advantest. In light of this, Advantest remains focused on supply chain resilience.

Advantest will continue to closely monitor changes in the external environment and respond expeditiously and with agility. At the same time, Advantest will seek to expand the value it provides to stakeholders over the medium- to long-term by pursuing the measures set out in MTP3.

2. Sustainability Approach and Initiatives

Advantest's sustainability approach and initiatives are as follows.

Forward-looking statements in this section are based on the judgments of Advantest as of March 31, 2026.

(1) Sustainability in General

1) Basic Concept

As stated in "1. Management Policy, Business Environment and Issues to be Addressed," our mid- to long-term management policy "Grand Design" sets out our vision statement as "Be the most trusted and valued test solution company in the semiconductor value chain." In order to be a company that embodies this vision, we will promote various initiatives that lead to the realization of a sustainable society in an integrated manner, while focusing on solving customer issues. Simultaneously, by appropriately reflecting the expectations and demands of our stakeholders in our business activities, we aim to expand the significance of our corporate purpose and the value we provide in a balanced and multifaceted way, both economically and socially.

<Stakeholders>

In view of our management philosophy and the impact on our business in the medium to long term, we have positioned our shareholders and capital markets, employees, customers, suppliers, partners and the global environment as important stakeholders.

<Value Proposition to Stakeholders>

Advantest has analyzed the key value propositions to our stakeholders as follows. Advantest will provide these values to our stakeholders and also work to mitigate events that negatively impact them as we strive to earn further trust from our stakeholders.

Stakeholders	Value Propositions (Outcomes)
Shareholders and Capital Markets	- Medium- and long-term enhancement of corporate value
Employees	- Improving employee satisfaction
Customers	- Contributing to customer business growth by solving customer issues - Contributing to improving customers' environmental issues
Suppliers	- Expanding business growth opportunities - Co-creation of sustainable social value
Partners	- Ecosystem/business partners: Solving industrial issues through collaboration with partners and fostering mutual business growth opportunities - Local community: Contributing to creating a society where people can live more prosperous lives
Global Environment	- Contributing to a sustainable global environment

Furthermore, Advantest believes that in order to achieve the realization of a sustainable society and its own growth, in addition to creating stakeholder value through our business activities, it is essential to further strengthen group governance, which is the foundation for enhancing corporate value. In line with this view, Advantest promotes initiatives such as responsible business activities, including thorough legal compliance and corporate ethics, the upgrading of corporate governance, and the strengthening of risk management.

2) Strategy

With a view to expanding our contribution to society and further creating value for our stakeholders, Advantest has established the Sustainability Basic Policy as a component of "The Advantest Way," and is striving to promote sustainable management on this basis.

Furthermore, Advantest has positioned "Enhance sustainability" initiatives as one of the strategies in its Mid-term Management Plan. Advantest conducts assessments of medium- to long-term sustainability-related risks, issues, and opportunities, and discusses them at the Executive Management Committee. Advantest sets individual targets and aspirations in its medium-term action plan, thereby integrating business growth strategies and initiatives to resolve social issues.

<Identification of sustainability-related risks and opportunities>

Advantest has identified sustainability-related risks and opportunities that may have impacts on its financial position, operating results and cash flows, and therefore require monitoring, and that could reasonably be expected to influence investor decision-making.

In identifying these sustainability-related risks and opportunities, scenario analysis was partially incorporated in consideration of climate change.

As part of the identification process, Advantest reviewed its value chain and compiled a list of sustainability-related risks and opportunities that are potentially material to the group, with reference to various publicly available materials in Japan and overseas, as well as the disclosure practices of companies operating in the same industry. The significance of each compiled risk and opportunity was evaluated based on its likelihood of occurrence and potential financial impact, through engagement with external stakeholders and discussions with relevant CxOs* and departments. Advantest classifies the time horizon over which such significance of sustainability-related risks and opportunities are likely to materialize as short, medium, or long term, and evaluates the magnitude of their impact by taking into account the potential effects on its financial position, operating results and cash flows in the event of occurrence. The sustainability-related risks and opportunities determined to be material, along with the process of identifying them, were deliberated upon at the Executive Management Committee Meeting and reported to the Board of Directors. The significance of sustainability-related risks and opportunities is reviewed annually, with specific targets to be reflected in the Sustainability Action Plan as needed.

As a result of the evaluation of the significance of sustainability-related risks and opportunities, three areas have been designated as particularly important: climate change, workers in the value chain, and own workforce. Sections (2) Climate Change Initiatives, (3) Respect for Human Rights, and (4) Human Capital describe Advantest's understanding of the challenges associated with each area and outline the initiatives implemented to address them.

* CxO is a term for Chief Officers responsible for respective functions under the global headquarter management system

Topic	Risk	Opportunity
Climate change	<ul style="list-style-type: none"> - Significant losses and the loss of business opportunities resulting from adverse impacts on logistics infrastructure and production caused by climate-related disasters - Increases in business costs associated with responding to climate-related regulations and the expanded adoption of renewable energy - Negative impacts on sales if the energy efficiency of Advantest's products fails to meet customer requirements or is inferior to that of competitors 	<ul style="list-style-type: none"> - Enhancement of customer trust and expansion of business opportunities through the achievement of high energy efficiency of Advantest's products
Pollution	<ul style="list-style-type: none"> - The potential incurrence of costs related to compliance with environmental regulations and responses to environmental incidents, as well as potential damage to Advantest's reputation 	-
Circular economy	-	<ul style="list-style-type: none"> - Creation of sustainability-driven business models, enhancement of brand value, and acquisition of environmentally conscious customers through the promotion of product reuse strategies.
Own workforce	<ul style="list-style-type: none"> - Loss of technological competitiveness and labor productivity due to talent outflow and recruitment challenges caused by a decline in corporate attractiveness. - Disruption to business continuity and risks to employee well-being caused by workplace accidents resulting from inadequate or negligent occupational health and safety management - Adverse impacts on business operations and corporate reputation arising from compliance or human rights violations - Adverse impacts on business efficiency caused by decreased employee satisfaction, engagement and motivation stemming from insufficient progress in gender equity 	<ul style="list-style-type: none"> - Strengthening of long-term competitiveness through continuous training and development, supported by enhanced recruitment opportunities enabled by comprehensive talent development programs and work-life balance initiatives - Enhancement of innovation, business performance, and problem-solving capabilities through the utilization of a diverse workforce - Strengthening of organizational performance through enhanced employee engagement fostered by a positive workplace environment and open communication between labor and management
Workers in the value chain	<ul style="list-style-type: none"> - Negative impacts on business operations and deterioration of corporate reputation resulting from human rights violations in the supply chain, such as child labor, poor working conditions, or the use of conflict minerals. 	-

<Sustainability Action Plan 2024-2026>

In order to promote sustainability, Advantest formulated the Sustainability Action Plan 2024-2026. In the development of the Action Plan, a wide range of issues were considered, including those related to value creation in business, such as increasing customer value; those related to strengthening business foundations, such as enhancement of human capital; those related to strengthening management foundations, such as reviewing the management execution system; and those related to addressing social and environmental regulations and risks. In addition, trends in global sustainability disclosure standards were also taken into account. The issues identified as important from the perspective of both stakeholders and Advantest have been incorporated into the Sustainability Action Plan, which serves as a subordinate plan of the Mid-term Management Plan. Furthermore, Advantest strategically promotes initiatives to achieve the targets set for each issue in the Sustainability Action Plan. The action items and targets in the Sustainability Action Plan are regularly reviewed in accordance with changes in their importance to Advantest.

For information on the activities and targets in the Sustainability Action Plan for the Third Mid-term Management Plan (MTP3), which started in the fiscal year 2024, please refer to “5) Metrics and Goals.”

3) Sustainability Promotion System and Governance

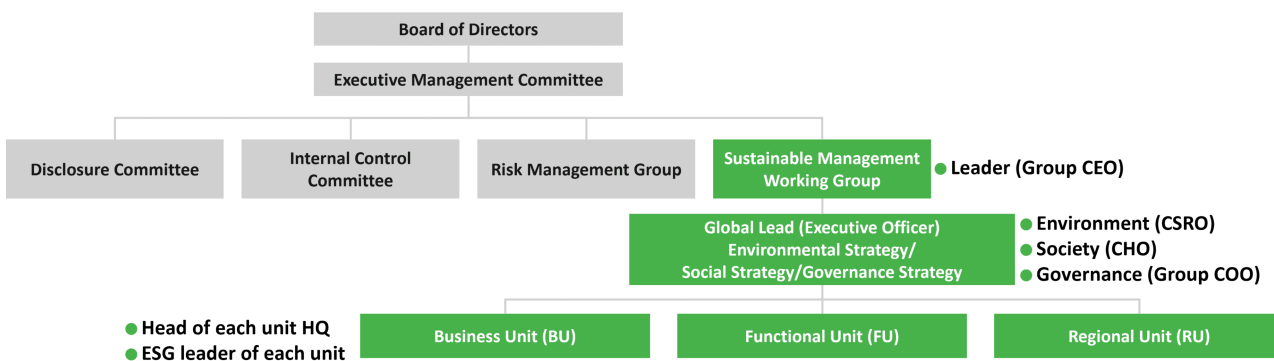
Based on the Sustainability Policy, which is a component of The Advantest Way, Advantest has established a Sustainability Action Plan, which sets out specific targets to be achieved during the Mid-term Management Plan period, and promotes initiatives across Advantest by assigning each CxO, including the Group CEO, as the person responsible for individual issues. In addition, by cascading the Sustainability Action Plan into specific annual business plans at the unit level, Advantest strives to ensure the steady progress of its initiatives.

Furthermore, in order to promote sustainability initiatives in an agile manner across the entire group, Advantest established the Sustainable Management Working Group (SMWG), a team reporting directly to the Executive Management Committee, in fiscal year 2020. The SMWG is a group-wide committee composed of leaders from major business units, functional units, and regional units, and is chaired by the Group CEO. With respect to sustainability-related matters, the CSRO (Chief Stakeholder Relations Officer) is responsible for environmental matters, the CHO (Chief Human Capital Officer) for social matters, and the Group COO for governance matters, each overseeing their respective areas of responsibility. Within the SMWG, Advantest regularly discusses and updates sustainability issues that should be addressed on a cross-Group basis, based on assessments of the materiality of sustainability-related risks and opportunities for Advantest, as well as sustainability-related issues identified at each unit. Through these discussions, Advantest aims to further promote and deepen sustainable management. The overall progress of Advantest’s sustainability initiatives is reported regularly to the Executive Management Committee, where corrective actions are considered as necessary. In addition, sustainability-related risks and opportunities determined to be material, as well as the process for assessing their materiality, are deliberated by the Executive Management Committee and reported to the Board of Directors.

In order to appropriately supervise the strategies established to address sustainability-related risks and opportunities, Advantest regularly assesses whether management and relevant departments possess necessary skills and competencies. Specifically, Advantest evaluates participation in training and education programs related to environmental issues, including climate change, the utilization of advice from external experts, and the frameworks in place for understanding relevant laws, regulations, and industry trends. In addition, where necessary, Advantest undertakes the recruitment of personnel and the continuous development of capabilities of existing personnel.

In addition, as part of our executive compensation system, Advantest aims to establish a system that contributes to the enhancement of corporate value based on the management philosophy and vision of the group. In June 2024, Advantest partially revised its compensation system and adopted sustainability evaluation as one of the secondary indicators for performance-based stock remuneration. For details on the compensation system, please refer to “Item 4. Status of the Company 4. Corporate Governance (4) Compensation for Members of the Board of Directors.”

Sustainability Promotion System as of the filing date



Group CEO: Group Chief Executive Officer, CSRO: Chief Stakeholder Relations Officer, CHO: Chief Human Capital Officer, Group COO: Group Chief Operating Officer

4) Risk Management

<Advantest's Risk Management Structure>

Advantest discusses the risks and opportunities of sustainability issues at the Executive Management Committee.

The details of our risk management process are as described in “3. Risk Factors (1) Risk Management at Advantest.” Important risk factors related to Sustainability are managed under the same system as other business risks through regular identification of issues at Executive Management Committee and the SMWG's support of the policy planning and activities of each unit. Important opportunities related to sustainability are also identified and recognized by the Executive Management Committee, in the same manner as risks. A structure has been established in which the SMWG supports the formulation of specific strategies and the implementation of initiatives aimed at realizing these opportunities.

Management of climate-related risks and opportunities is described in “(2) Climate Change Initiatives 4) Risk Management.”

5) Metrics and Goals

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 the Integrated Annual Report and the Sustainability Report.

<FY2025 Results of the Sustainability Action Plan 2024–2026>

The overall picture of Advantest's medium-term sustainability initiatives and their respective medium-term targets for fiscal year 2024 and beyond is as follows.

In formulating a new medium-term action plan for sustainability, Advantest comprehensively reorganized the themes to be addressed as being linked to the mid- to long-term management policy, “Grand Design” and the Third Mid-term Management Plan (MTP3), from the perspective of expanding the values provided to stakeholders. In the “Sustainability Action Plan 2024-2026,” based on 2) Strategy <Identification of sustainability-related risks and opportunities>, the following are the KPIs, the KPI targets and the results for the fiscal year ended March 31, 2026, recognized by Advantest as key items and disclosed as of the date of submission. The finalized figures for the fiscal year ended March 31, 2026 will be disclosed on Advantest's website by the October 2026, as planned. The contents of the action plan will be updated as necessary based on Advantest's assessments of sustainability-related risks and opportunities.

Stakeholders	Priority Themes	Target	Executive in Charge *1	KPIs	KPI Target (FY2026)	Result (FY2025)
Employees	Respect for diversity	Promoting gender diversity	CHO	Ratio of female managers *2	11%	10.7%
	Employee Engagement	Fostering and instilling an attractive corporate culture	CHO	Turnover rate	Voluntary turnover rate falls below MTP2 average (5.9%)	4.5%
			CHO	Gallup Survey Scores *3	3.80	3.76 (FY 2024 Results)
	Investment in human capital	Promoting human capital development based on the Advantest Development Framework	CHO	Education and training expenses	0.80 (Billions of yen)	0.81 (Billions of yen)
Suppliers	Respect for human rights and fair deals in the supply chain	Penetrating Sustainability in the Supply Chain	CSCO	Due diligence implementation rate for designated business partners *4	100%	100%
Global Environment	Greenhouse gas emission reductions (Scope 1+2)	Reducing GHG emissions from Scope 1+2	CSRO	GHG emissions reduction rate	65% reduction (vs. FY2018)	78% reduction Estimated value as of the filing date
		Raising renewable energy usage	CSRO	Renewable energy coverage rate	80%	88% Estimated value as of the filing date
	Contribution to the Circular Economy	Improvement of recycling rate through promotion of 3Rs (Reduce, Reuse and Recycle)	CSRO	Waste recycling rate (Japan and overseas)	Japan: 90% or more Other regions: 73% or more	Japan: 95% Other regions: 69% Estimated value as of the filing date
		Maintaining group-wide water consumption at FY2016 levels	CSRO	Water resource usage	Less than 288,000m ³ /year	291,153m ³ /year Estimated value as of the filing date

	Priority Themes	Target	Executive in Charge *1	KPIs	KPI Target (FY2026)	Result (FY2025)
Governance	Promoting ethical management and business	Fair and Transparent Workplace	CCO	Percentage of respondents *6 who answered that ‘the convenience of internal reporting channels has improved’ in the compliance survey *5	50% or more	82.8% (FY 2024 Results)
		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	0.34

- (Notes) 1. List of Executive in charge is described in “Item 4. Status of the Company 4. Corporate Governance (2) Directors 1) List of Directors.”
2. The non-consolidated Female manager ratio is described in “Item 4. Status of the Company 5. Status of Employees and Others.”
3. Group-wide survey is conducted every three years. This table describes the scores from the survey which was conducted in the fiscal year 2024.
4. 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.
5. Group-wide compliance survey is conducted every three years.
6. Considering that not all employees wish to use the internal reporting system, the percentage of respondents was calculated excluding those who answered “I don’t know” to the question regarding the improvement in the convenience of the internal reporting system.

(2) Climate Change Initiatives

(i) General Information

In identifying climate-related risks and opportunities, Advantest identified the industries relevant to its business in order to take into consideration various standards as well as disclosures made by companies operating in the same industries. In light of the nature of the businesses conducted by Advantest and its business model, namely, the manufacturing and sale of test system products, as well as mechatronics-related products such as test handlers and device interfaces, together with Advantest’s business operations in the semiconductor production equipment market, Advantest has identified the semiconductor industry as the relevant industry.

In identifying climate-related risks and opportunities, Advantest refers to various publicly available materials in Japan and overseas, as well as information disclosed by companies operating in the same industry as Advantest.

As a result, Advantest has identified the following climate-related risks and opportunities that are reasonably expected to warrant close attention in relation to Advantest’s prospects.

Climate-related risks

- (A) Significant losses and the loss of business opportunities resulting from adverse impacts on logistics infrastructure and production caused by climate-related disasters
- (B) Increases in business costs associated with responding to climate-related regulations and the expanded adoption of renewable energy
- (C) Negative impacts on sales if the energy efficiency of Advantest’s products fails to meet customer requirements or is inferior to that of competitors

Climate-related opportunities

- (A) Enhancement of customer trust and expansion of business opportunities through the achievement of high energy efficiency in Advantest’s products.

In assessing the materiality of the identified risks and opportunities, Advantest strives to ensure an appropriate evaluation by considering both quantitative and qualitative perspectives. In addition, as with other risks described under “Item 2. Business

Overview 3. Risk Factors,” Advantest classifies the time horizon over which such risks and opportunities are likely to materialize as short, medium, or long term, and evaluates the magnitude of their impact by taking into account the potential effects on its financial position, operating results and cash flows in the event of occurrence. When assessing sustainability-related risks and opportunities, Advantest defines the time horizons over which impacts are expected to materialize, as short term (within one year), medium term (two to three years), and long term (more than three years), taking into account the characteristics of the semiconductor industry in which Advantest operates and its Mid-term Management Plan.

In identifying the materiality of information related to sustainability-related risks and opportunities, Advantest takes into consideration dialogue with shareholders and capital markets, employees, customers, suppliers, and partners, as well as an assessment of impacts on the global environment.

(ii) Governance

The group-wide climate-related targets are defined in the Sustainability Action Plan, which is formulated following discussion and approval by the Executive Management Committee. Climate-related targets under the Sustainability Action Plan are reviewed annually with reference to various publicly available materials in Japan and overseas, as well as trends in environmental-related consortia within industry associations. Progress against these targets is monitored regularly by the Executive Management Committee. For details of governance related to sustainability matters as a whole, including climate-related matters, please refer to “(1) Sustainability in General 3) Sustainability Promotion System and Governance.”

In addition, as part of the executive compensation system, with the aim of establishing a scheme that contributes to the enhancement of corporate value in line with Advantest’s management philosophy and vision, Advantest has adopted a sustainability evaluation based on the achievement of medium-term management targets (KPIs) related to climate-related risks and opportunities as one of the secondary indicators for performance-linked share-based compensation. For details on the compensation system, please refer to “Item 4. Status of the Company 4. Corporate Governance (4) Compensation for Members of the Board of Directors.”

(iii) Strategy

Advantest examined and organized the time horizons of short term, medium term, and long term for the purpose of considering sustainability-related risks and opportunities, taking into account: (i) the characteristics of the industry, (ii) the periods typically used for decision-making and capital allocation planning, and (iii) the time horizons over which primary users assess the entity. As a result, Advantest has defined the short term as within one year, the medium term as two to three years, and the long term as more than three years.

<Climate-related Risks and Opportunities>

Climate-related risk (A)

Significant losses and the loss of business opportunities resulting from adverse impacts on logistics infrastructure and production caused by climate-related disasters.

(Impacts on the Business Model and Value Chain)

Natural disasters caused by climate change may affect Advantest’s business activities, including the suspension of production at Advantest’s own operations and across its supply chain, disruptions to logistics infrastructure, and damage to Advantest’s assets such as factories and machinery.

(Financial Impacts)

• Current Financial Impacts

No impairment of assets held or loss of business opportunities arising from climate-related disasters occurred during the fiscal year ended March 31, 2026, and accordingly, no financial impact from this risk has been recognized in the financial statements as of the reporting date.

On the other hand, in response to climate-related disasters, disaster prevention measures such as the installation of flood barriers, were implemented at certain sites during the fiscal year ended March 31, 2026. As a result, Advantest acquired tangible fixed assets amounting to approximately ¥130 million and incurred expenses of approximately ¥138 million during the fiscal year ended March 31, 2026.

• Expected Future Financial Impacts

Advantest has identified, as climate-related physical risks, the potential impairment of assets resulting from the occurrence of climate-related disasters, as well as the potential loss of business opportunities arising from operational difficulties at individual business sites.

In assessing the future impacts of climate-related physical risks, Advantest used Aqueduct, a water risk assessment tool

developed by the World Resources Institute (WRI), and selected a severe flood event commonly referred to as a “50-year to 100-year flood” as the base scenario for the assessment, taking into account both the likelihood of such an event and the projected inundation depths. Advantest also referred to “A Guide to Flood Risk Assessments for Enhanced TCFD Disclosures” published by Japan’s Ministry of Land, Infrastructure, Transport and Tourism.

Under this scenario, Advantest recognizes that inundation damage may occur at certain production sites located in Japan and Malaysia, potentially resulting in damage to fixed assets such as buildings and equipment, as well as inventory assets including production and maintenance equipment. In addition, Advantest recognizes the potential for loss of sales opportunities during the period required to restore facilities at affected sites and to prepare alternative production arrangements. With respect to Essai, Inc., which was identified in the Annual Securities Report for the previous consolidated fiscal year as potentially subject to inundation damage, Advantest has assessed, based on an analysis using the latest data, that inundation damage is no longer expected to occur.

In identifying and assessing the financial impacts associated with these physical risks, Advantest uses, as evaluation indicators, the probability of severe flooding at its business sites and major supply chain locations, as well as the scale of assets held at such sites (tangible fixed assets), and conducts the identification of high-risk sites and impact assessments accordingly.

In the fiscal year ended March 31, 2026, Advantest identified certain production sites in Japan, as well as a production site and an outsourced supplier in Malaysia as high-risk locations. If severe flooding were to occur simultaneously at these high-risk locations, Advantest estimates that assets totaling approximately ¥9.6 billion could be subject to impairment and that revenue could decrease by approximately ¥46.7 billion.

(Impacts on Strategy and Decision-Making)

• Flood Mitigation Measures

With respect to the identified flood risks, Advantest has implemented measures at sites exposed to such risks with the objective of avoiding or minimizing the potential impacts. In Japan, flood mitigation measures were implemented at multiple sites. In addition, Advantest will continue to advance the assessment of impacts and the consideration of countermeasures across the entire supply chain.

• Strengthening of Organizational Structure

In September 2025, Advantest reorganized the Crisis Management Group into a CxO-led framework in order to enable more rapid decision-making in response to group-wide crises. In addition, through a transition from a conventional Business Continuity Plan (BCP) to an all-hazards BCP*, Advantest has implemented measures to respond to a wide range of disasters, including those arising from climate change, and is working to enhance its resilience. Going forward, Advantest will continue to develop, maintain, and manage emergency response plans, crisis management plans, and business continuity plans for its critical sites and key functions.

*All-hazards BCP: A business continuity planning approach that does not focus on specific crisis events, but instead focuses on mitigating damage to management resources, such as employees and facilities, including in the event of a temporary suspension of head office functions, and ensuring the continuity and timely recovery of business operations.

Climate-related risk (B)

Increases in business costs associated with responding to climate-related regulations and the expanded adoption of renewable energy

(Impacts on the Business Model and Value Chain)

As climate change intensifies, climate-related regulations are being strengthened in various countries, and requests from major customers for manufacturing using green energy are increasing. Under these circumstances, Advantest has identified the risk that operating costs may increase as a result of compliance with such regulations and the expansion of the adoption of renewable energy.

(Financial Impacts)

• Current Financial Impact

Advantest is promoting the transition of energy used across Advantest to renewable energy sources, and incurs expenses for the procurement of renewable energy.

• Expected Future Financial Impacts

Advantest has identified, as one of its climate-related transition risks, the potential for future increases in operating costs arising from the strengthening of climate-related regulations in various countries and regions, as well as requirements across the value chain in the markets in which Advantest operates. Among the additional climate-related operating costs that Advantest currently expects to arise, carbon taxes represent the primary cost. While Advantest does not expect to directly bear all costs arising from the strengthening of climate-related regulations or value chain requirements, Advantest recognizes the potential for indirect increases in operating costs resulting from the cost pass-through within the value chain. With respect to carbon taxes, which Advantest

considers highly likely to be borne directly, Advantest estimates that, over the medium to long term, the impact is estimated to be approximately ¥16 million to ¥85 million on Advantest's annual operating profit.

As for transition risks arising from regulatory, social, or industry-driven requirements, there remains a high degree of uncertainty regarding the future content of regulations and the nature of market demands in each country and region. As a result, it is difficult to develop comprehensive risk scenarios and to estimate their financial impacts in a quantitative and exhaustive manner.

In response to transition risks arising from regulatory, social, or industry-driven requirements, Advantest is proactively implementing measures to mitigate such risks and minimize their impacts by undertaking risk reduction initiatives, as described in the following section, "Impacts on Strategy and Decision-Making."

(Impacts on Strategy and Decision Making)

In response to this risk, Advantest is implementing measures to minimize its impacts through initiatives such as the reduction of its greenhouse gas emissions, improvements in production efficiency in manufacturing processes, the installation of renewable energy facilities at production sites, the procurement of renewable energy, and the decarbonization of logistics and transportation. In addition, with a view to responding to climate-related regulations, including the imposition of carbon taxes and the establishment of environmental standards for products, Advantest is promoting activities aimed at reducing its greenhouse gas (GHG) emissions.

• Targets and Initiatives for Scope 1 and Scope 2 Emissions

Advantest has set a target to reduce its Scope 1 and Scope 2 GHG emissions from its own business activities to net zero by fiscal year 2050. In addition, Advantest has established an interim target of a 65% reduction by fiscal year 2026 compared with fiscal year 2018, which was achieved ahead of schedule in fiscal year 2024 (fiscal year 2024 results: 75% reduction compared with fiscal year 2018).

Advantest participates in the international initiative RE100 and aims to source 100% of the electricity used in its own business activities from renewable energy. With a target of achieving an 80% renewable energy adoption rate across the entire group, initiatives have been implemented at each site, resulting in Advantest achieving an 87% renewable energy adoption rate in fiscal year 2024 and 88% in fiscal year 2025 (preliminary figure as of the submission date).

With respect to future initiatives for the adoption of renewable energy, Advantest plans to purchase renewable energy certificates and install renewable energy facilities.

• Approach to Scope 3 Emissions

Looking ahead, Advantest plans to formulate new targets to strengthen its initiatives to reduce emissions, including Scope 3 emissions across the entire supply chain.

Climate-related risk (C)

Negative impacts on sales if the energy efficiency of Advantest's products fails to meet customer requirements or is inferior to that of competitors

Climate-related opportunity (A)

Enhancement of customer trust and expansion of business opportunities through the achievement of high energy efficiency in Advantest's products

(Impacts on the Business Model and the Value Chain)

Advantest promotes research and development activities aimed at enhancing the environmental performance of its products. As a result, the environmental performance of existing products, such as reduced power consumption, is improved, and Advantest expects to be able to develop and introduce new products with superior environmental performance. Through these initiatives, Advantest may enhance customer trust and increase the likelihood that its products are selected by customers, which could contribute to an increase in revenue.

On the other hand, if the energy efficiency of Advantest's products fails to meet customer requirements or is inferior to that of competing products, customer trust may decline. In addition, if Advantest's products do not meet customers' internal selection criteria, they may not be selected. As a result, sales volumes could decrease, potentially leading to a decline in revenue.

(Financial Impacts)

• Current Financial Impacts

Research and development expenses of Advantest for the fiscal year ended March 31, 2026 amounted to ¥78,140 million. As it is difficult to explicitly distinguish the costs incurred for initiatives aimed at improving environmental performance from those incurred for other performance enhancements, the total amount of research and development expenses is disclosed.

• Expected Future Financial Impacts

As efforts to improve energy efficiency continue to advance across the semiconductor supply chain, including Advantest's

customers, Advantest has identified, as one of its climate-related transition risks, the risk that sales of Advantest's products could be adversely affected if the energy efficiency of its products fails to meet customer expectations or is inferior to that of competing products.

Conversely, if the energy efficiency of Advantest's products is superior, sales opportunities may further expand through enhanced customer trust and improved market reputation. In recent years, amid the strong growth in demand for high-performance semiconductors used in AI servers and data centers, increasing social attention has been paid to the electricity consumption of such semiconductors. Against this backdrop, initiatives aimed at further reducing environmental impacts across the semiconductor supply chain are expected to continue to advance. In semiconductor testing processes as well, demand is expected to rise, particularly for high-end products, regarding solutions with superior environmental performance that reduce environmental impacts while improving both testing performance and testing efficiency compared with conventional products.

Accordingly, Advantest expects that the level of commitment to decarbonization and energy efficiency targets across the semiconductor value chain, as well as the attractiveness of the environmental performance of Advantest's products to customers, may have a significant impact on Advantest's future revenue and research and development expenses.

At this stage, Advantest considers it difficult to reasonably estimate the future financial impacts arising from the identified risks and opportunities. This is due to several factors, including the high level of uncertainty surrounding the macroeconomic environment that underpins semiconductor demand, the difficulty in forecasting future investment levels and the pace of technological advancement in the AI industry and data centers, which have a significant influence on the semiconductor and semiconductor testing markets, and the challenge of quantitatively projecting how decarbonization initiatives and energy efficiency targets across the semiconductor value chain will affect demand for semiconductor testing.

In addition, Advantest's semiconductor testing products are developed as large-scale electronic measurement systems, with a focus on comprehensively and integrally enhancing specifications such as measurement accuracy, throughput, power consumption, and footprint. As a result, it is difficult to explicitly distinguish the costs incurred for initiatives aimed at improving environmental performance from those incurred for other performance enhancements.

For these reasons, Advantest has determined that any estimates of future product demand and research and development expenses related to climate change would be subject to an extremely high degree of measurement uncertainty, making it very difficult to provide useful quantitative information.

(Impacts on Strategy and Decision-Making)

Advantest intends to further strengthen investment aimed at proactively responding to future market trends and technological advancements. Specifically, Advantest aims to allocate more than 10% of its net sales to research and development-related expenditures. Initiatives to improve the energy efficiency of products, as well as initiatives to reduce environmental impacts in semiconductor manufacturing processes, are included within the scope of these research and development investments. Specific initiatives include the following.

Advantest conducts product environmental assessments for all products, evaluating them from perspectives such as energy efficiency, reduction of material usage and product size, recyclability-oriented design, and the elimination of hazardous substances. In addition, for major products, Advantest has established voluntary "Green product" criteria and conducts additional evaluations for new products alongside the standard product environmental assessment. Under these criteria, products that demonstrate superior environmental performance compared with conventional products, across the areas of energy and resource efficiency, improved recyclability, and elimination of hazardous substances, are certified as Green Products. In product design, Advantest places emphasis on energy efficiency, material reduction, and downsizing, and has established criteria for Green Product certification for each product category.

Advantest expects that these research and development investments will mitigate the impacts of the relevant risks over the medium to long term, while also contributing to the expansion of future business opportunities. In addition, in the course of business activities related to product development and manufacturing, Advantest is promoting the reduction of GHG emissions through the introduction of energy efficient equipment, the use of renewable energy, optimization of logistics for product and component transportation, and the localization of the supply chain.

<Significant risks that could result in a material adjustment to the carrying amounts of assets and liabilities recognized in the related financial statements in the fiscal year ending March 31, 2027>

With respect to the climate-related risks (A), (B) and (C) and opportunity (A) described above, Advantest does not expect the occurrence of significant events in the fiscal year ending March 31, 2027, that would be associated with asset impairment, increases in business costs, and the loss or realization of business opportunities. Accordingly, Advantest has not identified any risks that would have a material impact on the carrying amounts of assets and liabilities recognized in the related financial statements as of the reporting date.

<Information Involving a High Degree of Measurement Uncertainty>

In disclosing quantitative information on the financial impacts of climate-related risks and opportunities, Advantest recognizes that it is necessary to make reasonable assumptions, estimates, and judgments regarding factors such as future semiconductor demand, market requirements for reducing environmental impacts, and the progress of Advantest's research and development activities. However, for certain climate-related risks and opportunities, it is difficult to clearly distinguish the effects of climate-related factors from those of other factors. As a result, the degree of measurement uncertainty involved in estimating their impacts is extremely high, and Advantest has determined that the resulting quantitative information would not be useful. Accordingly, at this stage, Advantest does not disclose quantitative financial impact information for the following items:

- Negative impacts on sales if the energy efficiency of Advantest's products fails to meet customer requirements or is inferior to that of competitors
- Enhancement of customer trust and expansion of business opportunities through the achievement of high energy efficiency in Advantest's products

The background to this determination is that estimates of sustainability-related risks and opportunities that could affect Advantest's financial position, operating results and cash flows over the short, medium, and long term depend largely on capital investment trends among integrated device manufacturers (IDMs), fabless semiconductor companies, foundries, and test houses. These investment trends inherently involve uncertainty. Such capital investments are influenced not only by future semiconductor demand, but also by increasing requirements to reduce environmental impacts in semiconductor manufacturing, growing demand for highly test efficient testers, and Advantest's research and development capabilities, among other factors. These factors constitute the primary sources of measurement uncertainty associated with the relevant estimates. In particular, Advantest recognizes that uncertainty regarding future semiconductor demand and demand for highly test efficient testers is extremely high, as numerous scenarios exist under the current volatile global economic environment.

<Climate Resilience>

Climate resilience is defined as an entity's ability to respond to climate-related changes, developments, or uncertainties. To identify the risks and opportunities that climate change may pose to its business activities, Advantest conducts climate-related scenario analysis based on multiple possible future pathways. Advantest will continue to periodically review and refine the methodologies and assumptions used in its scenario analysis and climate resilience assessments, taking into account the latest scientific knowledge as well as social and economic trends.

To enhance climate resilience, Advantest has identified priority themes related to climate change mitigation and adaptation under its Sustainability Action Plan and is strategically promoting initiatives aimed at achieving the targets established for each issue.

In promoting climate change initiatives, collaboration with external stakeholders, including customers and business partners, is essential. Accordingly, as described in "<Climate-related Risks and Opportunities>," Advantest has established medium-term targets for each climate-related issue, with a particular focus on the reduction of GHG emissions and the introduction of renewable energy. To achieve these targets and contribute to climate change mitigation, Advantest has established task forces (TFs) that examine and implement initiatives in cooperation with both internal and external stakeholders, thereby promoting responsible actions to address climate-related challenges. While the scale and pace of decarbonization initiatives in the semiconductor industry remain uncertain, Advantest evaluates and advances its initiatives based on multiple scenarios to ensure flexibility in responding to various changes in the operating environment.

Based on the results of its climate resilience assessment, Advantest recognizes that climate-related risks and opportunities are being addressed in a comprehensive manner, and that Advantest possesses the ability to adjust its strategy and business model over the short, medium, and long term in response to climate change.

(iv) Risk Management

Advantest defines risks as factors that may hinder the execution of its business management and has established a group-wide risk management framework. As described in "3. Business related Risks (1) Risk Management at Advantest," climate-related risks are also managed within this framework. The processes for identifying, assessing, and managing climate-related risks and opportunities are integrated into a group-wide risk management process in the same manner as other key management risks. Through regular reporting to and discussions with management, these risks and opportunities are continuously monitored and reviewed.

In identifying climate-related risks and opportunities, Advantest refers to various publicly available materials in Japan and overseas, and disclosure practices of industry peers. With reference to various scenarios, Advantest classifies the time horizon over which risks and opportunities are considered likely to materialize as short term (within one year), medium term (two to three years), or long term (more than three years). The magnitude of their impact is then assessed by taking into account the potential effects on Advantest's financial position, operating results and cash flows, and other factors in the event that such risks or opportunities materialize. These assessment processes incorporate insights gained through dialogue with a wide range of stakeholders, including

shareholders and capital markets, employees, customers, suppliers, business partners, and considerations relating to the global environment. Climate-related risks are periodically reviewed, and appropriate responses are implemented through the formulation and execution of risk avoidance and mitigation measures.

Through these processes, Advantest manages climate-related risks and opportunities in an integrated manner as part of its overall risk profile and strives to enhance corporate value on a sustainable basis. Advantest will continue to further enhance its risk management processes in response to changes in the external environment and evolving societal expectations.

(v) Climate-related Metrics

a. GHG Emissions

Advantest measures its GHG emissions in line with “GHG Protocol: A Corporate Accounting and Reporting Standard (2004)” (hereinafter referred to as the “GHG Protocol (2004)”).

Measurement Approach for GHG Emissions

In measuring GHG emissions in line with the “GHG Protocol (2004)”, Advantest applies the financial control approach as its measurement approach to define the organizational boundaries for all GHG emissions. Advantest considers this approach to be the most appropriate, as it is consistent with the financial reporting approach adopted by Advantest, as well as with the scope of Advantest’s business activities, strategies, and initiatives that should be taken into account when identifying and assessing climate-related risks and opportunities.

Advantest measures GHG emissions using the following methods:

1. Scope 1 GHG emissions

Scope 1 GHG emissions refer to direct GHG emissions from sources that are owned or controlled by Advantest. Advantest’s Scope 1 direct emissions mainly arise from transportation activities and production and development processes.

In measuring Scope 1 GHG emissions, Advantest uses global warming potential (GWP) values obtained from the Fifth Assessment Report (AR5) published by the Intergovernmental Panel on Climate Change (IPCC). With respect to the selection of emission factors applied in the calculation of Scope 1 GHG emissions, Advantest applies emission factors listed in “the List of Calculation Methods and Emission Factors under the Calculation, Reporting and Disclosure System” issued by Japan’s Ministry of the Environment.

2. Scope 2 GHG emissions

Scope 2 GHG emissions of Advantest primarily arise from the use of electricity in production and development processes. In addition to Scope 2 GHG emissions calculated using the location-based method, Advantest also discloses Scope 2 GHG emissions calculated using the market-based method.

• Location-based method

In measuring Scope 2 GHG emissions, Advantest applies the location-based method in line with the GHG Protocol (2004) at both its domestic and overseas sites. The measurement approaches that are applied for domestic and overseas sites are as follows.

For Advantest’s domestic sites, Scope 2 GHG emissions under the location-based method are calculated by multiplying the electricity consumption at each site for the fiscal year ended March 31, 2026 by the national average emission factor set out in the “Emission Factors by Electricity Utility” that are published by Japan’s Ministry of the Environment and are available as of March 31, 2026.

For Advantest’s overseas sites, Scope 2 GHG emissions under the location-based method are calculated by multiplying the electricity consumption at each site for the fiscal year ended March 31, 2026 by emission factors published by the government authorities of the respective countries, or country specific emission factors published by the International Energy Agency (IEA) that are available as of March 31, 2026.

• Market-based method

In measuring Scope 2 GHG emissions, Advantest applies the market-based method in line with the GHG Protocol (2004) at both its domestic and overseas sites. The measurement approaches that are applied for domestic and overseas sites are as follows.

For Advantest’s domestic sites, Advantest calculates emissions by multiplying the residual electricity consumption, determined by deducting the portion of renewable energy purchases based on contractual instruments from electricity consumption for each electricity contract during the fiscal year ended March 31, 2026, by the contract specific emission factors set out in the “Emission Factors by Electricity Utility” that are published by Japan’s Ministry of the Environment and are available as of March 31, 2026.

For Advantest’s overseas sites, Advantest calculates Scope 2 GHG emissions under the market-based method by multiplying the residual electricity consumption for each site, determined by deducting the portion of renewable energy purchases based on contractual instruments from the total electricity consumption for the fiscal year ended March 31, 2026, by emission factors published by the government authorities of the respective countries, or country specific emission factors published by the

International Energy Agency (IEA) that are available as of March 31, 2026.

GHG Emissions Calculation Period

GHG emissions for the fiscal year ended March 31, 2026 (April 1, 2025, to March 31, 2026) are as follows.

GHG Emissions Results

(Unit: 1,000t CO₂e)

		Fiscal year ended March 31, 2026
Scope 1 GHG emissions *1		2.32
Scope 2 GHG emissions *1	Location-based	45.50
	Market-based	6.22

*1 The GHG emissions figures are estimates as of the date of submission. The finalized figures will be published on Advantest's website around October 2026.

Integrated Report (<https://www.advantest.com/en/investors/ir-library/annual/>)

Sustainability Report (<https://www.advantest.com/en/about/sustainability/esg-related-documents/>)

b. Climate-related Transition Risks

Advantest recognizes that, at present, there are no assets or business activities that are vulnerable to climate-related transition risks during the fiscal year ended March 31, 2026. The transition risks identified by Advantest include:

- Increases in business costs associated with responding to climate-related regulations and the expanded adoption of renewable energy
- Negative impacts on sales if the energy efficiency of Advantest's products fails to meet customer requirements or is inferior to that of competitors

While Advantest expects that these risks are likely to materialize over the medium to long term and could have an impact on its business, none of them have materialized at this stage. As described in "Future Financial Impacts" in relation to these risks, due to the high degree of uncertainty associated with these risks, Advantest is currently unable to foresee which specific business activities may be affected or how such impacts may occur.

c. Climate-related Physical Risks

Advantest has identified, as assets vulnerable to climate-related physical risks, depreciable assets, such as buildings and machinery, and inventories held at its sites in Japan and Malaysia, as well as inventories stored at certain outsourced suppliers in Japan and Malaysia.

These sites are expected to face a high potential severity of damage in the event of flooding, taking into account both the likelihood of flood occurrence and the scale of assets held at the respective sites. Accordingly, Advantest has determined that the assets held at these sites are vulnerable to climate-related physical risks.

The methodology used to identify these sites and the results of such identification are consistent with the methodology and results used to identify high risk sites in the "Future Financial Impacts" section, and are based on severe flood events with return periods of 50 to 100 years.

Climate-related Physical Risks – Cross industry Metrics

	As of March 31, 2026
Carrying amount of property, plant and equipment vulnerable to physical risks (percentage of total property, plant and equipment)	9.6 billion yen (9.45%)

d. Disclosure of Climate-related Opportunities

Advantest recognizes the expansion of sales of products with superior environmental performance, such as high energy efficiency, as a climate-related opportunity. In addition, Advantest has established voluntary Green Product Criteria for its major products. Based on these criteria, products with outstanding environmental performance are certified as "Green Product," and are identified as business activities that align with climate-related opportunities.

e. Capital Expenditures and related expenditures

Climate-related risks and opportunities	Corresponding measures	Investment amount
Significant losses and the loss of business opportunities resulting from adverse impacts on logistics infrastructure and production caused by climate-related disasters	Flood prevention and mitigation measures at certain domestic sites	Approximately ¥138 million
Risk of failing to meet customer requirements for energy efficiency or being inferior to competitors, and opportunity to enhance customer trust arising from the superior energy efficiency of Advantest's products	Development of high energy efficient products (energy saving, reduced material usage, and downsizing)	Included in research and development expenses (¥78,140 million)

f. Internal Carbon Pricing

Advantest does not use an internal carbon price in its decision-making processes.

g. Remuneration

Advantest considers sustainability to be an essential element for enhancing the value provided to stakeholders and for further strengthening trust. Accordingly, Advantest has positioned the enhancement of sustainability as a key strategy under its MTP3. To encourage executives to deliver on this strategy, Advantest has incorporated sustainability-related performance indicators as secondary metrics in its performance-based share unit (PSU) compensation. Specifically, Advantest has selected five key performance indicators (KPIs) related to environmental and human capital themes from the sub strategies of MTP3 and determines the payout ratio of PSU awards based on the level of achievement of these KPIs. The baseline PSU payout linked to these KPIs is set at 10%, with an adjustment range of ± 5 percentage points, resulting in a minimum payout of 5% and a maximum payout of 15%. Of the selected KPIs, three are climate-related, and an equivalent of 6% of the PSU payout, with a fluctuation range of ± 3 percentage points, varies depending on the achievement level of these climate-related KPIs.

In addition to PSU awards, Advantest provides three other types of executive remuneration, consisting of fixed compensation (cash compensation), performance linked bonuses (cash compensation), and restricted stock (equity compensation). Due to the high level of complexity in the calculation of executive remuneration, Advantest is unable to separately identify the portions of executive remuneration recognized during the fiscal year ended March 31, 2026, that are attributable to climate-related or sustainability-related performance metrics. Of the total amount of executive remuneration (total amount of remuneration paid to Directors (excluding Audit and Supervisory Committee Members and Outside Directors)) recognized during the fiscal year ended March 31, 2026, the proportion attributable to PSU awards was 33.4%.

For further details on the executive remuneration framework, please refer to "Item 4. Status of the Company 4. Corporate Governance (4) Compensation for Members of the Board of Directors."

h. Other climate-related metrics and targets

In addition to the climate-related information described in items a. through g. above, the climate-related metrics and targets established by Advantest are as follows.

Metrics	Results for the fiscal year ended March 31, 2026	Targets (FY2026)
GHG emissions reduction rate ^{*1}	78% reduction (Estimated value as of the filing date)	65% reduction (vs. FY2018)
Renewable energy adoption rate ^{*2}	88% (Estimated value as of the filing date)	80%
Market Share of ATE products, including those with enhanced environmental performance ^{*3}	65%	58% or more

*1 A metric developed by Advantest to represent the reduction rate of Scope 1 and Scope 2 GHG emissions compared with FY2018.

This metric is calculated by dividing the difference between Scope 1 and Scope 2 emissions in FY2018 and those in the fiscal year ended March 31, 2026 by Scope 1 and Scope 2 emissions in FY2018.

*2 A metric developed by Advantest to represent the percentage of renewable energy in Advantest's total electricity consumption during the fiscal year ended March 31, 2026. This metric is calculated by dividing the total amount of renewable energy consumed at each site by total electricity consumption.

*3 A metric developed by Advantest to represent the share of Advantest's revenue in the tester market during the fiscal year ended March 31, 2026. This metric is calculated as the ratio of Advantest's semiconductor tester sales to the overall size of the

semiconductor tester market during the period. The semiconductor tester market size is estimated independently by Advantest based on certain assumptions and available information.

(3) Respect for Human Rights

Advantest recognizes the human rights of our own employees and workers in our value chain as material items that should be prioritized.

1) Governance

Advantest has established a global framework for addressing human rights issues related to its own employees, led by the Chief Human Capital Officer (CHO), along with regional-specific initiatives.

As of March 31, 2026, compliance-related risks were reported to the CCO (Chief Compliance Officer) on a timely or regular basis, and the CCO reported such risks to the Executive Management Committee and the Board of Directors. In addition, from July 2023 to March 31, 2026, the CHO concurrently served as the CCO. Accordingly, human-related risk information, including information received by the Human Rights Protection and Personnel Grievance Committee and other similar bodies, as well as compliance-related risk information, was managed under a governance structure that enabled such information to be centrally identified and monitored.

Following an organizational change effective April 1, 2026, as of the filing date, compliance-related risks are overseen by the CLO (Chief Legal Officer). Under the supervision of the CLO, material matters are reported to the Executive Management Committee and the Board of Directors.

Furthermore, the human rights policy and key measures are reviewed on a regular basis. To ensure that our business activities are conducted with due respect for human rights, not only within Advantest but also in Advantest's supply chain, Advantest incorporates human rights into its supplier selection process and trade terms, encourages its suppliers to embrace responsible corporate behaviors, and publishes a Supply Chain CSR Guidebook, which was developed based on the "Supply Chain CSR Promotion Guidebook" issued by the Japan Electronics and Information Technology Industries Association (JEITA) and the Code of Conduct of the Responsible Business Alliance (RBA), aiming to comply with international standards on human rights and labor together with our suppliers. Under the leadership of the CSCO (Chief Supply Chain Officer), Advantest has established a global framework for respecting human rights and promoting fair trade within the supply chain, as well as regional-specific initiatives.

With the appointment of its new Group CEO in April 2024, Advantest has once again reviewed the Advantest Group Human Rights Policy based on these international norms. In revising the policy, Advantest interviewed not only relevant departments within the group, including the labor union, but also external human rights experts and other stakeholders and updated the policy based on their opinions and advice. The revised policy was then deliberated and approved by the Executive Management Committee.

2) Strategy

As a global semiconductor business provider, Advantest recognizes that respect for the human rights of people all around the world is essential for its business to achieve sustainable growth. This recognition is clearly articulated in “The Advantest Way.” Advantest supports and respects internationally recognized human rights principles, including the ten principles of the United Nations Global Compact, the Universal Declaration of Human Rights, and the Guiding Principles on Business and Human Rights (UNGPR), and is committed to making these standards of conduct the foundation of its business activities.

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

In addition, we comply with the laws and regulations regarding human rights in each country and region in which we operate, while also working with the legal department.

The following is Advantest Group Human Rights Policy, which is part of its broader human rights initiatives.

a. Advantest Group Human Rights Policy

Advantest contributes to the safety, security, and comfort of humanity by “Enabling Leading-Edge Technologies.” We recognize that the human rights of all the people we touch must be protected in our global business activities. This is stipulated in “The Advantest Way,” the Advantest’s code of ethics, and this Advantest Group Human Rights Policy (hereinafter “this policy”) expresses the Advantest’s responsibility to respect human rights, based on “The Advantest Way.”

1. Respect for international norms

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

2. Responsibility to respect human rights

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

3. Scope of application

This policy applies to Advantest officers and all employees (including full-time employees, contract employees, and temporary employees). We also encourage our suppliers and other business partners to align their business activities with this policy.

4. Compliance with applicable laws and regulations

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

5. Human rights due diligence

We continue to build and implement due diligence mechanisms to address any actual or potential adverse impact of our business activities on human rights, continually assess and identify human rights risks, and work to prevent / mitigate any adverse impacts on human rights.

6. Education

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

7. Disclosure of information

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

8. Dialogue / discussion

We appropriately address top-priority issues related to human rights as the separately defined “Advantest Priority Issues Related to Human Rights,” based on this policy. Furthermore, if any adverse impact on human rights caused by our suppliers, business partners, etc. is directly connected to the Advantest's business activities, we dialogue and consult with the other party to encourage them to respect human rights and avoid violations. We are aware that our priority issues need to be reviewed as appropriate through dialogue and consultation with stakeholders to reflect changes in social and business trends.

9. Access to Remediation

We ensure access to remediation to effectively prevent / remedy human rights violations. We allow anyone, including employees, suppliers, and other external stakeholders, to report violations anonymously through our compliance hotline. We also ensure that whistleblowers are not disadvantaged nor subjected to retaliation for making a report.

b. Advantest Priority Issues Related to Human Rights

Based on their relevance to our business, Advantest is focusing on the following six human rights issues.

Advantest has begun implementing human rights due diligence in various ways to assess and identify human rights risks and prevent and mitigate adverse impacts on human rights in relation to these priority issues.

1. Elimination of discrimination

We respect the human rights of each individual, and do not discriminate based on race, beliefs, gender, age, nationality, ethnicity, religion, social status, physical disability, illness, sexual orientation, or any other factor.

2. Prohibition of child labor and forced labor

We do not employ children under the minimum age of employment stipulated by law, and do not engage in forced labor, slave labor or human trafficking, as prohibited by law.

3. Respect for basic labor rights

We aim to build a solid relationship of trust with employees through sincere labor-management communication, and cooperation so that employees can grow together with the company. We respect the principle of freedom of association and basic labor rights such as the right to organize and the right to collective bargaining.

4. Fair wages and management of working hours

We manage the working hours of our employees appropriately and pay appropriate wages in accordance with the laws and regulations of each country and region. In addition, wage payments are determined exclusively on the basis of objective criteria such as employee performance, work history, and working hours.

5. Safe working environment and health management

We strive to maintain a comfortable working environment that ensures the safety and healthy growth of employees, and support their individual development.

6. Prohibition of discriminatory behavior, violence, and harassment

We do not engage in any discriminatory behavior, violence, sexual harassment, power harassment, slander, or other acts that damage the dignity of an individual.

3) Risk Management

The group-wide risk management system is described in “3. Risk Factors (1) Risk Management at Advantest,” and risks related to human rights are also managed within this system. In addition, in order to understand whether Advantest’s business activities have adverse impacts on people, including stakeholders in its supply chain, Advantest has adopted the below assessment mechanism set forth below to identify and evaluate human rights risks and to prevent and mitigate them. Advantest has set up a common global Corporate Ethics designed so that those facing human rights issues or concerns can report to and consult with its Corporate Ethics Office. We have adopted a system that allows anonymous reports and consultations, which are enabled in 16 major languages. Posters with QR codes have also been posted at each business location for reporting and consultation via mobile devices such as 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, Advantest has established an external law firm (lawyer) as a contact point, in order to make it easier for its employees to consult with or report to the helpline. The helpline and

contact point can also be used from overseas, and links are available on the Global Intranet page.

Moreover, in Japan, Advantest has established a Human Rights Protection and Personnel Mediation Committee together with the labor union to oversee consultations about domestic human rights issues. 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.

4) Metrics and Goals

Human rights indicators are listed under “(1) Sustainability in general 5) Metrics and Goals.”

In order to determine whether Advantest's human rights initiatives meet internationally recognized standards, Advantest actively participates in assessments conducted by external sustainability organizations. Starting in FY2023, Advantest has responded to the self-assessment conducted by EcoVadis. The self-assessment comprehensively evaluates a company's sustainability across four themes: ‘Environment,’ ‘Labor and Human Rights,’ ‘Ethics,’ and ‘Sustainable Procurement.’ Many global companies refer to this evaluation as an important criterion in their supplier selection process.

(4) Human Capital

1) Governance

In 2022, Advantest established the position of Chief Human Capital Officer (CHO) and has put in place a system to address common global human capital issues and individual regional human capital issues, with the CHO at the helm. The authority to make decisions on matters related to human capital is stipulated in its Global Organization and Authorization Rules, and the CHO's decision or prior approval is required for important matters, with reports to the Board of Directors as appropriate, to ensure governance that considers the entire Advantest.

2) Strategy

As mentioned above, in order to continue to be a company that embodies its Purpose & Mission of “Enabling Leading-Edge Technologies,” Advantest has formulated a mid- to long-term management policy, its “Grand Design,” and is addressing strategic issues to achieve its goals.

As a prerequisite for this, it is essential to develop and fortify Advantest's human capital, R&D capital, manufacturing capital, customer relationship capital and other intangible assets. Human capital is the foundation of these. Therefore, Advantest's personnel strategy must be closely linked to its management strategy. Advantest promotes a variety of initiatives that focus on both “individual strength” and “organizational strength”, the two wheels needed to enhance the overall value of human capital. To enhance “individual strength,” Advantest will put more effort into developing the abilities of its employees, and at the same time strive to secure necessary human capital through measures such as improving recruitment and enhancing retention programs. To enhance “organizational strength,” Advantest is working to improve employee engagement and to retain and promote the active participation of diverse human resources. Furthermore, as a link between these two “wheels,” Advantest continues to optimize its personnel system as necessary to embody its management philosophy.

The Basic Policy Regarding Human Capital Development and Internal Environment Development Policy, which are part of Advantest's human capital strategy, are as follows.

a. Basic Policy Regarding Human Capital Development

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, which 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 encourage all employees to enhance the skills required to advance their careers within the Advantest Development Framework, and provide them with the necessary resources.

b. Internal Environment Development Policy

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 an increase in 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 that 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 employees 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 Advantest’s 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 environment that provides the necessary resources and support for employees to enhance their remote work environments.

3) Risk Management

The group-wide risk management system is described in “3. Risk Factors (1) Risk Management at Advantest,” and risks related to human capital are also managed within this system. In addition, risk management related to human rights is described in “(3) Respect for Human Rights 3) Risk Management.”

4) Metrics and Goals

Metrics related to human capital are included in “(1) Sustainability in general 5) Metrics and Goals.”

(Reference) Initiatives of Advantest

• Initiatives for Human Resource Development

Based on its “Basic Policy Regarding Human Capital Development” and “Internal Environment Development Policy,” Advantest has established a strategy called the “Advantest Employee Lifecycle,” which ensures that employees receive consistent support at every stage of their career with us. This lifecycle ensures that individual growth and the Advantest’s business objectives are aligned, as each employee receives support at every stage of their career. As part of the “Advantest Employee Lifecycle,” we have established the “Advantest Development Framework,” which outlines the skills required for career advancement for all employees, and we are promoting various development initiatives in accordance with this framework.

To implement the “Advantest Development Framework” globally, we are promoting “Leading with INTEGRITY,” a unified global training program for new managers across all locations, including our overseas offices. Starting in 2025, we incorporated a “Mini MBA” into the global new manager training program to help managers acquire diverse management skills, with nearly 100 new managers participating.

The second edition of “RAKUICHI,” an internal networking event launched in 2024, was held in 2025. For the second event, the scale of exhibitors was significantly expanded, successfully fostering active interaction among employees, particularly engineers. Poster sessions on various themes were held, and the event at the Gunma R&D Center attracted a total of over 1,000 participants.

As a result, Advantest’s education and training expenses for the FY2025 totaled 0.81 billion yen.

• Efforts to improve employee engagement

Advantest conducted an engagement survey in 2024, the first since 2021. As a result, the score improved from 3.64 to 3.76, and the percentage of engaged employees increased from 26% to 32%. In addition, the number of nominations for “The INTEGRITY Award,” which recognizes employees who have demonstrated outstanding behavior in line with “INTEGRITY” and contributed significantly to the transformation of the corporate culture, increased significantly from 465 in FY2024 to 590 in FY2025.

Currently, Advantest has been continuing initiatives such as “INTEGRITY” workshops to establish “The Advantest Way” and the Core Value of “INTEGRITY” as part of its corporate culture, “Leading with INTEGRITY” workshops focused on leadership for managers, and “The INTEGRITY Award.” Additionally, based on the trend that organizations with lower manager engagement scores tend to have lower overall engagement, Advantest plans to implement new initiatives targeted at managers.

Advantest’s Initiatives to increase female managers ratio and usage rate of childcare leave by males are described in “Item 1. Company Overview 5. Status of Employees and Others.”

3. Risk Factors

(1) Risk management at Advantest

1) Positioning of Risk Management

As noted earlier in this report, 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 complexity of semiconductors.

At the same time, uncertainty has become the norm in the business environment surrounding Advantest, driven by factors such as accelerated technological innovation, the globalization of business operations, changes in geopolitical and regulatory environments, and increasingly sophisticated ESG expectations from society.

Under these circumstances, Advantest positions risk management not merely as a means of identifying risks or preventing misconduct, but as a foundation for enhancing the quality of management decision-making and supporting business continuity and medium- to long-term value creation.

2) Approach to Risk Management

Advantest defines as risk factors those uncertainties that may hinder the realization of its corporate vision: “Be the most trusted and valued test solution company in the semiconductor value chain.” Advantest seeks to enhance corporate value over the medium- to long-term by mitigating such risks.

Advantest takes a strict stance and maintains a zero-tolerance approach toward conduct that violates applicable laws and regulations or conflicts with its corporate philosophy, “The Advantest Way,” as such conduct may impair Advantest’s fundamental value foundation. On the other hand, with respect to risks that contribute to the achievement of strategic objectives and value creation, Advantest places importance on translating stakeholder expectations into growth initiatives through deliberations at the Executive Management Committee, while taking into account acceptable risk levels, in order to realize Advantest’s corporate vision.

3) Risk Governance

With respect to risks that may have a significant impact on Advantest’s management, the Executive Management Committee continuously monitors response policies and the status of related actions, with Senior Executive Officers being directly involved as part of discussions on the direction of key strategies and cross-functional initiatives.

With respect to risks related to the execution of business at the unit-level (each corporate function, business division, and major overseas site), each unit implements risk management tailored to its business characteristics and operating environment, and the status of such activities is monitored by the Internal Control Committee from a group-wide perspective.

Furthermore, matters determined to be of high importance are reported to the Board of Directors, as necessary, and are addressed appropriately under its oversight.

(a) Group-wide Risk Management

Advantest seeks to broadly identify major risks across a wide range—from changes in the macroeconomic and market environments to responses to country-specific laws and regulations, and from the short-term to the long-term—through a two-way approach linking value creation strategies and key risks affecting corporate value. These risks are regularly reviewed at the Executive Management Committee and other relevant meetings. For each risk, a response policy and the party responsible for the response are defined. In addition, in accordance with the established response policies, Advantest’s responsible departments agilely implement risk mitigation measures, and the Executive Management Committee continuously monitors the progress of such measures.

(b) Unit-level Risk Management

Based on the mid-term management plan and the status of business progress, each unit formulates annual business targets, identifies factors that may hinder the achievement of such targets as unit level risks, and seeks to mitigate those risks. Each unit reports the status of its risk management activities to the Internal Control Committee twice a year. Upon reviewing such reports, the Internal Control Committee provides feedback and proposes improvements, as necessary.

(c) Emergency Risk Response

Advantest has established a framework under which, when urgent matters arise, the Crisis Management Group ensures business continuity through prompt and agile responses. Through this framework, Advantest seeks to reduce its own losses and minimize impacts on stakeholders.

While Advantest conducts risk management under the structure described above, the business environment surrounding Advantest is becoming more complex and uncertain than ever before, against the backdrop of global political and economic trends, geopolitical risks, and policy and regulatory trends in various countries. In light of these circumstances, Advantest will further enhance its risk management framework by strengthening its readiness to respond promptly in the event of a crisis and, from the perspective of business continuity, by safeguarding critical management resources such as its financial base, human capital, intellectual property, and supply chain.

(2) Risks Related to Advantest’s Business

1) Risk Universe

Advantest has established a “Risk Universe,” which comprehensively organizes risk factors that may hinder the realization of its corporate vision. The Risk Universe is formulated based on information such as macroeconomic conditions, industry trends, laws and regulations, and stakeholder expectations, and systematically organizes the risks recognized by Advantest, regardless of whether such risks arise from internal or external factors. In addition, in light of the rapidly changing business environment, Advantest includes in its Risk Universe extreme risks—events that are currently considered to have a low probability of occurrence in the short-term but may have a significant impact should they materialize—and seeks to strengthen preparedness for such events.

1. Strategic Risk				
a. Market Fluctuations	b. Trust from Customers	c. Politics & Geopolitics	d. Growth Investments	e. Customer Portfolio
2. Operational Risk		3. Financial Risk		4. Legal, Compliance, Group Governance, and Intellectual Property Rights Risk
a. Information Security & Operational Efficiency	b. Supply Chain	c. Product Lifecycle	d. Own Business Continuity	e. Human Capital
		a. Foreign Exchange Fluctuations		b. Credit Ratings
		c. Taxation		
				a. Human Rights, Harassment & DEI *
				b. Ethics & Compliance
				c. Responsible Operations
				d. Trade Compliance
				e. Group Governance & Internal Control
				f. Intellectual Property Rights
				g. Litigation

*Diversity, Equity & Inclusion

2) Disclosure Approach

In this “(2) Risks related to Advantest’s business” section, based on the Risk Universe, Advantest discloses principal risks that may have a significant impact on investors’ decision-making.

For each risk, the time horizon in which the risk is most likely to materialize is categorized as short-term, medium-term, or long-term, and the level of impact is assessed taking into account the potential impact on Advantest’s financial position, operating results and cash flows, should that risk materialize. As a result of this assessment, risks that are considered likely to materialize in the short- or medium-term and that may have a significant impact on Advantest’s financial position, operating results and cash flows upon materialization are marked with an asterisk (*).

The risks described below do not necessarily cover all risks to which Advantest is exposed, and the order in which such risks are described does not indicate the likelihood of occurrence or the degree of importance. Forward-looking statements in this section are based on the judgments of Advantest as of the end of the current consolidated fiscal year.

3) Risk Factors

The principal risks that may affect Advantest’s financial position, operating results and cash flows are as follows:

1. Strategic Risk

a. Market Fluctuations *

Potential significant impact on current and future business performance due to fluctuations in semiconductor capital expenditure levels

As Advantest serves semiconductor-related companies worldwide, its business is directly exposed to fluctuations in capital expenditure levels across the semiconductor industry. Semiconductor demand fluctuates in accordance with trends in demand for end products, the pace of technological advancement, global economic conditions, geopolitical factors, and other related factors. In addition, the level of capital expenditures in the semiconductor industry is influenced by a wide range of factors, including future outlooks for semiconductor supply-demand balance, technological competition among semiconductor manufacturers, and their business strategies. As a result, semiconductor capital expenditures tend to be highly fluid, with the timing and scale often deviating from initial plans, which increases uncertainty in the business environment for semiconductor production equipment manufacturers such as Advantest.

Under such circumstances, if semiconductor demand slows, customers may postpone capital expenditures, which could adversely affect Advantest's business performance. If market conditions deteriorate rapidly and substantially, customer capital expenditures may be curtailed and, at the same time, the risk of not being able to recover trade receivables may increase. On the other hand, during periods of rapid expansion in the semiconductor market, if Advantest's ability to supply products and services fails to keep pace with growing demand, missed sales opportunities and a decline in customer trust may occur, which could also adversely affect Advantest's business performance.

Risk Mitigation Measures

Advantest mitigates the impact of fluctuations in the semiconductor and related equipment markets through the development of a product portfolio that covers semiconductor testing demand from the development phase through the mass production phase, as well as the strengthening of its service business, including recurring revenue offerings.

In addition, Advantest works to enhance its ability to respond to market fluctuations by continuously monitoring semiconductor market trends, technology trends, and outlooks for demand for test equipment. Based on these factors, Advantest also flexibly optimizes the allocation of service engineers and R&D engineers. Furthermore, Advantest continues to improve its sales processes, supply chain management, and coordination between sales and production through the utilization of digital tools. In addition, Advantest works to appropriately manage customer credit risk and risks related to the recovery of trade receivables.

Moreover, to enhance its supply responsiveness in the event of a sharp increase in demand for its products and based on medium- to long-term demand growth outlooks, Advantest undertakes initiatives, including maintaining strategic inventory buffers and steadily expanding production capacity.

From a financial perspective, based on a business environment in which fluctuations in the semiconductor and equipment markets may materialize in a complex manner over a short period, Advantest works on a routine basis to strengthen downside resilience in business performance during semiconductor market downturns and to ensure financial soundness by increasing the proportion of variable costs in its cost structure, entering into financing facilities agreements, and improving the cash conversion cycle.

b. Trust from Customers *

If Advantest's customer responsiveness fails to meet customers' expected levels, there is a risk that trust in Advantest may decline, which could restrict the continuation of business relationships and the acquisition of growth opportunities.

The semiconductor manufacturing equipment market in which Advantest operates is characterized by rapid technological innovation, and customers require not only strong technical responsiveness and development speed, but also stable service capabilities during the mass-production ramp-up of customers' new devices as well as a continuous service framework after installation. Under such circumstances, there is a risk that customer evaluations and trust may decline, if Advantest is unable to timely provide products and services that sufficiently meet customer expectations, if services supporting the mass-production ramp-up of customers' new devices do not operate as planned, or if post-sales service cannot be provided sufficiently.

If insufficient customer trust persists over the long-term, it may become difficult to continue or expand transactions with existing customers, and Advantest's products and solutions may be less likely to be adopted by customers for new projects or next-generation technology areas. As a result, the maintenance or expansion of Advantest's market share may be constrained, which could adversely affect Advantest's business and business performance.

Advantest's principal competitors in the semiconductor tester market include Teradyne, Inc., Hangzhou Changchuan

Technology Co., Ltd. (CCTech), Beijing Huafeng Test & Control Technology Co., Ltd. (Accotest), YC Corp., Cohu, Inc., UniTest Co., Ltd. and EXICON Ltd. Advantest competes in test handlers with companies such as Hon. Precision, Inc., Hangzhou Changchuan Technology Co., Ltd. (CCTech), Cohu, Inc. and TechWing, Inc., and in device interfaces with companies such as TSE Co., Ltd., Inchange Semiconductor Company Limited (ISC) and BeLINK Co., Ltd.

Risk Mitigation Measures

As a foundation for maintaining and enhancing trust from customers, Advantest works to strengthen its technical understanding and customer responsiveness. Specifically, by engaging in opportunities for technical information exchange with key customers regarding future test solutions, Advantest seeks to gain insight into next-generation semiconductor technologies, product specifications, future customer challenges, and test solutions to address such challenges. In addition, by advancing fundamental research into elemental technologies from a long-term perspective while concurrently developing mass-production technologies for Advantest's next products, Advantest is strengthening its ability to timely deliver products and solutions that meet customer expectations.

In order to enhance customer responsiveness, it is essential both to cultivate the ability to more accurately capture customer needs and to implement the ability to translate such needs into solution proposals. Accordingly, Advantest provides facilitation-skill enhancement training to system application engineers (SAEs), who are required to maintain the closest engagement with customers, and promotes the enhancement of customer responsiveness and product development capabilities using AI.

Through these initiatives, Advantest has begun to demonstrate the value of its test solutions to customers, centered on semiconductor testers across a broader range of the semiconductor value chain than ever before. As a recent example, Advantest has commenced the provision of the innovative solution "SiConic™," which automates silicon validation. In addition, through collaboration and technical partnerships with external partners such as probe card manufacturers and prober manufacturers, Advantest is working to develop new products and solutions that address customer challenges, while also enhancing its service offerings.

Through initiatives to expand these products and solutions, Advantest aims to contribute more extensively to improving the quality and reliability of customer products and enhancing productivity in customers' design and manufacturing operations, and continues to aim to be the company that earns the deepest trust from customers in the industry.

c. Politics & Geopolitics *

There is a risk that changes in regulatory environments in various countries, driven by geopolitical tensions and economic security considerations, may impose constraints on Advantest's business activities, including procurement, manufacturing, and sales.

Advantest conducts business activities worldwide, including the procurement of materials, the manufacture of products, and sales and maintenance services, and the execution of such activities is affected by political and economic conditions and regulatory environments in each country and region. In particular, as the semiconductor manufacturing equipment business relies on international supply chains, changes in the geopolitical environment tend to have a relatively significant impact on business activities.

In recent years, amid rising global geopolitical tensions, the occurrence of regional conflicts, and the strengthening of policies emphasizing economic security, major countries have increasingly tightened export control regulations, investment regulations, and controls on advanced technologies. Semiconductor manufacturing equipment and related technologies handled by Advantest may also become subject to regulations influenced by industrial policies and national security in various countries, and changes in such regulations or policy trends could adversely affect Advantest's business operations, business performance, and financial condition. Such risks may materialize through, for example, the following events:

- Restrictions or prohibitions, pursuant to applicable laws and regulations, on the provision of products, technologies, or maintenance services to specific countries or regions.
- Increases in procurement costs or delays or suspensions in supply due to political instability, trade restrictions, or other external factors at suppliers of raw materials or key components.
- The implementation by authorities in various countries of investment restrictions, tightened reviews of acquisitions or equity investments, increases in tariffs, or institutional changes that affect local business operations.

Risk Mitigation Measures

In preparation for potential changes in regulatory environments related to trade, investment, and technology management in various countries arising from increasing geopolitical risks, Advantest appropriately identifies the impact on its business activities and/or takes necessary measures.

Specifically, Advantest continuously monitors geopolitical trends by utilizing reliable information sources regarding trends related to tariffs, export control regulations, economic sanctions, and related regulatory developments. In addition, to assess the impact of geopolitical risks on its business in a multi-faceted manner, Advantest conducts scenario analyses that take into account region-specific risks and evaluates their impact on business activities.

Furthermore, through participation in industry associations and expert committees, Advantest gathers information and exchanges views on policy trends and regulatory discussions surrounding the semiconductor industry, and undertakes initiatives aimed at avoiding excessive regulations on the semiconductor industry and mitigating their impact.

d. Growth Investments

There is a risk that the outcomes anticipated from growth investments may not be sufficiently realized, which could constrain the enhancement of corporate value over the medium- to long-term.

In the semiconductor market, initiatives to improve device performance and optimize cost performance are progressing rapidly through measures such as increased design scale, improved manufacturing precision, and greater sophistication of device structures. In addition, semiconductor manufacturers are actively undertaking investments to expand production capacity.

In such a rapidly changing environment, Advantest continuously implements tangible and intangible growth investments, including research and development and the enhancement of customer responsiveness capabilities such as product shipment and delivery capacity, to respond proactively to future industry trends and changes in customer testing needs. However, if Advantest is unable to accurately forecast and respond to industry directions, or to provide test and measurement solutions that are valuable to customers at the times and in the volumes they require, Advantest's competitiveness may decline. Furthermore, if such circumstances persist, intensified price competition and a decrease in sales opportunities for products and solutions may occur, and past investments may not be recoverable, or may require a longer period than initially anticipated to recover. In such cases, the relevant assets may become subject to impairment, which could adversely affect Advantest's profitability.

In addition, growth investments undertaken by Advantest include corporate acquisitions and capital and business alliances. However, with respect to such investment decisions, there is a possibility that the business or technological synergies initially anticipated may not be realized as expected. With respect to goodwill and intangible assets arising from corporate acquisitions, if discount rates increase due to various factors, including interest rate hikes, or if expected synergies cannot be achieved, impairment losses may be recognized.

Risk Mitigation Measures

Through communication with technology-leading companies in the industry and experts, Advantest seeks to understand the direction of technologies or business portfolios, business models, and operating models that Advantest should possess going forward. In addition, based on the insights obtained, Advantest undertakes initiatives to expand its businesses and revenue sources and thereby supports its medium- to long-term and sustainable growth. These initiatives include advancing its solution portfolio under the strategic theme of "Automation of Test," realizing growth opportunities in adjacent markets, and exploring new semiconductor related business domains.

In addition, by establishing discipline in the investment decision-making process, Advantest seeks to improve the accuracy of investment planning and reduce investment risks. In particular, research and development investments are critical investments that influence future business growth potential and profitability. Advantest works to improve R&D investment returns and mitigate risks through the formulation of product roadmaps that meet customer needs and corresponding formulation of workforce plans, the improvement of development efficiency through product platform strategy, and the forecasting and evaluation of investment effectiveness based on ROIC. With respect to corporate acquisitions and capital and business alliances, Advantest also makes investment decisions after comprehensively considering factors such as projected investment effectiveness, the technological advantages of the target companies, alignment with Advantest's core competencies, and compatibility of corporate cultures.

e. Customer Portfolio *

There is a risk that changes in investment decisions or business relationships of major customers may have a significant impact on Advantest's business performance, as a small number of top customers account for a substantial portion of net sales.

Due to the characteristics of the semiconductor manufacturing equipment market and the results of past sales efforts, Advantest's net sales are structured such that a relatively high proportion is attributable to specific major customers. The top five customers accounted for approximately 48% of total consolidated net sales in the previous consolidated fiscal year and

approximately 50% in the current consolidated fiscal year. Under such circumstances, net sales are highly concentrated among a small number of top customers. As a result, changes in individual customers' business conditions or purchasing policies may, in some cases, have a greater impact on Advantest's financial performance than changes in overall market conditions. Accordingly, if changes occur in the business strategies or capital investment plans of major customers, or if business relationships with major customers are reduced or terminated, the impact on Advantest's business performance may materialize over a short period of time.

In addition, in the semiconductor industry, building relationships with a diverse range of players involved in the creation of markets for next-generation technologies and next-generation devices is important for securing medium- to long-term growth opportunities. If Advantest is unable to sufficiently establish collaboration with such external parties or access relevant information, its involvement in promising future customers or business opportunities may be limited, making it difficult to establish competitive advantages over the medium- to long-term.

Risk Mitigation Measures

To mitigate the risk of performance volatility arising from its customer portfolio, Advantest works to diversify revenue opportunities and achieve stable revenue growth by further strengthening relationships with existing customers, and by enhancing access to future growth opportunities.

Specifically, to further increase customer satisfaction, Advantest enhances its understanding of each customer's medium- to long-term technology trends, business strategies, and capital investment plans through ongoing dialogue, and provides appropriate responses based on such understanding. In addition, from the perspective of supporting the growth of a diverse range of customers regardless of scale, Advantest establishes service structures, including dedicated teams, not only for existing customers but also for future key customers. Through the provision of tailored services aligned with the specific challenges and needs of each customer, Advantest works to enhance customer trust. Furthermore, to expand its customer base, Advantest has strengthened the local operations of its subsidiaries in markets expected to grow, such as India. In addition, in certain regions, Advantest broadens access to promising customers and new growth opportunities through strategic alliances with external partners.

2. Operational Risk

a. Information Security and Operational Efficiency *

Within Advantest, IT constitutes the foundation of business operations. If IT systems and related business operations fail to maintain sufficient accuracy, availability, stability, and security, Advantest's competitiveness, business performance, and credibility could be adversely affected. Specifically, Advantest's business operations may be disrupted by the following events:

- Cyberattacks, infrastructure failures, or IT outages that suspend or degrade core systems or major cloud services, leading to interruptions in order processing, production, shipment, and billing and collection, which may result in delivery delays, decreased sales, and increased recovery costs.
- Unauthorized removal or leakage of Advantest's technical information, intellectual property, or customer information due to misconduct or errors by former or current employees, cyberattacks, or other similar incidents.
- Delays in IT systems or software updates, or in the utilization of AI technologies, which may hinder sufficient progress in improving business process efficiency. In addition, the use of AI technologies may give rise to evolving risks.

Risk Mitigation Measures

Advantest works to strengthen information security measures on a regular basis and to further improve operational efficiency through the digitalization of its business operations.

With respect to the strengthening of information security and IT infrastructure, Advantest has established an information security management system and regularly reviews the status of risk management, compliance with laws and regulations, and the implementation of internal rules. In addition, to prepare for serious cyberattacks and infrastructure failures, Advantest implements proactive management of its IT systems and has established a global security monitoring framework designed to prevent disruptions to business operations or minimize their impact in the event of an incident.

In an effort to address cyberattack risks, Advantest implements security measures designed to strengthen threat detection through continuous monitoring and enhance information security awareness among management and employees through regular training. At the same time, Advantest has established the Advantest CSIRT* and has put in place initial response procedures for information security incidents. Advantest implements measures designed to maintain business continuity and the stability of business operations, including by identifying core processes and related IT systems and promoting the establishment of mechanisms designed to enable the continuation of business operations in the event of system failures, as

well as the use of alternative IT systems and tools.

Following the cybersecurity incident in February 2026, Advantest implemented certain measures to strengthen its security. In addition, Advantest is advancing a broader enhancement of its cybersecurity framework. This includes the review, refinement, and acceleration of its security roadmap, incorporating lessons learned from the incident as well as insights from external experts. Advantest is implementing measures designed to strengthen its capabilities across prevention, detection, and response, with a focus on improving the timeliness, accuracy, and effectiveness of these measures. Key priority areas include network security, identity and access management, endpoint protection, cloud and application security, and security operations. Through these initiatives, Advantest aims to enhance the resilience of its information security framework, support stable and continuous business operations, and maintain the trust of its customers and other stakeholders.

Like many other technologies, AI is believed to offer significant benefits to society. Advantest aims to contribute to the development of a sustainable society by implementing measures designed to improve its own operational efficiency through the effective use of AI, thereby further supporting the innovation of its customers. At the same time, Advantest recognizes that the use of AI may introduce inherent risks, including potentially biased outputs, inaccurate or misleading information, and risks related to data privacy and over-reliance on automated decision-making. To address these risks, Advantest has established governance frameworks and usage guidelines for AI in line with its AI policy. Under these frameworks, Advantest promotes the appropriate and responsible use of AI technologies, while ensuring compliance with applicable laws and regulations, as well as internal policies governing data management. In addition, Advantest implements programs designed to incorporate ethical considerations and human oversight into the development and use of AI. Through these efforts, Advantest aims not only to enhance operational efficiency but also to ensure that its AI initiatives contribute positively to society and maintain the trust of its stakeholders.

*CSIRT: Computer Security Incident Response Team

b. Supply Chain *

To provide products in a timely manner, Advantest organizes its supply chain by collaborating with suppliers and outsourced partners across processes ranging from the procurement of components and materials to product manufacturing and logistics. If sufficient stability and flexibility are not ensured within Advantest's supply chain, there is a risk that this may adversely affect Advantest's business operations, competitiveness, and business performance. Specifically, such risks may materialize through events such as the following:

- Delays or interruptions in product supply due to an inability to secure necessary parts, materials, production space, or workforce, arising from supply chain disruptions caused by natural disasters, deterioration in suppliers' business conditions, logistical bottlenecks or disruptions, or a sudden surge in demand exceeding Advantest's or its suppliers' supply capacity.
- Excess inventory or obsolescence arising from mismatches between demand for Advantest's products and Advantest's production and procurement plans.
- Supply disruptions or the suspension of business transactions arising from human rights, environmental, or compliance issues within the supply chain.

Risk Mitigation Measures

In preparation for supply interruptions or disruptions at key suppliers, Advantest reviews the business continuity plans (BCPs) of important suppliers, examines alternative supply routes in the event of emergencies, and has put in place protocols for communication and information sharing. In addition, through global optimization of the supply chain, including diversification, Advantest is implementing initiatives to enhance supply chain resilience across the entire group, including efforts to support suppliers in strengthening product supply capacity.

Furthermore, to stabilize the lead time for Advantest's products, Advantest advances demand forecasting, production and procurement planning, and appropriate inventory level management through collaboration among relevant departments, in addition to expanding production capacity. Moreover, for certain materials and components, Advantest has entered into long-term procurement contracts to stabilize sourcing and secures intermediate products through measures such as maintaining inventories of wafers that have undergone front-end processing ("die banks"), thereby seeking to improve supply stability.

Advantest recognizes that human rights, environmental matters, and compliance issues within the supply chain may affect its business operations. Therefore, Advantest communicates its policies to suppliers and, where necessary, requests improvements and engages in dialogue, thereby seeking to mitigate risks such as procurement disruptions and the suspension of business relationships.

c. Product Lifecycle

As part of its business operation, Advantest manages a series of product lifecycle processes, including the planning and development of products that respond to future market and customer needs, improvements to existing products, and product quality management. If these initiatives do not function effectively, there is a risk that product competitiveness and profitability may decline, which could adversely affect Advantest's business and business performance. Specifically, such risks may materialize through the following events:

- Delays in or failure to launch next-generation products with the performance and functions required by customers, due to a lack of understanding of market and customer insights or insufficient cross-organizational collaboration.
- Development delays arising from an inability to secure sufficient development resources to meet customer requirements, national laws and regulations, and various directives, or a loss of product competitiveness due to competitors gaining a technological lead.
- Declines in profitability due to inappropriate pricing in light of market trends, the competitive environment, manufacturing costs, and development costs.
- Product performance, quality, or reliability fails to meet customer requirements, or product defects occur, and losses are not adequately covered by product liability insurance, resulting in shipment suspensions, delivery delays, accidents, increased customer-related costs, or claims for damages.

Risk Mitigation Measures

To mitigate the risk of declining competitiveness and deteriorating profitability arising from product lifecycle management, Advantest works to strengthen the series of processes spanning product planning based on accurate understanding of market and customer needs, research and development, mass production, and quality management.

Specifically, through dialogue with customers, Advantest works to continuously identify current and future market trends, customer needs, and the competitive environment, and, based on such information, promotes the establishment of its research and development operations and the securing of human capital and skills over the medium- to long-term. As described in 6. Research and Development Activities of this Annual Securities Report and Business Report, Advantest promotes research and development activities across a wide range of fields, and by periodically reviewing medium- to long-term research and development themes, Advantest seeks to consistently and timely bring high value-added next-generation products to the market.

In addition, Advantest ensures profitability throughout the entire product lifecycle by setting prices in consideration of the market, competition and costs, while aligning demand forecasts with production and procurement plans, and promoting appropriate inventory management.

Furthermore, to ensure product safety and reliability, Advantest operates project management methodologies such as stage-gate systems and conducts regular development reviews, including quality assessments, at each development phase. In addition, during the production process, Advantest performs various quality inspections and strives to stabilize product quality through cross-checks by quality assurance teams.

d. Own Business Continuity *

Serious accidents, natural disasters, or other crisis events could disrupt business continuity and adversely affect Advantest's business performance and credibility. Specifically, such risks may materialize through events such as the following:

- Delays or failures in initial response and recovery due to insufficient BCPs or inadequate emergency command and response structures, resulting in operational stoppages or confusion in dealing with relevant authorities and customers.
- Failures of asset protection and management systems, as well as the chain of command, at Advantest's premises during crisis events, thereby hindering operations and business continuity.
- Unclear responsibilities and response frameworks for ensuring the safety of officers and employees during crises, leading to delayed initial responses, information confusion, personal safety risks, and prolonged operational stoppages.

Risk Mitigation Measures

To mitigate the impact of crisis events such as serious accidents and natural disasters on business operations, Advantest seeks to enhance its crisis response capabilities through the establishment and implementation of BCPs and business continuity management.

Specifically, Advantest clarifies crisis response procedures and command and control structures at each site and establishes procedures that enable smooth initial response, recovery response, and continuation of operations. In addition, Advantest has put in place procedures for protection and appropriate handling of its assets aiming to minimize impacts even

if operational suspensions or business interruption occur. Furthermore, positioning the safety of officers and employees as a top priority, Advantest clarifies responsibility structures and, through training and verification activities, works to prevent delays in response and information confusion at the time of crisis events, resulting in the mitigation of impacts on business operations and credibility.

e. Human Capital *

The development and deployment of required talent, as well as the continuity of the management structure, are critical elements in the execution of business strategies and the maintenance and enhancement of competitiveness. Failure of initiatives related to human capital to function sufficiently could adversely affect Advantest's competitiveness and business performance. Specifically, such risks may materialize through events such as the following:

- The development, retention and reskilling of talent do not progress sufficiently, leading to a decline in innovation capacity, labor productivity and employee engagement.
- Unexpected absences of senior management or key executives, or deficiencies in succession planning, compromise management stability and the continuity of decision-making.
- Difficulties in talent acquisition or inadequate workforce planning prevent the appropriate allocation of talent to growth areas, resulting in a decline in competitiveness and labor productivity.

Risk Mitigation Measures

To mitigate the risk of declining competitiveness or impacts on business operations arising from human capital-related factors, Advantest positions the development, retention and reskilling of talent as key management priorities. Advantest works to enhance innovation capability and labor productivity through planned talent development initiatives and the provision of learning opportunities. In addition, in preparation for unforeseen circumstances involving members of management and key managers, Advantest formulates and implements succession plans and seeks to ensure management stability and the continuity of decision-making. Furthermore, based on workforce planning that takes into account business strategies and medium- to long-term growth business areas, Advantest seeks to maintain and enhance competitiveness and labor productivity through appropriate deployment of talent to the growth areas and talent acquisition. Advantest's human capital initiatives are outlined in "2. Sustainability Approach and Initiatives (4) Human Capital."

3. Financial Risk

a. Foreign Exchange Fluctuations *

A significant portion of Advantest's net sales is attributable to sales to customers outside Japan. During the current consolidated fiscal year, 97.8% of net sales were generated from product sales to overseas customers. Of total net sales for the current consolidated fiscal year, approximately 75% were denominated in foreign currencies other than the Japanese yen, primarily in U.S. dollars. If the Japanese yen appreciates against the foreign currencies used by Advantest for sales, primarily the U.S. dollar, this could adversely affect Advantest's business performance and financial position. With respect to the euro, as expenses currently exceed euro-denominated sales, a depreciation of the Japanese yen against the euro may adversely affect profitability.

Risk Mitigation Measures

In order to mitigate the impact of foreign exchange fluctuations on business performance and financial position, Advantest has established guidelines for foreign exchange risk management and implements hedging measures, including balancing currency holdings and utilizing financial instruments such as forward exchange contracts. In addition, through balance sheet management aimed at offsetting foreign currency-denominated financial assets and liabilities, Advantest works to reduce the impact of foreign exchange fluctuations.

b. Credit Ratings

Advantest primarily relies on cash flows generated from operating activities to meet the funding requirements necessary for business operations and growth investments. However, in preparation for such matters as corporate acquisitions or sudden changes in the economic environment, and with due consideration given to capital efficiency, Advantest may issue corporate bonds, borrow from financial institutions, or take similar measures.

If Advantest's credit ratings are downgraded or financial markets become unstable, funding costs may increase, funding terms may deteriorate, or Advantest may face constraints in procuring funds when needed. These factors could adversely affect the business results and financial position of Advantest.

Risk Mitigation Measures

To maintain credit ratings and ensure a stable funding environment, Advantest strives to secure stable earnings and maintain a sound financial base. Advantest continuously monitors its capital structure, cash flows, debt levels, and related factors, and places importance on financial discipline in business planning and investment decisions. In addition, by entering into financing facilities agreements, Advantest has secured sufficient liquidity and established a framework that enables it to procure funds promptly when necessary. Through these efforts, Advantest works to mitigate the impacts on business performance and financial position arising from increases in funding costs, funding constraints, or reduced investment capacity.

c. Taxation

As Advantest conducts business activities across multiple countries and regions, it is subject to the application of laws and regulations related to taxation, international taxation, transfer pricing, indirect taxes, and other related matters. If responses to these matters or related internal controls are insufficient, increased tax burdens arising from double taxation, penalties or similar events may occur, which could adversely affect Advantest's cash flows and financial indicators.

Risk Mitigation Measures

Advantest continuously monitors trends in tax systems, international taxation, transfer pricing, and indirect taxes in each country, and works to implement appropriate tax measures and establish internal controls. In addition, by establishing a framework for information gathering and analysis, including the utilization of external experts, Advantest works to mitigate tax risks and thereby limit the impact on cash flows and financial indicators arising from increased tax burdens.

4. Legal, Compliance, Group Governance, and Intellectual Property Rights Risk

a. Human Rights, Harassment, and DEI

Advantest recognizes that ensuring a workplace environment in which human rights are respected and diversity is appropriately addressed is important for sustainable growth and the foundation of corporate values. If initiatives related to these matters do not function sufficiently, there is risk that human rights violations, harassment, or similar violations may occur, which could consequently have an adverse impact on Advantest's corporate values and credibility. Specifically, such risks may materialize through the following:

- A corporate culture in which fairness and diversity are not sufficiently respected may lead to a decline in employee engagement or the loss of personnel.
- Insufficient management and response related to respect for human rights and harassment prevention may lead to the occurrence of human rights violations, harassment, or similar violations in the workplace.

Risk Mitigation Measures

To mitigate these risks, Advantest promotes, on a group-wide and continuous basis, the development of a workplace environment that respects human rights and diversity, grounded in its sound corporate culture.

Specifically, Advantest continues initiatives such as INTEGRITY workshops and "The INTEGRITY Award" to promote the permeation of its core value, INTEGRITY.

In addition, Advantest provides education and communication to officers and employees regarding respect for human rights, harassment prevention, and DEI, and works to enhance employee engagement and improve the workplace environment through appropriate engagement by managers. Furthermore, in order to prevent the occurrence of human rights violations, harassment, and similar violations and to enable early response, Advantest has established consultation and reporting contact points and put in place a structure that allows employees to seek advice with confidence.

b. Ethics and Compliance

Advantest regards ethics and compliance with laws and regulations as one of its foundational management principles and considers it essential for each officer and employee to act in accordance with corporate ethics to maintain sustainable corporate values. However, if inappropriate conduct by officers or employees, issues related to corporate culture, or deficiencies in management or operation arise, there is a risk that Advantest's corporate values, social credibility, and business performance may be adversely affected. Specifically, such risks may materialize through events such as the following:

- A decline in ethical awareness among officers or employees, or issues related to corporate culture may result in compliance-related issues, including violations of laws and regulations or internal rules.
- Inadequate management of confidential or personal information in accordance with laws or internal rules may result in

information leaks, unauthorized use, criminal penalties or administrative sanctions, claims for damages, or a decline in trust.

- Misconduct, including bribery or inappropriate relationships with business partners, deficiencies in the operation of whistleblowing structures, or serious compliance issues involving officers or managers.

Risk Mitigation Measures

To mitigate these risks and maintain and enhance corporate reliability and transparency, Advantest promotes, on a group-wide and continuous basis, the establishment of internal rules and systems and their effective operation.

Specifically, Advantest has established various internal rules and operational standards, including basic policies on gifts and entertainment globally. Advantest provides education to all employees, including officers and managers, aimed at enhancing compliance awareness and understanding of rules. In addition, Advantest conducts periodic employee compliance awareness surveys and seeks to improve its initiatives based on the results of such surveys.

Furthermore, for the purpose of early detection and prevention of fraud or misconduct, Advantest has established internal and external whistleblowing contact points (helplines) and operates a system that includes anonymous reporting.

In addition, Advantest ensures the implementation of these measures by establishing so-called “clawback clauses” in its “The Code of Ethics for Directors and Executive Officers” and other relevant regulations, which require directors and executive officers to return their compensation in the event of misconduct or other specified circumstances.

c. Responsible Operations

Advantest recognizes that responsible operations—including ensuring employee health and safety, consideration for the environment, and responding to requests related to climate change and ESG—are important. If management structure and responses related to these matters are insufficient, there is a risk that the continuity of operations and Advantest’s corporate value may be adversely affected. Specifically, such risks may materialize through events such as the following:

- Insufficient employee health and safety management may result in occupational accidents, constraints on business activities, or administrative sanctions.
- Insufficient environmental management at factories or business sites, or inadequate compliance with environment-related laws and regulations may result in environmental incidents, administrative sanctions, or reputational harm.
- Delays in responding to climate change measures or ESG-related regulations and standards may result in constraints on business activities, additional costs, or adverse effects on corporate evaluation.

Risk Mitigation Measures

To ensure the stability of business operations and maintain and enhance corporate value, Advantest undertakes group-wide and continuous initiatives to establish and operate management systems for its business operations, including ensuring employee health and safety, compliance with environment-related laws and regulations, and responses to climate-related risks.

With respect to occupational health and safety management and ensuring their effectiveness, Advantest has established group-wide basic policies on occupational health and safety, and regards the assurance of safety and the maintenance of employee health as top priorities. From an institutional and organizational perspective, in Japan, Advantest has established safety and health committees and conducts ongoing discussions and improvement activities aimed at preventing occupational accidents and creating comfortable workplace environments. In addition, by establishing occupational health and safety management systems and working toward certification, Advantest seeks to systematize management frameworks and achieve continuous improvement. To promote occupational health and safety activities based on globally unified standards, Advantest conducts status assessments at overseas sites with reference to the RBA Code of Conduct (B. Health and Safety) and promotes initiatives that translate these into the setting and execution of specific goals and priority themes. Advantest also continuously provides occupational health and safety education for employees, and works to enhance safety awareness and reinforce understanding of basic rules.

With respect to environmental management and chemical substance management, Advantest has established management structure based on environmental-related laws and regulations and internal rules, implements management utilizing chemical substance management systems, and provides education on the hazardous properties of chemical substances and their appropriate handling, thereby working to prevent environmental incidents and legal violations.

Furthermore, Advantest views responses to climate change and the strengthening of ESG-related regulations and standards as important management issues and, with relevant departments working in collaboration, advances initiatives aimed at reducing environmental impact and responding to trends in laws and regulations. Through these activities, Advantest seeks to mitigate risks such as operational instability, the incurrence of additional costs, and adverse effects on corporate evaluation.

Advantest's climate change initiatives are outlined in "2. Sustainability Approach and Initiatives (2) Climate Change Initiatives."

d. Trade Compliance

Due to the nature of its business as a provider of semiconductor manufacturing equipment and related technologies, Advantest is subject to export control regulations, economic sanctions, and other trade-related laws and regulations in various countries and regions. In recent years, amid the strengthening of regulations and stricter enforcement driven by economic security considerations, the importance and complexity of trade compliance have further increased.

Under such circumstances, if Advantest fails to appropriately respond to laws and regulations related to trade compliance, it may be subject to penalties, administrative sanctions, or measures such as the suspension or restriction of product shipments. In addition, these matters may affect supply chains and business relationships, which could adversely impact Advantest's business activities, business performance, and corporate value.

Risk Mitigation Measures

Advantest conducts continuous and timely information gathering regarding trade-related laws and regulations and regulatory trends in various countries and regions. Advantest also provides ongoing education on trade compliance to officers and employees worldwide to enhance understanding of applicable laws and internal rules and to ensure thorough compliance with trade control requirements.

e. Group Governance and Internal Control

As Advantest's global business operations continue to expand, including business expansion in Japan and overseas and the execution of mergers and acquisitions, the importance of group-wide governance and internal controls has further increased. Under such circumstances, if the design or operation of internal controls is insufficient or inconsistent within the Group, such controls may become ineffective. As a result, Advantest may be unable to prevent or promptly detect the occurrence of fraud or violations, which may lead to inaccurate or delayed disclosure of financial and non-financial information. Consequently, compliance frameworks and the reliability of disclosed information may be undermined, which may adversely affect Advantest's business performance and corporate value.

Risk Mitigation Measures

Advantest positions the assurance of appropriate group-wide governance and internal controls as one of its important management foundations and appropriately designs organizational structures and authorities, while establishing internal rules and discipline for subsidiary decision-making bodies. In addition, Advantest conducts periodic, group-wide evaluations of the design and operation of internal controls. Through the establishment of mechanisms to prevent, promptly detect, and continuously monitor fraud or violations, Advantest works to maintain the effectiveness of its internal controls.

Based on these internal controls, Advantest seeks to ensure the accuracy and timeliness of disclosures of financial and non-financial information.

f. Intellectual Property Rights

Advantest may be subject to claims by third parties alleging infringement of their intellectual property rights, or its intellectual property rights may be infringed by third parties, which may result in Advantest being unable to ship its products or having to assert its intellectual property rights against others. If disputes related to intellectual property rights arise, such disputes may lead to a perceived decline in the competitive advantage of Advantest's products and services, perceived deterioration in evaluations of quality and brand value, and the incurrence of additional costs associated with negotiations or litigation, which could adversely affect Advantest's sales and profitability or its future business development and research and development activities.

Risk Mitigation Measures

To mitigate these risks, Advantest strategically and proactively files patent applications during product development and prior to product shipment, and protects its intellectual property rights by obtaining patents, utility model rights, design rights, trademarks, and other intellectual property rights in various countries.

g. Litigation

If litigation or other legal proceedings arise in connection with Advantest's business activities, additional costs such as damages, settlement costs, and attorneys' fees may be incurred, depending on their progress or outcomes. Such costs could

adversely affect Advantest's business performance and financial condition, as well as its reputation and credibility.

Risk Mitigation Measures

Advantest works to prevent the occurrence of disputes and minimize their impact through thorough compliance with laws and regulations in its business activities, strengthening contract and transaction management, and conducting discussions among the parties concerned to prevent disputes from arising.

In addition, to prepare for risks related to litigation and other legal proceedings, when individual cases arise, Advantest has established a framework to respond appropriately, taking into account the significance and potential impact of each case and, where necessary, utilizing external experts.

4. Management's Discussion and Analysis

(1) Analysis of Results of Operations

1) Statement of Operations

	Fiscal year ended March 31, 2025 (Millions of Yen)	Fiscal year ended March 31, 2026 (Millions of Yen)	Change (Millions of Yen)	Change (%)
Net sales	779,707	1,128,610	348,903	44.7
Cost of sales	(334,622)	(402,503)	(67,881)	20.3
Selling, general and administrative expenses	(195,392)	(229,628)	(34,236)	17.5
Other income (expenses), net	(21,532)	2,641	24,173	-
Operating income	228,161	499,120	270,959	118.8
Operating income ratio	29.3%	44.2%	14.9%	-
Financial income (expenses), net	(3,387)	17,600	20,987	-
Income before income taxes	224,774	516,720	291,946	129.9
Income taxes	(63,597)	(141,367)	(77,770)	122.3
Net income	161,177	375,353	214,176	132.9
Net income attributable to:				
Owners of the parent	161,177	375,353	214,176	132.9

During Advantest's fiscal year ended March 31, 2026, the global economy as a whole trended firmly, driven in part by increased AI-related investment, particularly in the United States.

Under such global economic conditions, the semiconductor industry's growth continued to be driven by AI-related semiconductors, such as HPC (High Performance Computing) devices and high-performance DRAM for data centers. In addition, demand for semiconductors for consumer electronics products, including smartphones, was solid. Combined with rising semiconductor prices in the second half of the fiscal year, particularly among memory semiconductors, the semiconductor market achieved strong growth.

In Advantest's business, demand for testers for AI-related high-performance semiconductors grew significantly. Advantest worked to expand product supply capabilities in order to meet customers' strong capital investment appetite to the greatest extent possible and successfully carried out timely product deliveries.

Average currency exchange rates in the consolidated fiscal year were 1 USD to 150 JPY (153 JPY in the previous fiscal year) and 1 EUR to 173 JPY (164 JPY in the previous fiscal year).

Net sales

In FY2025, the growing demand for AI-related semiconductors drove expansion in the semiconductor tester market. With the tester market expanding for the second consecutive year in CY2025, we were able to achieve market share gains. Also, with our ability to meet growing demand from key customers, successfully capture new customer demand, and utilize strategic production capacity expansion in anticipation of sustained high demand, net sales for FY2025 increased by ¥348,903 million, or 44.7%, from the previous fiscal year to ¥1,128,610 million.

Cost of sales

In FY2025, cost of sales increased by ¥67,881 million, or by 20.3% compared to the previous fiscal year, resulting in ¥402,503 million due to an increase in net sales. Cost of sales to net sales ratio was 35.7%, a decrease of 7.2 percentage points from the previous fiscal year due to the improvement in the product mix.

Selling, general and administrative expenses

Selling, general and administrative expenses for FY2025 increased by ¥34,236 million, or by 17.5% from the previous fiscal year, resulting in ¥229,628 million.

Other income (expenses), net

In FY2025, other income (expenses) improved by ¥24,173 million compared to a loss of ¥21,532 million for the previous fiscal year, resulting in a gain of ¥2,641 million. In the previous fiscal year, an impairment loss of ¥21,393 million was recorded for a portion of goodwill and intangible assets.

Operating income

As a result of the above, in FY2025, Advantest's operating income increased by ¥270,959 million, or by 118.8% compared to the previous fiscal year, resulting in operating income of ¥499,120 million. The operating income to net sales ratio was 44.2%, an increase of 14.9 percentage points from the previous fiscal year.

Financial income (expenses), net

In FY2025, due to factors such as ¥17,312 million in gains resulting from the fair value measurement of share call options that were acquired as part of strategic investments, net financial income improved by ¥20,987 million compared to a loss of ¥3,387 million for the previous fiscal year, resulting in a gain of ¥17,600 million.

Income before income taxes

As a result of the above, income before income taxes increased by ¥291,946 million, or by 129.9% compared to the previous fiscal year, resulting in income before income taxes of ¥516,720 million in FY2025.

Income taxes

In FY2025, Advantest's effective tax rate was 27.4%, compared to an effective income tax rate for the previous fiscal year of 28.3%. For more details on income taxes of Advantest in the two most recent consolidated fiscal years, see Note 15 to "Item 5. Financial Information, 1. Consolidated Financial Statements, (1) Consolidated Financial Statements" (hereinafter "the Consolidated Financial Statements").

Net income attributable to owners of the parent

As a result of the above, in FY2025, Advantest's net income attributable to owners of the parent increased by ¥214,176 million, or by 132.9% compared to the previous fiscal year, resulting in net income of ¥375,353 million. The ratio of net income attributable to owners of the parent to net sales was 33.3%, an increase of 12.6 percentage points from the previous fiscal year.

2) Results of Production, Orders Received and Sales

a. Results of Production and Orders received

Advantest's manufacturing is principally based on customer orders, and since the production results are similar to sales results, production results are not listed. The results of orders received are also not listed since short-term trends of orders tend to fluctuate significantly depending on the investment trends of customers, and are not necessarily appropriate as an indicator for predicting the medium- to long-term performance of Advantest.

b. Sales results

The sales results for the fiscal year ended March 31, 2026 by segment are as follows.

Beginning the fiscal year ended March 31, 2026, Advantest has changed its reportable segments into two reportable segments, which are "Test System Business" and "Services and Others." See Note 6 to the Consolidated Financial Statements for details.

Segment	Fiscal year ended March 31, 2025 (Millions of Yen)	Fiscal year ended March 31, 2026 (Millions of Yen)	Changes (Millions of Yen)	Changes (%)
Test System Business Segment	682,819	1,019,390	336,571	49.3
Services and Others Segment	96,888	109,230	12,342	12.7
Elimination	-	(10)	(10)	-
Total	779,707	1,128,610	348,903	44.7

(Notes) 1. Inter-segment internal transfer sales are included.

2. Sales by major counterparties and total sales ratio for the two most recent consolidated fiscal years are as follows.

Customer	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026	
	Amount (Millions of Yen)	%	Amount (Millions of Yen)	%
NVIDIA International, Inc.	-	-	228,273	20.2
Taiwan Semiconductor Manufacturing Co., Ltd.	96,158	12.3	124,922	11.1
Samsung Electronics Co., Ltd.	82,795	10.6	-	-

(Note) For the two most recent consolidated fiscal years, disclosures have been omitted for customers whose sales did not account for 10% or more of the total consolidated net sales.

3) Operations by Segment

Test System Business

In FY2025, net sales of Advantest's Test System Business Segment accounted for 90.3% of total net sales.

In this segment, sales of SoC Test Systems for high-performance SoC semiconductors increased significantly. This reflects the rising tester demand driven by the growing complexity and enhanced performance of semiconductors, in response to increasing demand for HPC devices and AI-related semiconductors. On the other hand, tester demand for mature semiconductors such as those used in the automotive and industrial equipment sectors remained soft. With regards to Memory Test Systems, in addition to elevated sales for high-performance DRAM, sales for non-volatile memory also increased.

In response to strong demand, ongoing enhancements to supply capabilities further supported this segment's sales growth.

As a result, net sales of Advantest's Test System Business Segment for FY2025 increased by ¥336,571 million, or by 49.3% compared to the previous fiscal year to ¥1,019,390 million, and segment income increased by ¥256,640 million, or by 97.9% compared to the previous fiscal year to ¥518,760 million.

Services and Others Segment

In FY2025, net sales of Advantest's Services and Others Segment accounted for 9.7% of total net sales.

In this segment, support services sales increased as the installed base grew. In addition, sales of consumables such as test interface boards for high-performance SoC semiconductors increased. Segment income for the consolidated fiscal year ended March 31, 2026, includes a gain of ¥2,504 million resulting from the partial divestiture of a business. The segment loss for the previous fiscal year included an impairment loss of ¥21,393 million on goodwill and intangible assets.

As a result, net sales of the Services and Others Segment for FY2025 increased by ¥12,342 million, or by 12.7% compared to the previous fiscal year to ¥109,230 million, and segment income improved by ¥24,883 million compared to a loss of ¥16,125 million for the previous fiscal year to ¥8,758 million.

4) Sales by Geographic Markets

Advantest's overseas sales as a percentage of total sales was 97.8% for FY2025 (98.0% in the previous fiscal year).

Japan

Net sales in Japan increased by ¥9,288 million, or by 58.6% compared to the previous fiscal year to ¥25,137 million in FY2025.

Asia (excluding Japan)

Net sales in Asia (excluding Japan) increased by ¥339,073 million, or by 48.7% compared to the previous fiscal year to ¥1,035,850 million in FY2025. This was mainly due to strong sales of test systems for SoC semiconductors in Taiwan.

Americas

Net sales in the Americas decreased by ¥2,645 million, or by 5.6% compared to the previous fiscal year to ¥44,474 million in FY2025.

Europe

Net sales in Europe increased by ¥3,187 million, or by 16.0% compared to the previous fiscal year to ¥23,149 million in FY2025.

(2) Analysis of Financial Condition and Cash Flows

1) Liquidity and Capital Resources

In accordance with Advantest's funding and treasury policy, which is overseen and controlled by its Accounting Department, Advantest funds its cash needs through cash from operating activities and cash and cash equivalents on hand, and is able to procure funds as necessary through issuance of debt and equity securities in domestic and foreign capital markets and through bank loans.

If conditions in the semiconductor industry, and thus the semiconductor test system industry, experience a downturn in the mid-term, Advantest may need to fund future capital expenditures and other working capital needs through the issuance of debt or dilutive issuances of equity securities.

Advantest has agreements for committed line of credit and overdraft with financial institutions in order to secure liquidity in case of emergency. The amount of the committed line of credit agreement is ¥40,000 million, and the overdraft limit is ¥100,000 million. There is no outstanding balance of executed borrowings based on the agreements for the committed line of credit and the overdraft as of March 31, 2026.

2) Major Lenders

There were no applicable items as of March 31, 2026.

3) Cash Flows

Advantest's cash and cash equivalents balance increased by ¥77,422 million to ¥339,966 million as of March 31, 2026.

Cash flows from operating activities

Net cash provided by operating activities was ¥335,182 million, an increase of ¥49,211 million compared to the previous fiscal year. This amount was primarily attributable to the income before income taxes of ¥516,720 million offset by income taxes paid of ¥110,770 million, increases of ¥105,858 million in trade and other receivables, ¥31,888 million in trade and other payables, ¥18,471 million in inventories and adjustments of non-cash items such as depreciation and amortization.

Cash flows from investing activities

In FY2025, net cash used in investing activities was ¥34,552 million, a decrease of ¥7,637 million compared to the previous fiscal year. This amount was primarily attributable to purchases of property, plant and equipment of ¥33,012 million.

Cash flows from financing activities

In FY2025, net cash used in financing activities was ¥230,550 million, an increase of ¥147,732 million compared to the previous fiscal year. This amount was primarily attributable to purchases of treasury shares of ¥114,328 million, repayments of current portion of long-term borrowings of ¥75,352 million and dividends paid of ¥35,754 million.

4) Financing

There were no significant financings during FY2025.

5) Assets, Liabilities and Equity

Total assets as of March 31, 2026 amounted to ¥1,171,816 million, an increase of ¥317,606 million compared to March 31, 2025. This was primarily due to increases of ¥115,700 million in trade and other receivables, ¥77,422 million in cash and cash equivalents, ¥41,782 million in other financial assets, ¥23,026 million in property, plant and equipment and ¥22,011 million in inventories.

Liabilities increased by ¥28,419 million from the end of FY2024 to ¥376,090 million as of March 31, 2026. This was primarily due to a decrease of ¥74,952 million in short-term borrowings offset by increases of ¥39,432 million in income taxes payable, ¥34,968 million in trade and other payables and ¥11,690 million in other current liabilities.

The amount of total equity or equity attributable to owners of the parent as of March 31, 2026 was ¥795,726 million, an increase of ¥289,187 million compared to March 31, 2025. The ratio of equity attributable to owners of the parent to assets was 67.9% as of March 31, 2026, an increase of 8.6 percentage points from March 31, 2025.

(3) Factors Materially Affecting Advantest's Business Results and Financial Condition

For factors materially affecting Advantest's business results and financial condition refer to "3. Risk Factors."

(4) Significant Accounting Estimates and Assumptions Used in Such Estimates

Advantest prepares the consolidated financial statements in accordance with International Financial Reporting Standards (hereinafter "IFRS") issued by the International Accounting Standards Board.

The preparation of the consolidated financial statements requires Advantest to make judgments, accounting estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on the best judgment of management in light of historical experience and various factors deemed to be reasonable according to the situation. However, given their nature, actual results may differ from those estimates and assumptions.

Advantest's material accounting policies and significant accounting estimates are described in Note 3 and Note 4 to the Consolidated Financial Statements, "Significant Accounting Policies" and "Significant Accounting Estimates" to "Item 5. Financial Information 2. Non-Consolidated Financial Statements (1) Financial Statements Significant Accounting Policies and Significant Accounting Estimates."

5. Material Contracts

(1) Transfers of Business, Absorption-type Company Splits or Incorporation-type Company Splits

Not applicable.

(2) Acceptance of a Transfer of Business from Other Companies

Not applicable.

(3) Succession to Rights and Obligations for Business Undertakings of Another Corporation through an Absorption-type Merger or an Absorption-type Company Split

Not applicable.

(4) Acquisition or Disposal of Shares or Other Equity Interests or Share Options in Another Company

Not applicable.

6. Research and Development

In order to enable leading-edge technologies, Advantest undertakes research and development initiatives to develop products that play a central role in measurement technologies to support semiconductor manufacturing, electronics, and information and communications. Advantest's research and development focuses on the development of new products and the improvement of existing products. In particular, in the Test System Business Segment, a large and ongoing investment in research and development is necessary in order to maintain market competitiveness and to provide many types of products that meet the various needs of the customers. Advantest also conducts research on basic technologies. Advantest's expenditures for research and development were approximately ¥71.4 billion in FY2024 and approximately ¥78.1 billion in FY2025. The number of employees in its research and development division is approximately 30% of the Advantest workforce.

The contents and achievements for FY2025 of Advantest's research and development activities include:

Basic Technology

- development of electro-optic devices, optical sources, and photonic integrated circuits for photoelectric fusion device test systems;
- component technologies of pin electronics, test vector and timing generation and DC parametric testing for test systems;
- development of compound semiconductors, including low-distortion, high speed, high frequency devices used for test systems;
- development of new test signal generation methodologies with low power consumption for multi-level modulation or future RF signal;
- development of a novel calibration methodology for ultra-high-speed signal integrity across tens of thousands of channels;
- development of micro area metrology with emerging sensor technologies for structural failure inside devices;
- development of data linkage and analysis methods throughout the semiconductor supply chain, from design to testing;
- development of an automated silicon validation solution "SiConic™" offering a seamless flow between Electronic Design Automation tools and our ATE solutions;
- development of AI, LLM, and Agent assisted test program generation and debugging capabilities; and
- development of thermal solutions and associated software applied across various test insertions.

Test System Business Segment

- development of test systems that enable testing of super high speed memory semiconductors at actual operating speed;
- development of test systems that enhance the functionality of testing of DRAM semiconductors and flash memory semiconductors and require less floor space;
- development of high speed memory burn-in systems to enable reliability and functionality testing on high parallel memory devices;
- development of high speed SoC burn-in systems to enable reliability and functionality testing on SoC devices;
- development of test systems that have the capacity to simultaneously test multiple complex SoC semiconductors with large pin counts and require less floor space;
- development of test systems with specialized applications such as image sensor devices with increasingly high pixels, display driver devices with increasingly complex pixels;
- development of test systems for devices that operate at extremely high frequencies such as millimeter wave communication standards and for networks that carry extremely high density transmissions;
- development of high speed transmission technologies for high speed large pin counts and high speed transmission signal contact technologies;
- development of application software for the interface between the semiconductor designing environment and test systems, as well as development of software to analyze defective semiconductors;
- development of a high-voltage, high-current test system for testing power devices used in electric vehicles (EVs);
- development of test handlers for memory semiconductors enabling measurement of multiple semiconductors with high throughput testing;
- development of test handlers for SoC semiconductors that support large packages and high heat generating devices;

- development of test equipment for handling the silicon dies required for the latest chiplet devices;
- development of real-time Active Thermal Control technology with high speed response and high reliability for high power devices;
- development of alignment technology and transmission interface technology required for photoelectric fusion device test;
- development of transmission interface technology for device testing supporting high speed, high density and high power devices;
- development of advanced electron-beam metrology systems for leading-edge photomask to measure pattern critical dimension, and to review and analyze defects found on a sample; and
- development of system level testing technologies and methods to test semiconductor components and modules to ensure compliance of the device in its final integrated product environment.

Services and Others Segment

- development of test sockets with large pin counts, high speed response and high reliability for high power devices, and development of thermal control units.

Advantest has research and development facilities in Japan, Europe, the United States and China.

In order to effectively leverage the knowledge and expertise of its R&D personnel located around the world in product development and other activities, Advantest continuously works to enhance its facilities, develop its organizational structure and advance its development management. For example, the test system R&D team in Japan works closely with R&D teams in Europe and the United States on hardware and software development, thereby strengthening Advantest's collaborative development framework across its R&D sites.

In addition, as the semiconductor market expands and semiconductor devices become increasingly high-performance and complex, Advantest's R&D activities are becoming larger in scale and more sophisticated each year. In this environment, Advantest is also working to improve development quality and efficiency by developing AI usage environments for R&D activities and sharing useful AI application know-how.

Item3. Status of Facilities

1. Overview of Capital Investment

Advantest made capital investments totaling ¥34.3 billion (including property, plant and equipment and intangible assets) during the fiscal year ended March 31, 2026, mainly for the development of new products, improvements in production efficiency and labor-saving measures, and expansion of production capacity.

Beginning the fiscal year ended March 31, 2026, Advantest has changed its reportable segments into two reportable segments, which are “Test System Business” and “Services and Others.” See Note 6 to the Consolidated Financial Statements for details.

Mainly for the development and manufacturing of new products and production increases, capital investments of ¥26.2 billion were made in the Test System Business segment and ¥6.5 billion in the Services and Others segment, respectively.

2. Status of Major Facilities

The Company

As of March 31, 2026

Name of office (Location)	Name of segments	Details of equipment	Book value (Millions of Yen)				Number of employees (Persons)
			Buildings and structures	Land (Area in m ²)	Others	Total	
Gunma R&D Center (Meiwa-machi, Ora-gun, Gunma)	Test System Business, Services and Others	Development equipment	3,231	4,069 (195,617.84)	3,707	11,007	1,212
Saitama R&D Center (Shintone, Kazo-shi, Saitama)	Test System Business, Services and Others	Development equipment	262	1,388 (56,977.77)	824	2,474	137
Gunma Factory (Ora-machi, Ora-gun, Gunma)	Test System Business, Services and Others	Manufacturing equipment	1,170	1,593 (88,512.16)	4,476	7,239	349

Overseas Subsidiaries

As of March 31, 2026

Name of subsidiary (Location)	Name of segments	Details of equipment	Book value (Millions of Yen)				Number of employees (Persons)
			Buildings and structures	Land (Area in m ²)	Others	Total	
Advantest Korea Co., Ltd. (Cheonan, South Korea)	Test System Business, Services and Others	Manufacturing equipment	3,573	1,967 (39,605)	1,037	6,577	278
Essai, Inc. (Arizona, U.S.A.)	Services and Others	Manufacturing equipment	9,848	2,227 (60,195)	1,990	14,065	177
Advantest Europe GmbH (Munich, Germany)	Test System Business, Services and Others	Development equipment	1,948	340 (18,915)	7,539	9,827	1,107

3. Plans for New Facilities Installation, Retirement

No particular matters to be noted.

Item4. Status of the Company

1. Status of Shares

The Company has set May 15 of each year as the record date for the exercise of voting rights at its Ordinary General Meeting of Shareholders, and the information for (5) Shareholding by Shareholder Category, (6) Major Shareholders and (7) Status of Voting Rights is presented as of the record date (May 15, 2026).

(1) Total Number of Shares

1) Total Number of Shares

Class	Total number of shares authorized to be issued (shares)
Common shares	1,760,000,000
Total	1,760,000,000

2) Total Number of Issued Shares

Class	Number of issued shares as of the end of the current fiscal year (shares) (March 31, 2026)	Number of issued shares as of the filing date (shares) (June 26, 2026)	Stock exchange on which the Company is listed	Description
Common shares	732,000,000	732,000,000	Tokyo Stock Exchange Prime Market	One unit of shares constitutes 100 shares
Total	732,000,000	732,000,000	-	-

(Notes) 1. Number of issued shares as of the filing date of this Annual Securities Report and Business Report does not include the number of issued shares between June 1, 2026 and the filing date.

2. The total number of issued shares includes treasury shares.

(2) Status of Stock Acquisition Rights

1) Stock Acquisition Rights

Not applicable.

2) Rights Plans

Not applicable.

3) Other Status of Share Options

Bonds with stock acquisition rights (the “Bonds with Stock Acquisition Rights”; consisting of bonds (the “Bonds”) and stock acquisition rights (the “Stock Acquisition Rights”)) issued in accordance with the Companies Act are as follows:

Zero Coupon Convertible Bonds due 2031(issued on April 20, 2026)

Resolution Date	April 1, 2026
Number of Stock Acquisition Rights*	10,000 units
Number of Stock Acquisition Rights held by the Company included in Stock Acquisition Rights*	-
Type, details, and number of shares subject to Stock Acquisition Rights*	2,777,777 shares of the Company’s common shares (Note 1)
Amount to be paid in upon exercise of Stock Acquisition Rights*	JPY 36,000 (Note 2)
Period for exercise of Stock Acquisition Rights*	From May 4, 2026 to March 14, 2031 (Note 3)
Issue price and amount to be capitalized when issuing shares upon exercise of Stock Acquisition Rights*	Issue price JPY 36,000 Amount capitalized JPY 18,000 (Note 4)
Conditions for exercise of Stock Acquisition Rights *	(Note 5)
Matters concerning transfer of Stock Acquisition Rights *	Stock Acquisition Rights are attached to the Zero Coupon Convertible Bonds and shall not be transferred separately from Bonds.
Matters concerning delivery of Stock Acquisition Rights in connection with reorganization *	(Note 6)
Details and value of property to be contributed upon exercise of Stock Acquisition Rights *	Upon exercise of each Stock Acquisition Right, the relevant Stock Acquisition Right-attached Bond shall be contributed as property, and the value of such Bond shall be equal to its principal amount.
Balance of Bonds with Stock Acquisition Rights *	100.0 billion yen

* The contents described above are as of May 31, 2026, the end of the month prior to the filing date.

(Notes) 1. Type and details of shares subject to the Stock Acquisition Rights shall be Common shares of the Company (100 shares per unit). The number of the Company's common shares to be delivered by the Company upon exercise of the Stock Acquisition Rights shall be the number obtained by dividing the total principal amount of the Bonds subject to the exercise request by the conversion price stated in 2.(2) below. However, any fractional shares resulting from the exercise shall be rounded down, and no cash adjustment shall be made. Where shares constituting less than one unit arise upon the exercise of the Stock Acquisition Rights, such shares shall be delivered to the Bondholders in the same manner as shares constituting a unit share, and the Company shall not make any cash settlement in respect of such shares.

2.(1) Upon exercise of each Stock Acquisition Right, the relevant Stock Acquisition Right-attached Bond shall be contributed as property, and the value of such Bond shall be equal to its principal amount.

(2) The initial conversion price shall be 36,000 yen.

(3) The conversion price shall be adjusted in accordance with the formula below if, after the issuance of the Bonds with Stock Acquisition Rights, the Company issues common shares at a payment amount below the market price of its common shares or disposes of common shares held by the Company (excluding cases such as the exercise of Stock Acquisition Rights and the exercise of the right to request acquisition of shares with acquisition rights attached). In the formula below, “Existing Number of Issued Shares” refers to the total number of the Company's common shares (excluding those held by the Company).

$$\text{Adjusted conversion price} = \frac{\text{Before adjustment conversion price} \times \left(\frac{\text{Existing number of issued shares}}{\text{Existing number of issued shares} + \text{Number of shares issued or disposed of}} + \frac{\text{Number of shares issued or Disposed Shares} \times \text{Paid-in amount per share}}{\text{Market price}} \right)}{\text{Market price}}$$

Furthermore, the conversion price shall be adjusted as appropriate in the event of a split or consolidation of the Company's common shares, a dividend distribution exceeding a certain limit, the issuance of stock acquisition rights (including those attached to bonds with stock acquisition rights) that permit the delivery of the Company's common shares at a price below their market price, and other specified events.

3.(1) Period during which these Stock Acquisition Rights may be exercised shall be from May 4, 2026 (inclusive) until the close of business on March 14, 2031 (local time at the location where exercise requests are received). However, (i) in the case of early redemption of the Bonds, until the close of business on the day three business days prior to the redemption date in Tokyo (local time at the location where exercise requests are received) (except for the Stock Acquisition Rights pertaining to Bonds for which early redemption was not selected due to taxation reasons, (ii) in the case of the purchase and cancellation of the Bonds, until the Bonds are cancelled; and (iii) in the case of Events of Default for the Bonds, until the time of such Events of Default.

(2) In any of the above cases, the Stock Acquisition Rights may not be exercised after 14 March 2031 (local time at the location where exercise requests are received).

(3) Notwithstanding the foregoing, if the Company reasonably determines it necessary for the purpose of undertaking a Corporate Event (as defined below), pursuant to the main terms of the Bonds with Stock Acquisition Rights, the Stock Acquisition Rights may not be exercised during any period of up to 30 days specified by the Company, ending within 14 days from the day following the effective date of such Corporate Event.

“Corporate Event” means any of the following, approved at a general meeting of shareholders of the Company (or, where a resolution of the general meeting of shareholders is not required, by the Board of Directors): (i) a merger of the Company with another company (including a merger by incorporation of a new company and an absorption-type merger, but excluding cases where the Company is the surviving company; the same shall apply hereinafter), (ii) an asset transfer (the sale or transfer of all or substantially all of the Company's assets to another company, limited to cases where the Company's obligations under the Bonds and/or the Stock Acquisition Rights are transferred to the transferee in accordance with the terms thereof), (iii) a company split (including a split-off and an absorption-type split, limited to cases where the Company's obligations under the Bonds and/or the Stock Acquisition Rights are transferred to the company to which the assets are split), (iv) A share exchange or share transfer (limited to cases where the Company becomes a wholly-owned subsidiary of another company; the same applies hereinafter), or (v) Any other organizational restructuring procedure under Japanese law whereby a resolution approving such procedure is adopted, and as a result, the Company's obligations under the Bonds and/or the Stock Acquisition Rights are assumed by another company.

(4) Furthermore, the calendar day in Japan on which the exercise of these Stock Acquisition Rights becomes effective (or, if that calendar day is not a business day in Tokyo, the following business day in Tokyo) shall be the day two business days prior to the record date specified by the Company or any other date specified for determining shareholders in connection with Article 151, Paragraph 1 of the Act on Book-Entry Transfer of Corporate Bonds and Shares (hereinafter collectively referred to as the “Record Date” together with the record date specified by the Company) and the Record Date (or, if the Record Date is not a business day in Tokyo, the next business day in Tokyo) (including such dates), the Stock Acquisition Rights may not be exercised. However, if Japanese law, regulations or practice concerning the delivery of shares upon exercise of Stock Acquisition Rights through a transfer system based on the Act on Book-Entry Transfer of Corporate Bonds and Shares changes, the Company may amend the restriction on the period during which these Stock Acquisition Rights may be exercised under this paragraph to reflect such change.

4. The amount of share capital to be increased upon the issuance of shares pursuant to the exercise of the Stock Acquisition Rights shall be one-half of the maximum amount of increase in share capital, etc. calculated in accordance with Article 17 of the Regulations on Corporate Accounting. Any fractional amount less than one yen resulting from such calculation shall be rounded up. The amount of capital reserve to be increased shall be the amount obtained by deducting the amount of share capital to be increased from the maximum amount of increase in share capital, etc.

5.(1) Partial exercise of each Stock Acquisition Right shall not be permitted.

(2) Bondholders can, (i) until 31 March 2030 (inclusive), during the 20 consecutive Trading Days ending on the last Trading

Day (as defined below) of each calendar quarter (i.e., each calendar quarter from the calendar quarter ended on 31 March 2026 to the calendar quarter ending on 31 December 2029), the closing price of the Company's common shares exceeds 150% of the conversion price applicable on such last Trading Day (provided, however, that for the calendar quarter ended on 31 March 2026, the initial conversion price set forth in 2.(2) above shall apply), or (ii) From 1 April 2030 (inclusive) to 28 December 2030 (inclusive), during the 20 consecutive Trading Days ending on the last Trading Day of each calendar quarter (i.e., each calendar quarter from the calendar quarter ending on 31 March 2030 to the calendar quarter ending on 30 September 2030), the closing price of the Company's common shares exceeds 130% of the conversion price applicable on the such last Trading Day, exercise the Stock Acquisition Rights during the period from the first day (provided that, in the case of (i) above, for the calendar quarter commenced on 1 April 2026, the period shall be from 4 May 2026) to the last Trading Day (provided that, in the case of (ii) above, for the calendar quarter commencing on 1 October 2030, the period shall be until 28 December 2030) of the following calendar quarter.

Note that "Trading Day" means a day on which the Tokyo Stock Exchange, Inc. is open for business and excludes days on which a closing price is not announced.

However, the conditions for exercising the Stock Acquisition Rights set out in this 5.(2) shall not apply during the periods specified in (a), (b) and (c) below, nor during the period specified in (d) below if a Parity Event (as defined below) occurs.

- (a) Periods during which the Company's issuer rating by Rating and Investment Information, Inc. or its successor rating agency (hereinafter referred to as "R&I") is BBB- or lower (or an equivalent issuer rating if the rating classification changes), or during which such rating is no longer assigned to the Company by R&I, or is suspended or withdrawn.
- (b) The period commencing on the date the Company gives a Clean-up Redemption Notice for the Bonds (excluding, however, the Stock Acquisition Rights pertaining to Bonds for which early redemption is not elected).
- (c) The period from the date (including that date) on which the Company is first required to notify the Bondholders of any Corporate Event, in accordance with the main terms of the Bonds with Stock Acquisition Rights, up to the effective date (including that date) of such Corporate Event (excluding any period designated by the Company as a period during which the Stock Acquisition Rights may not be exercised, as described in 3 above).
- (d) The period of 15 consecutive business days in Tokyo, commencing on the next business day in Tokyo (including that day) following the date on which the Company notifies the Bondholders that a Parity Event has occurred.

"Parity Event" means any event where the Calculation Agent (as defined below) determines that, on any of the five consecutive business days in Tokyo commencing on the third business day in Luxembourg and Tokyo following the date on which the Company and the Calculation Agent receive notification from the Bondholders of the occurrence of such event, any of the following (i), (ii) or (iii) applies:

- (i) Where, at 4:00 p.m. (New York time) on that day, the purchase price information for the Bonds with Stock Acquisition Rights provided by Bloomberg (or its successor organization)(BVAL) or its successor service, and the price of the Bonds with Stock Acquisition Rights determined by the Calculation Agent in accordance with the main terms of the Bonds with Stock Acquisition Rights is below 98% of the Closing Parity Value (as defined below) for that day.
- (ii) Where the price described in (i) above is unavailable, the purchase price for the Bonds with Stock Acquisition Rights quoted by a major financial institution selected by the Company in accordance with the main terms of the Bonds with Stock Acquisition Rights is less than 97% of the Closing Parity Value on that day.
- (iii) Neither the price stated in (i) above nor the purchase price stated in (ii) above is available.

"Closing Parity Value" means the amount determined by the Calculation Agent in accordance with the main terms of the Bonds with Stock Acquisition Rights, calculated as the product of (i) the figure obtained by dividing ¥10 million by the applicable conversion price on that day and (ii) the closing price of the Company's common shares on that day.

"Calculation Agent" means State Street Bank International GmbH, Luxembourg Branch.

6. Delivery of Stock Acquisition Rights by the New Obligors, etc. in the Event of a Corporate Event are as follows:

- (1) In the event of a Corporate Event, provided that (i) it is feasible under the laws and regulations applicable at that time, having regard to the public or judicial interpretation or application of the law, (ii) the mechanism for its implementation has already been established or is capable of being established, and (iii) the Company or the New Obligor, etc.(as defined below) is not required to bear any costs or expenditures (including taxation) that the Company deems unreasonable for the overall implementation, the Company shall use its best endeavors to cause the New Obligor, etc. to assume the obligations

under the Bonds and the Trust Deed in accordance with the main terms of the Bonds with Stock Acquisition Rights and the Trust Deed, and to effect the delivery of Stock Acquisition Rights of the New Obligor, etc. in substitution for the Stock Acquisition Rights. Such succession of obligations under the Bonds and Trust Deed and issuance of Stock Acquisition Rights of the New Obligor, etc. shall become effective on the effective date of the relevant Corporate Event. However, in the case of a merger, share transfer or company division where the new company is established on or immediately after the effective date, such succession and issuance shall become effective promptly (at the latest within 14 days) after the effective date of the relevant Corporate Event. Furthermore, the Company shall use its best endeavors to ensure that the common shares of the New Obligor, etc. are listed on a financial instruments exchange in Japan on the effective date of the Corporate Event, in relation to the succession of the Bonds by the New Obligor, etc. and the delivery of Stock Acquisition Rights by the New Obligor, etc.

The Company's duty of effort described in this (1) shall not apply where the Company issues the certificate to the Trustee. "New Obligor, etc." means the company surviving a merger or the company established by a merger, a company acquiring the Company's assets through an asset transfer, another company succeeding to the Company's obligations under the Bonds and/or the Stock Acquisition Rights through a demerger or absorption-type demerger, another company becoming the Company's wholly-owning parent company through a share exchange or share transfer, and any other company succeeding to the Company's obligations under the Bonds and/or the Stock Acquisition Rights through any other corporate reorganization under Japanese law.

(2) The content of the Stock Acquisition Rights of the New Obligor, etc. delivered in accordance with the provisions of (1) above shall be as follows.

(a) Number of Stock Acquisition Rights

The number shall be identical to the number of the Stock Acquisition Rights pertaining to the outstanding Bonds with Stock Acquisition Rights that were issued as part of the relevant Corporate Event, etc.

(b) Type of shares subject to Stock Acquisition Rights

Common shares of the New Obligor, etc.

(c) Number of shares subject to Stock Acquisition Rights

The number of common shares of the New Obligor, etc. to be delivered upon exercise of the Stock Acquisition Rights of the New Obligor, etc. shall be determined by the New Obligor, etc., taking into account the conditions of the relevant Corporate Event, etc., and either (i) or (ii) below, with reference to the main terms of the Bonds with Stock Acquisition Rights. The conversion price shall be subject to adjustment in accordance with 2.(3) above.

(i) In the case of a merger, share exchange or share transfer, the conversion price shall be set such that the holder of the number of common shares of the Company that would have been obtained had the Stock Acquisition Rights been exercised immediately prior to the effective date of the relevant Corporate Event, when exercising Stock Acquisition Rights of the New Obligor, etc. immediately after the effective date of the relevant Corporate Event, may receive the number of shares of common shares of the New Obligor, etc. receivable in the relevant Corporate Event. Where securities or other assets other than shares of common shares of the New Obligor, etc. are delivered in connection with a Corporate Event, the holder shall also be entitled to receive a number of shares of common shares of the New Obligor, etc. equal to the number obtained by dividing the fair market value of such securities or assets by the market price of the common shares of the New Obligor, etc.

(ii) In the case of other Corporate Events, the conversion price shall be set such that, if the Stock Acquisition Rights of the New Obligor, etc. are exercised immediately after the effective date of the Corporate Event, the holder of the Stock Acquisition Rights shall receive economic benefits equivalent to those which the holder of the Stock Acquisition Rights would have received had the Stock Acquisition Rights been exercised immediately before the effective date of the Corporate Event.

(d) Details and Value of Assets to be Contributed upon Exercise of Stock Acquisition Rights

Upon exercise of Stock Acquisition Rights of the New Obligor, etc., the transferred Bonds shall be contributed as property. The value of the property contributed upon exercise of Stock Acquisition Rights of the New Obligor, etc. shall be equal to the principal amount of the transferred Bonds.

(e) Period during which the Stock Acquisition Rights may be exercised

From the latter of the effective date of the relevant Corporate Event or the date of the succession described in (1) above, to the expiry date of the exercise period for the Stock Acquisition Rights as stipulated in 3 above.

(f) Other Conditions for Exercising Stock Acquisition Rights

Partial exercise of any Stock Acquisition Rights by the New Obligor, etc. shall not be permitted. Furthermore, the exercise of Stock Acquisition Rights by the New Obligor, etc. shall be subject to the same restrictions as those set out in 5.(2) above.

(g) Matters concerning the increase in share capital and capital reserve upon issuance of shares pursuant to the exercise of Stock Acquisition Rights

(i) The amount of share capital to be increased upon the issuance of shares pursuant to the exercise of Stock Acquisition Rights of the New Obligor, etc., shall be one-half of the maximum amount of increase in share capital, etc. calculated in accordance with Article 17 of the Regulations on Corporate Accounting. Any fractional amount less than one yen resulting from the calculation shall be rounded up.

(ii) Where shares are issued upon the exercise of Stock Acquisition Rights by the New Obligor, etc., the amount of capital reserve to be increased shall be the amount obtained by deducting the amount of share capital to be increased from the maximum amount of increase in share capital, etc.

(h) In the event of a Corporate Event, etc.

Should a Corporate Event occur in relation to the New Obligor, etc., the same treatment as for the Bonds with Stock Acquisition Rights shall apply.

(i) Other Matters

Fractional amounts less than one share arising from the exercise of Stock Acquisition Rights by the New Obligor, etc. shall be rounded down, and no cash adjustment shall be made. Furthermore, the Stock Acquisition Rights of the New Obligor, etc. shall not be transferable separately from the succeeded Bonds. Should any restriction on the transfer of such Bonds be deemed legally invalid, the New Obligor, etc. may deliver, in lieu of the Stock Acquisition Rights and the Bonds, Stock Acquisition Rights attached to bonds issued by the New Obligor, etc. to the Bondholders immediately prior to the effective date of the Corporate Event, etc.

(3) Status in the Exercise of Bonds with Share Options with Exercise Price Amendment

Not applicable.

(4) Changes in the Total Number of Issued Shares and the Amount of Common Stock and Others

Date	Changes in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Changes in common stock (Millions of Yen)	Balance of common stock (Millions of Yen)	Changes in legal capital reserve (Millions of Yen)	Balance of legal capital reserve (Millions of Yen)
September 8, 2021 (Note 1)	(24,505)	199,542,265	-	32,363	-	32,973
September 9, 2022 (Note 1)	(8,000,000)	191,542,265	-	32,363	-	32,973
September 8, 2023 (Note 1)	(6,951)	191,535,314	-	32,363	-	32,973
October 1, 2023 (Note 2)	574,605,942	766,141,256	-	32,363	-	32,973
February 6, 2026 (Note 1)	(34,141,256)	732,000,000	-	32,363	-	32,973

(Notes) 1. The decrease is due to the cancellation of treasury shares.

2. Due to the share split (4-for-1).

(5) Shareholding by Shareholder Category

As of May 15, 2026

Classification	Status of shares (one unit equals 100 shares)								Status of shares less than one unit (shares)
	Government and local municipalities	Financial institutions	Financial instruments business operators	Other corporations	Foreign corporations and others		Individuals and others	Total	
					Other than individuals	Individuals			
Number of shareholders	-	84	66	936	1,418	304	66,132	68,940	-
Number of shares held (units)	-	3,106,376	88,043	22,613	3,617,982	774	478,674	7,314,462	553,800
Percentage of shares held (%)	-	42.47	1.20	0.31	49.46	0.01	6.55	100.00	-

(Notes) 1. 6,983,684 shares of treasury shares are included as 69,836 units in the item of "Individuals and others" and as 84 shares in the item of "Status of shares less than one unit."

2. The columns of "Other corporations" and "Status of shares less than one unit" include 137 units and 84 shares in the name of Japan Securities Depository Center, respectively.

3. The total number of shareholders, including those holding less than one unit, is 116,627.

(6) Major Shareholders

As of May 15, 2026

Name	Address	Number of shares held (Thousand Shares)	Percentage of shares held to the total number of issued shares, excluding treasury shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1-8-1 Akasaka, Minato-ku, Tokyo	206,821	28.52
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	83,860	11.56
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (2-15-1, Konan, Minato-ku, Tokyo)	21,579	2.97
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)	1 QUEEN'S ROAD CENTRAL, HONG KONG (3-11-1, Nihombashi, Chuo-ku, Tokyo)	12,758	1.75
GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A., Tokyo Branch)	BANKPLASSEN 2, 0107 OSLO 1 OSLO 0107 NO (6-27-30, Shinjuku, Shinjuku-ku, Tokyo)	12,534	1.72
JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (2-15-1, Konan, Minato-ku, Tokyo)	10,778	1.48
THE BANK OF NEW YORK MELLON 140042 (Standing proxy: Mizuho Bank, Ltd.)	240 GREENWICH STREET, NEW YORK, NY 10286, U.S.A. (2-15-1, Konan, Minato-ku, Tokyo)	9,643	1.33
MOXLEY & CO LLC (Standing proxy: Mizuho Bank, Ltd.)	270 PARK AVE., NEW YORK, NY 10017, U.S.A. (2-15-1, Konan, Minato-ku, Tokyo)	9,398	1.29
BNYM AS AGT/CLTS 10 PERCENT (Standing proxy: MUFG Bank, Ltd.)	240 GREENWICH STREET, NEW YORK, NEW YORK 10286 U.S.A. (1-4-5, Marunouchi, Chiyoda-ku, Tokyo)	7,793	1.07
JP MORGAN CHASE BANK 385642 (Standing proxy: Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM. (2-15-1, Konan, Minato-ku, Tokyo)	6,683	0.92
Total	-	381,853	52.66

(Notes) 1. The number of shares held is rounded down to the nearest thousand shares.

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

3. According to the large shareholding report “change report” made available for public inspection on April 1, 2024, the following large shareholders are stated to jointly hold the following shares as of March 25, 2024, but the portion for which the Company cannot confirm the actual number of shares held by each shareholder is not included in the above table. The details of the report on large shareholding report “change report” are as follows.

Large Shareholders “Co-Owners”	Mitsubishi UFJ Trust and Banking Corporation and 2 other companies
Number of shares held	46,475,410 shares
Shareholding ratio	6.07%

4. According to the large shareholding report “change report” made available for public inspection on September 19, 2025, the following large shareholders are stated to jointly hold the following shares as of September 15, 2025, but the portion for which the Company cannot confirm the actual number of shares held by each shareholder is not included in the above table. The details of the report on large shareholding report “change report” are as follows.

Large Shareholders “Co-Owners”	Sumitomo Mitsui Trust Asset Management Co., Ltd. and 1 other company
Number of shares held	71,343,400 shares
Shareholding ratio	9.31%

5. According to the large shareholding report “change report” made available for public inspection on February 16, 2026, the following large shareholders are stated to jointly hold the following shares as of February 6, 2026, but the portion for which the Company cannot confirm the actual number of shares held by each shareholder is not included in the above table. The details of the report on large shareholding report “change report” are as follows.

Large Shareholders “Co-Owners”	BlackRock Japan Co., Ltd. and 12 other companies
Number of shares held	76,187,661 shares
Shareholding ratio	10.41%

6. According to the large shareholding report “change report” made available for public inspection on April 6, 2026, the following large shareholders are stated to jointly hold the following shares as of March 31, 2026, but the portion for which the Company cannot confirm the actual number of shares held by each shareholder is not included in the above table. The details of the report on large shareholding report “change report” are as follows.

Large Shareholders “Co-Owners”	Nomura Asset Management Co., Ltd. and 2 other companies
Number of shares held	91,736,852 shares
Shareholding ratio	12.53%

(7) Status of Voting Rights**1) Issued Shares**

As of May 15, 2026

Classification	Number of shares (shares)	Number of voting rights (units)	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury shares)	-	-	-
Shares with restricted voting rights (others)	-	-	-
Shares with full voting rights (treasury shares)	Common shares 6,983,600	-	-
Shares with full voting rights (others)	Common shares 724,462,600	7,244,626	-
Less than one unit shares	Common shares 553,800	-	-
Total number of issued shares	732,000,000	-	-
Total voting rights held by all shareholders	-	7,244,626	-

(Note) In the column of “Shares with full voting rights (others),” there are 13,700 shares in the name of Japan Securities Depository Center (137 voting rights) and in the column of “Less than one unit Shares,” 84 shares in the name of Japan Securities Depository Center.

2) Treasury Shares

As of May 15, 2026

Shareholder	Address of shareholder	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total number of shares held (shares)	Percentage of shares held to the total number of issued shares (%)
Advantest Corporation	1-6-2 Marunouchi, Chiyoda-ku, Tokyo	6,983,600	-	6,983,600	0.95
Total	-	6,983,600	-	6,983,600	0.95

(8) Status of Shares Delivered to Directors as Compensation for the Execution of Their Duties during the Fiscal Year

	Number of shares (Shares)	Number of eligible directors (Persons)
Directors (excluding Directors who are Audit and Supervisory Committee members and outside directors)	9,344	2
Outside directors (excluding Directors who are Audit and Supervisory Committee members)	1,512	3
Directors who are Audit and Supervisory Committee members	2,129	3

(Note) Contents of the stock compensation of the Company are stated in the (Policies and Procedures for Determining Compensation for Directors and Executive Officers) under items 2. 2) (d), 3.4) and 4.4), as stated in "3) Board Policies and Procedures in Determining the Compensation of Directors" of (4) Compensation for Members of the Board of Directors as stated in "4 Corporate Governance."

2. Status of Acquisition of Treasury Shares

【Class of shares】 Acquisition of common shares which fall under Article 155, Item 3 and Article 155, Item 7 of the Companies Act.

(1) Status of Acquisition by Resolution of the General Meeting of Shareholders

Not applicable.

(2) Status of Acquisition by Resolution of the Board of Directors' Meeting

Acquisition of common shares which fall under Article 155, Item 3

Classification	Number of shares	Total price (yen)
Resolution of the Board of Directors' meeting (April 25, 2025) (Period of acquisition: From May 7, 2025 to September 22, 2025)	19,000,000	70,000,000,000
Treasury shares acquired before the beginning of the fiscal year ended March 31, 2025	-	-
Treasury shares acquired during the fiscal year ended March 31, 2026	6,643,900	69,999,937,500
Total number and total value of shares to be acquired by the resolution	12,356,100	62,500
Unexercised rate as of the end of the fiscal year ended March 31, 2026 (%)	65.0	0.0
Treasury shares acquired during the current period	-	-
Unexercised rate as of the filing date (%)	65.0	0.0

Classification	Number of shares	Total price (yen)
Resolution of the Board of Directors' meeting (October 28, 2025) (Period of acquisition: From November 4, 2025 to October 28, 2026)	18,000,000	150,000,000,000
Treasury shares acquired before the beginning of the fiscal year ended March 31, 2026	-	-
Treasury shares acquired during the fiscal year ended March 31, 2026	2,048,700	44,228,372,000
Total number and total value of shares to be acquired by the resolution	15,951,300	105,771,628,000
Unexercised rate as of the end of the fiscal year ended March 31, 2026 (%)	88.6	70.5
Treasury shares acquired during the current period	721,400	19,339,034,000
Unexercised rate as of the filing date (%)	84.6	57.6

(Note) The number of treasury shares acquired during the current period does not include the number of shares acquired from June 1, 2026 to the filing date of this Annual Securities Report and Business Report.

(3) Acquisitions Not Based on Resolution of the General Meeting of Shareholders or the Board of Directors' Meeting

Acquisition of common shares which fall under Article 155, Item 7

Classification	Number of shares	Total price (yen)
Treasury shares acquired during the fiscal year ended March 31, 2026	3,310	12,405,458
Treasury shares acquired during the current period	241	2,160,000

(Note) The number of treasury shares acquired during the current period does not include the number of shares acquired from June 1, 2026 to the filing date of this Annual Securities Report and Business Report.

(4) Disposal and Holding of Acquired Treasury Shares

Category	Fiscal year ended March 31, 2026		Current Period	
	Number of shares	Total disposal price (yen)	Number of shares	Total disposal price (yen)
Acquired treasury shares for which persons to subscribe are solicited	-	-	-	-
Acquired treasury shares cancelled	34,141,256	172,106,071,496	-	-
Acquired treasury shares transferred in association with a merger, equity swap, or company split	-	-	-	-
Others				
(Transfer by exercising stock acquisition rights)	235,410	803,877,270	-	-
(Disposal of treasury shares as restricted stock compensation)	252,736	1,136,656,966	13,381	98,923,311
(Disposal of treasury shares as performance-based stock remuneration)	4,515	15,594,810	6,152	51,246,160
Treasury shares held	6,484,224	-	7,186,332	-

(Note) The disposal and holding of treasury shares acquired during the current period does not include the number of shares due to the sales through requests to purchase shares of less than one unit from June 1, 2026 through the filing date of this Annual Securities Report and Business Report.

3. Dividend Policy

The Company's dividend policy is structured as follows to further enhance shareholder returns, corporate value, and development of a flexible capital strategy, based on the premise of a stable business environment during the third mid-term management plan.

【Policies on the distribution of surplus】

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

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

The shareholder return that is in congruence with the third mid-term management plan for the three years starting from April 1, 2024, under the premise of stable business environment, is set to make stable and continuous dividends with a minimum amount of ¥30 per share for the full year.

In addition to dividends, the Company has set a target to achieve a cumulative total return ratio (*) of 50% or more, including share repurchase, over the three years of the third mid-term management plan. However, there is a possibility that the Company may not be able to disburse shareholder returns due to the occurrence of investment growth opportunities that require more funds than expected and the deterioration of business performance for the changes in the market environment.

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

The Company's dividend policy is to pay dividends from surplus twice a year, once as an interim dividend and once as a year-end dividend. The resolution organ is the Board of Directors, which is authorized to determine matters stipulated in each item of Article 459, Paragraph 1 of the Companies Act, including the distribution from surplus, unless otherwise stipulated by laws and regulations. The Company's Articles of Incorporation stipulate to this effect.

The dividends from surplus for the current fiscal year are as follows.

Resolution date	Total dividend (Millions of Yen)	Dividend per share (Yen)
Board of Directors' meeting held on October 28, 2025	21,094	29
Board of Directors' meeting held on April 27, 2026	21,765	30

4. Corporate Governance

(1) Summary of Corporate Governance

1) Basic Views on 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 will invariably pursue the sources of phenomena and seek their essence, so that it can find the correct solutions. To that end, Advantest will establish a fair, efficient and transparent governance system.

Advantest has codified our mission, vision, and core values in the form of "The Advantest Way" and thoroughly promotes it to ensure awareness that it is the foundation of activities for all Directors, Executive Officers, and employees of Advantest. Further details regarding "The Advantest Way" are described in "Item2. Business Overview 1. Management Policy, Business Environment and Issues to be Addressed".

2) Summary of Corporate Governance Systems

<The Board of Directors' meetings>

The Board of Directors of the Company, as the management decision-making body, shall make decisions on significant matters with respect to the management policies and management strategies for Advantest, and shall supervise the execution of business by executive bodies. The Company strengthens the supervisory functions of the Board of Directors by appointing a majority of its directors as outside directors and, from April 2024 onwards, by segregating the roles of Group CEO and Chairperson of the Board of Directors, with a non-executive director serving as Chairperson of the Board of Directors. In July 2025, the BoD Administrative Office was established under the CEO Office as the department responsible for the Board of Directors' secretariat. To ensure that the Board of Directors serves as a forum for effective and substantive discussions, the BoD Administrative Office provides various forms of support, including information provision to independent outside directors, and by enhancing the environment to facilitate meaningful deliberations.

• Structure

The Board of Directors of the Company as of the filing date of this Annual Securities Report and Business Report (June 26, 2026) consists of a total of 9 directors (including 3 Directors who are Audit and Supervisory Committee members) including 2 executive directors (inside directors), 2 non-executive directors (inside directors) and 5 non-executive directors (outside directors), of which 2 are non-Japanese nationals (U.S. citizens) and 2 are female directors. The Chairperson of the Board of Directors is Mr. Yoshiaki Yoshida, non-executive director, and Chairperson of the Board. Details of the members of the Board of Directors are as described in "(2) Status of Directors" below.

The composition of the Board of Directors and the Nomination and Compensation Committee during the current consolidated fiscal year and the attendance of individual directors are as follows.

Classification		Name	The Board of Directors' meetings (13 times held)	The Nomination and Compensation Committee (14 times held)
Inside director	Executive directors	Douglas Lefever	100% (13 times)	-
		Koichi Tsukui	100% (13 times)	-
	Non- executive directors	Yoshiaki Yoshida	100% (13 times)	100% (14 times)
		Yuichi Kurita	100% (13 times)	-
Outside directors	Non- executive directors	Toshimitsu Urabe	100% (13 times)	100% (14 times)
		Nicholas Benes	100% (13 times)	-
		Naoto Nishida	100% (13 times)	-
		Sayaka Sumida	100% (13 times)	100% (14 times)
		Tomoko Nakada	100% (13 times)	-

(Note) In addition to the number of Board of Directors' meetings held as described above, there were two written resolutions deemed to be a resolution of the Board of Directors pursuant to Article 370 of the Companies Act and Article 23 of the Company's Articles of Incorporation.

- Status of activities

Regular Board of Directors' meetings are held for approximately three to five hours per session to deliberate. To ensure that the discussions of the Board of Directors are reflected in the operations of the executive side, issues and advice raised by outside directors are clarified, and the status of the executive side's response to these issues is reported at the next meeting of the Board of Directors. In addition, the board holds offsite meetings once a year to discuss matters that cannot be discussed within the regular meetings. At the Board of Directors' meetings and offsite meetings, directors with wide knowledge and experience express their opinions from each point of view on various agendas, and active discussions take place. To maintain seamless communication despite the diversification of directors, the Company has arranged for interpretation at the Board of Directors' meetings and offsite meetings so that the members of the Board of Directors can speak freely in both Japanese and English. Materials and minutes are also translated into English.

In this fiscal year, the main discussion and reporting items of the Board of Directors were as follows.

- Based on the "Grand Design," the mid- to long-term management policy reviewed in 2024 from a long-term perspective, the Board of Directors approved revisions to the Targeted Management Metrics of the "Mid-Term Management Plan (FY2024–FY2026)" to reflect recent changes in the external environment and the progress of business performance.
- To enhance the effectiveness of the Board of Directors, a board evaluation was conducted using a questionnaire administered to all directors. Upon receiving a report on the results of the evaluation and analysis covering the overall Board of Directors' meeting, including its operation and the status of discussions in FY2024, the Board of Directors discussed such results.
- In order to promote the delegation of authority that enables both fairness and transparency of management and prompt decision-making, the Board of Directors discussed matters to be submitted to the Board of Directors and the criteria there for, and approved amendments to the Regulations of the Board of Directors and the Executive Management Committee.
- The Nomination and Compensation Committee provided advice regarding the enhancement of executive compensation systems aimed at providing sound incentives that contribute to enhancing the Advantest's corporate value and ensuring global competitiveness, and the Board of Directors approved the proposal.
- The Board of Directors discussed the composition of the Board of Directors and the selection of director candidates from July 2026 onward, based on the report from the Nomination and Compensation Committee.
- The Board of Directors received a report from the Nomination and Compensation Committee on the Group CEO evaluation, which had been conducted by the Directors excluding those concurrently serving as an Executive Officer, together with the Group CEO's comments on such evaluation.
- The Board of Directors also discussed measures to accelerate the development and strengthening of next-generation and subsequent-generation management talent that will contribute to the succession planning for the Group CEO and other CxO positions, which had been discussed by the Nomination and Compensation Committee.
- To realize the provision of high-performance total test solutions that meet future customer needs, the Board of Directors received reports from management on the progress of various strategic investment initiatives aimed at building strategic partnerships across the semiconductor supply chain, and discussed these matters.
- The Board of Directors reviewed capital allocation in line with the growth strategy, discussed the mid- to long-term capital policy taking into account growth investments, shareholder returns and financial stability.
- Amid a significant increase in demand for high-performance computing chips and high-bandwidth memory (HBM) driven by the rapid expansion of generative AI, management reported on initiatives to strengthen the overall business process from procurement to customer support—through collaboration among R&D, production, sales, and field service functions, with a view to enhancing the supply capability of testers and technical services, and the Board of Directors discussed these initiatives.
- Based on the fourth strategy set forth in the Grand Design, "Enhance sustainability," the Board of Directors received reports on specific measures and progress under the Sustainability Action Plan 2024–2026 established under the Mid-Term Management Plan.
- The Board of Directors received reports on feedback from shareholders and investors, as well as market evaluations, obtained through IR activities, including dialogues with shareholders and investors, conducted by management throughout the year.
- Compliance reports were provided four times a year and internal audit reports twice a year. The Board of Directors received reports on compliance-related incidents, including whistleblowing cases via the helpline, as well as on the internal audit framework and findings.

<The Nomination and Compensation Committee>

The Company has established the Nomination and Compensation Committee as a voluntary organization to assist the Board of Directors in the appointment/ dismissal of Directors and Executive Officers and in determining their compensation with the aim of improving the fairness, validity and transparency of the appointment/selection and dismissal/removal of Directors and Executive Officers and their compensation. The Nomination and Compensation Committee is responsible for the functions of both “the Nomination Committee” and “the Compensation Committee”.

Regarding dismissal/removal of directors and executive officers, the Nomination and Compensation Committee shall comply with the policy and procedures for appointment, selection, and dismissal of directors and executive officers established by the Board of Directors (hereinafter “the policy and procedure”), and shall recommend persons as candidates to the Board of Directors who will contribute to a sustainable level of business development and enhancement of corporate value over the mid-to-long term. In addition, regarding independent outside directors, in addition to the aforementioned policy and procedure, the “Independence Criteria for Outside Directors” established by the Board of Directors shall also apply. Candidates recommended to the Board of Directors have wide knowledge and experience and be expected to contribute positively to the Board of Directors. The Board of Directors deliberates on these reports, determines candidates for Directors, and selects Executive Officers.

When a report on the results of deliberations by the Nomination and Compensation Committee falls under the dismissal criteria for Directors and/or Executive Officers or if there is a proposal for dismissal from another Director, the Board of Directors will deliberate.

- Structure

The Nomination and Compensation Committee is composed of members selected from among the directors by resolution of the Board of Directors. In order to incorporate an independent perspective, the majority of committee members are outside directors. The Chairperson also serves as an outside director.

The current committee members are Mr. Toshimitsu Urabe, Ms. Sayaka Sumida and Mr. Yoshiaki Yoshida. The Chairperson of the Nomination and Compensation Committee is Mr. Toshimitsu Urabe, independent outside director.

- Status of activities

In FY2025, the Nomination and Compensation Committee met 14 times, and Mr. Toshimitsu Urabe, Ms. Sayaka Sumida and Mr. Yoshiaki Yoshida attended 14 times. All the members were present at every Nomination and Compensation Committee meeting. In FY2025, the main activities of the Nomination and Compensation Committee were as follows. In the next fiscal year and beyond, the Nomination and Compensation Committee will continue to discuss and examine the following issues.

- Candidates for Directors and Executive Officers and the Management Structure

Under the structure of directors effective after June 2025 and executive officers effective after April 2026, the Nomination and Compensation Committee considered appropriate candidates and proposed them to the Board of Directors. Regarding the organizational structure for directors effective after July 2026, the Nomination and Compensation Committee, after obtaining the views of each director, considered appropriate candidates and an optimal management structure and proposed its conclusions to the Board of Directors as appropriate.

- Evaluation of the Group CEO

The Nomination and Compensation Committee obtained evaluations of the Group CEO’s performance for the fiscal year from directors excluding those concurrently serving as executive officers, and also obtained comments from the CEO. Based on these inputs, the Committee prepared a report, submitted it to the Board of Directors, and engaged in discussions and exchange of views.

- Succession planning for the Group CEO and CxOs

The Nomination and Compensation Committee prepared a proposal on measures to accelerate the development and strengthening of next-generation and next-next-generation management talent, which will contribute to succession planning for the Group CEO and CxOs, and engaged in discussions and exchange of views at the Board of Directors.

- Operation of Base Compensation, Performance-based Bonuses and Stock Compensation

Evaluating the performance of each executive officer against pre-defined roles and expected results, individual evaluations of executive bonuses for FY2024 were discussed, finalized and reported to the Board of Directors.

The Nomination and Compensation Committee discussed and proposed to the Board of Directors the base compensation, performance indicators for performance-linked bonuses and stock compensation for FY2025.

Furthermore, based on external benchmark data regarding executive compensation, the Nomination and Compensation Committee discussed a partial revision of the executive compensation system for FY2026, as well as base compensation

and stock compensation, and submitted a proposal to the Board of Directors.

- Establishment of Stock Ownership Guidelines

From the perspective of sharing profits with shareholders, the Nomination and Compensation Committee established stock ownership guidelines and recommended to hold shares equivalent to four years' worth of base compensation for the Group CEO and two years' worth of base compensation for executive officers other than the Group CEO.

<The Audit and Supervisory Committee>

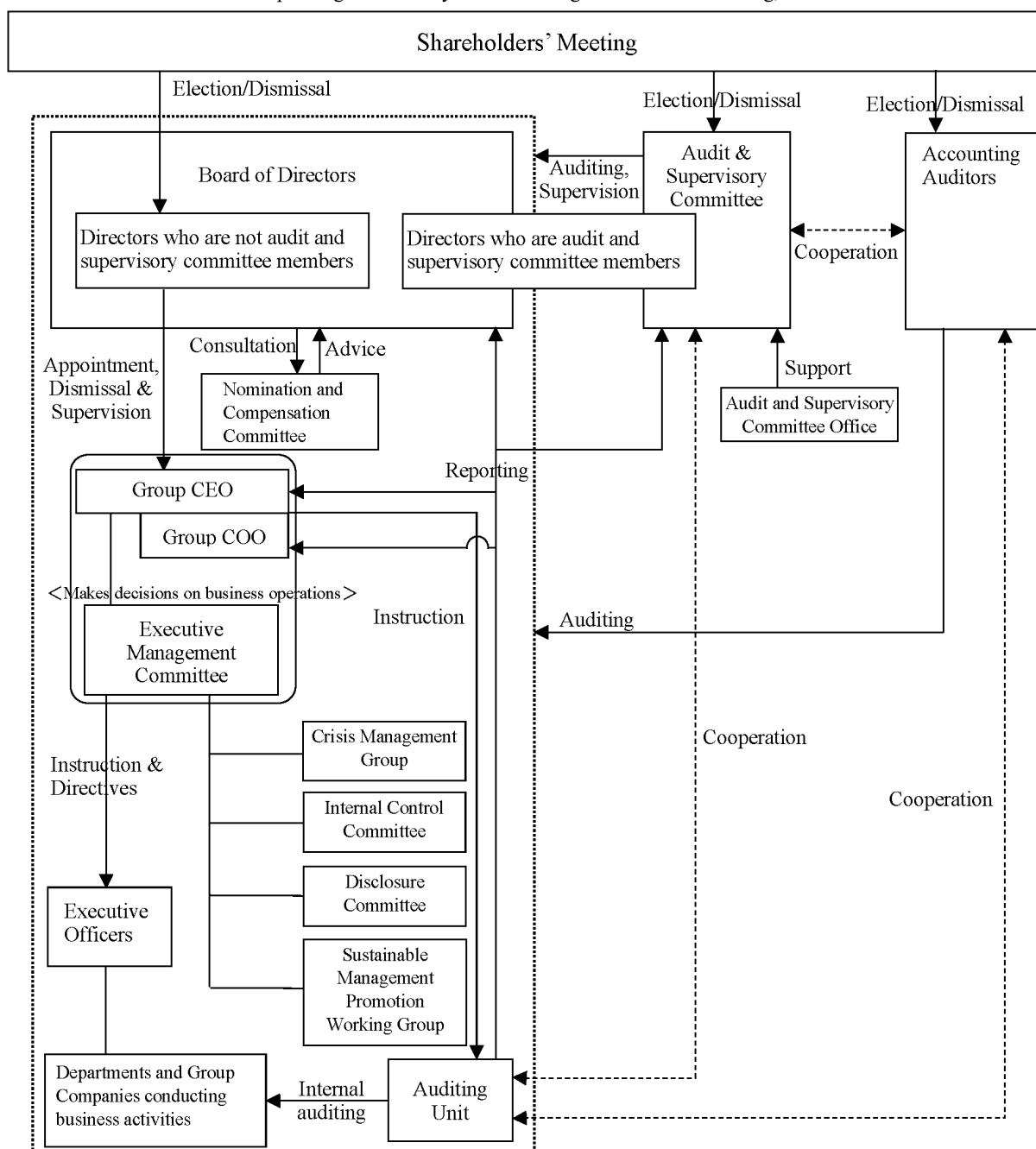
The activities of the Audit and Supervisory Committee are as described in "(3) Status of Audits 1) Status of Auditing by the Audit and Supervisory Committee".

<The Executive Management Committee>

The Company delegates necessary authorities to ensure the prompt and efficient performance of duties and the Executive Management Committee is positioned as a decision-making body for important business execution matters of the Company. Of the operations to which authority has been delegated, important matters above a certain level are, in principle, deliberated at the Executive Management Committee. The Executive Management Committee is held approximately twice a month.

The Executive Management Committee is composed of the Senior Executive Officers. From among the executive officers, those suitable to lead Group management are appointed as Executive Management Committee Meeting members. Details of the members of the Executive Management Committee are as described in "(2) Directors" below.

The chart below shows the corporate governance system for management decision-making, business execution and audits.



3) Reasons for Adoption of Current Corporate Governance Systems

The Company transitioned to an Audit and Supervisory Committee established company on June 24, 2015. Under the structure of a company with an Audit and Supervisory Committee, the audit and supervisory functions of the Board of Directors can be further strengthened, because Directors who are members of the Audit and Supervisory Committee have voting rights at the Board of Directors. At the same time, decisions can be more flexibly delegated to executives, thereby enabling speedier management. The Company believes that this will enable us to achieve a sustainable level of business development and mid-to-long-term enhancement of corporate value, and therefore the Company has adopted the structure of a company with an Audit and Supervisory Committee and an executive officer system.

In addition, a certain number of outsiders are required among the members of the Board of Directors in order to provide advice and management supervision that will lead to a sustainable level of business development of Advantest and mid-to-long-term enhancement of corporate value. Therefore, the Company has appointed five outside directors.

4) Other Matters Concerning Corporate Governance

a. The System to Ensure the Appropriateness of Business Operations

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

Basic Policy for the System to Ensure the Appropriateness of Business

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

1. Framework to the effective performance of duties by Board Directors of the Company and the Subsidiaries
 - (i) The Company promotes management efficiency by separating the management decision making function and supervisory function from the function of the execution of operations. The Board of Directors shall make management decisions and supervise management. Regarding execution of operations, executive officers and employees shall execute operations based on the Board of Directors’ clarification of the function and authority of the body executing operations, while delegating necessary authorities to ensure the prompt and efficient performance of duties.
 - (ii) The Board of Directors of the Company, as the management decision making body, shall make decisions on significant matters concerning the execution of business and basic management policies of Advantest Group, including the Internal Control System, and in its capacity to supervise management, the Board of Directors shall monitor and supervise execution of duties by Directors and executive officers.
 - (iii) The Board of Directors of the Company shall approve the basic management policy of the Advantest Group, receive reports on business results based on monthly closing account, financial situation, status of the performance of duties by each department, and review the appropriateness of such plans.

2. Framework to ensure the compliance with applicable laws and ordinances as well as the articles of incorporation by directors, executive officers, and employees of the Company and the Subsidiaries in performing their duties
 - (i) To ensure compliance with all applicable laws and regulations as well as the articles of incorporation, and to ensure that actions are taken faithfully and ethically, the Company shall establish The Advantest Way for all directors, executive officers and employees of the Advantest Group, and notify such directors, executive officers and employees of these codes. Furthermore, the Company shall establish the “Code of Ethics for Executives” for directors and executive officers.
 - (ii) The Advantest Group shall establish subcommittees such as the Internal Control Committee and the Disclosure Committee in order to ensure the appropriateness of business of Advantest Group.
 - The Internal Control Committee shall report to the Board of Directors about the design and operation of Internal Control System as deemed necessary.
 - The Disclosure Committee oversees the proper disclosure by management and report to the Board of Directors as deemed necessary.
 - (iii) Regarding compliance, Chief Compliance Officer (CCO) supervises the compliance with laws and regulations and the implementation of The Advantest Way and report to the Board of Directors as deemed necessary.
 - (iv) The Company establishes a corporate ethics helpline for whistleblowing such that employees can report behaviors that are illegal or inappropriate in light of applicable laws, Articles of Incorporation or The Advantest Way. The Company stipulates that the reporter / consultant will not treat such persons adversely for having reported an incident or sought consultation regarding a potential violation, and will thoroughly disseminate it.

3. Rules relating to the management of risk of loss and other frameworks of the Company and the Subsidiaries
 - (i) With respect to potential risks behind management environment, business activities and corporate assets of Advantest Group, the Company shall identify and classify risk factors for each important business process, analyze the magnitude of risks, possibility of actual occurrence and frequency of such occurrence, etc., and create written policies and procedures regarding the appropriate response to and avoidance/ reduction of the risks, as part of the internal control activities.
 - (ii) With respect to emergency situations such as disasters, the Company shall establish the Risk Management Group, create written emergency action guidelines and prepare by implementing education and training programs on a regular base.
 - (iii) The Internal Control Committee shall thoroughly manage risks of the Advantest Group and report material risks to the Board of Directors.
 - (iv) The Company is making efforts to prevent occupational injuries, create a comfortable working environment, and promote the good health of its employees through the establishment of the Safety and Health Committee.

4. Framework regarding the retention and management of information with respect to the performance of duties by Board Directors of the Company
 - (i) The Company shall properly retain and manage the following information regarding the exercise of duties by directors, pursuant to the internal rules that stipulate details such as the period of retention, person in charge of retention and method of retention.
 - Minutes of general meetings of shareholders and reference materials
 - Minutes of meetings of the Board of Directors and reference materials
 - Other important documents regarding the exercise of duties by directors
 - (ii) The Company shall establish the Information Security Committee that is responsible for protecting personal information and preventing confidential information from leaking.

5. Framework to ensure the appropriateness of operations of the Company, and the group as a whole, including its subsidiaries
 - (i) The Advantest Group shall establish and operate the same quality of internal control system for the Company and each company of the Advantest Group in order to conduct the consolidated group management placing an emphasis on business evaluation based on consolidated accounting.
 - (ii) The internal control system of the Advantest Group is supported by each department of the Company that is responsible for each group company, and is established and operated as a unified system based on the policies of the group created by the Internal Control Committee. Significant matters concerning the status of each group company that is controlled by the Internal Control Committee shall be reported to the Board of Directors.
 - (iii) Auditing Unit of the Company supervises an internal audit to each group company.

6. Matters relating to employee(s) who assist the Audit and Supervisory Committee
The Company shall establish the Audit and Supervisory Committee Office and assign the employee(s) who assist it.

7. Matters relating to the independence of the employee(s) referred to in the preceding Section from Board Directors of the Company (excluding directors who are Audit and Supervisory Committee members) and the matters for ensuring the effectiveness of direction to the employee(s)
 - (i) The personnel matters including but not limited to assignment, transfer, performance appraisal and disciplinary action of the employee(s) referred to in Section 6 shall be subject to a prior consent of the Audit and Supervisory Committee.
 - (ii) The employee(s) referred to in Section 6 shall perform their duties exclusively pursuant to the instruction and order by directors who are Audit and Supervisory Committee members and their independence from any officers or employees other than the directors who are Audit and Supervisory Committee members shall be ensured.

8. Framework for reporting to the Audit and Supervisory Committee of the Company
 - (i) In the event that any violation or breach of applicable laws, Articles of Incorporation or The Advantest Way or the fact that could cause serious damage is detected or reported, such event shall be reported immediately to the Audit and Supervisory Committee.
 - (ii) The Company shall adopt a system that allows directors who are Audit and Supervisory Committee members to attend important meetings such as the Executive Management Committee and to keep abreast important matters regarding

the execution of operations.

- (iii) In the event that a report or consultation is made to the Corporate Ethics Helpline, the Company shall adopt a system that such report or consultation shall be reported immediately to the Audit and Supervisory Committee.
- (iv) Under the provisions of section 8. (i) and (iii), The Company stipulates that the reporter to the Audit and Supervisory Committee will not treat such persons adversely for having reported an incident, and will thoroughly disseminate it.

9. Other frameworks to ensure the effective implementation of audit by the Audit and Supervisory Committee

- (i) The Company shall ensure that the Audit and Supervisory Committee cooperates with the Accounting Auditors, the Auditing Unit (an internal audit division of the Company) and the corporate auditor of each Advantest Group Company, and that there are opportunities to exchange opinions with them as deemed necessary.
- (ii) The Company shall ensure that there are opportunities to exchange opinions between the Audit and Supervisory Committee and the Representative Director and shall strive for communication between them.
- (iii) In case that a member of Audit Supervisory Committee requests a prepayment of expense necessary to perform his or her duties, the Company shall establish a necessary procedure of the prepayment and execute it without delay in accordance with the designated procedure.

b. Status of implementation of the system to ensure the appropriateness of business operations (internal control system)

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

<Framework for the effective performance of duties>

- To promote management efficiency, the Board of Directors performs management decision-making and supervision in accordance with Regulations of the Board of Directors and Executive Officers and employees execute business in accordance with the Global Organization and Authorization Rules. In February 2026, the Global Organization and Authorization Rules, Regulations of Board of Directors, and Regulations of the Executive Management Committee were revised to promote the delegation of authority that enables both fairness and transparency of management and prompt decision-making.
- The Executive Management Committee is positioned as a decision-making body for important matters related to business execution of Advantest. Among Executive Officers, those who are deemed capable of leading the group management are nominated as Senior Executive Officers who serve as members of the Executive Management Committee. The Executive Management Committee has largely delegated authority to unit leaders to realize speedy management.

<Framework concerning compliance>

- Advantest is promoting initiatives with the aim of materializing INTEGRITY in its daily operations and making INTEGRITY a true corporate culture. Specifically, Advantest has conducted the "INTEGRITY Award" to recognize and express appreciation for employees who have demonstrated INTEGRITY by recommendation from peer employees. In order to ensure that INTEGRITY is integrated into the corporate culture, Advantest has established a system in which "INTEGRITY Ambassadors" are appointed from each unit worldwide and supported by a "Culture Council" headed by the Group CEO. In addition, Advantest aims to spread INTEGRITY by promoting specific activities throughout Advantest and at each unit.
- Advantest has established corporate ethics helplines both internally and externally. Advantest ensures that all officers and employees around the world are aware of the role of the helpline, and has established an appropriate reporting system. In addition, to enhance compliance awareness and prevent misconduct and other wrongdoing, the Company provides e-learning programs to all employees of Advantest.

<Framework for risk management>

- In addition to discussing a broad range of risks to the global economy and the overall business environment at Board of Directors and Executive Management Committee, the Internal Control Committee chaired by the Group COO and attended by outside directors as observers, identifies and analyzes important risks throughout Advantest and clarifies departments responsible for each risk and the policies and procedures for dealing with each risk. Moreover, the Company shall report to the Board of Directors on the design and operation status of the internal control system and on the cases where significant defects and significant deficiencies are found in the internal control evaluation process.
- The Company has reorganized the Crisis Management Group to operate under a CxO-led framework in order to enable more rapid decision-making in company-wide crises.

<Framework for retention and management of information>

- The Company retains and manages minutes of General Meetings of Shareholders and minutes of meetings of the Board of Directors and their reference materials, and important documents regarding the exercise of duties by directors pursuant to the internal rules. In addition, in order to implement Advantest's Information Security Basic Policy, a Global Information Security Committee was established in a form that includes members from overseas subsidiaries. The Global Information Security Committee meets once a quarter to share cybersecurity incidents and takes measures to prevent recurrence, protects personal information and prevents leakage of confidential information, and maintains and improves the security of IT systems.
- Advantest conducts simulation drills for dealing with cyberattacks and, when phishing emails are received, provides timely alerts to all employees as appropriate.
- As of the end of the fiscal year ended March 31, 2026, the Company and its consolidated subsidiaries in Germany, the U.S., Singapore, Korea, and India have obtained ISO 27001 certification for its information security management system.

<Framework to ensure the appropriateness of operations of Advantest>

- The Company establishes important business processes for Advantest as a whole, and by providing guidance on risk analysis and appropriate responses to such risks, the Company's subsidiaries establish and operate same internal control system. The Internal Control Committee monitors the status of internal controls of each company based on the CSA (Control Self-Evaluation) of each unit conducted by the Internal Audit Group. It also monitors the status through audits by the Internal Audit Group and gives instructions so that each group company can operate in accordance with the policy for building internal control systems. The Internal Control Committee reports to the Board of Directors if important matters concerning internal control of each group company are discovered.
- The Auditing Unit reports the audit results to the Group CEO, the Group COO and the Audit and Supervisory Committee, and also to the Board of Directors.
- The status of internal audit is as described in "(3) Status of Auditing 2) Status of Auditing by Internal Auditors".

<Framework to ensure the effective implementation of audit by the Audit and Supervisory Committee>

The Company has established a system to ensure that the Audit and Supervisory Committee can appropriately obtain information on important matters related to the execution of operations, including the attendance of a full-time Audit and Supervisory Committee member at meetings of the Executive Management Committee and other important meetings, regular and as needed exchanges of opinions with the Group CEO and the Group COO, and coordination with the independent auditor and the Internal Audit Group. In addition, the Company has established the Audit and Supervisory Committee Office to which full-time employees who assist the Audit and Supervisory Committee are assigned. These employees who assist the Audit and Supervisory Committee perform their duties in accordance with instructions of the Audit and Supervisory Committee members and ensure their independence from directors who are not Audit and Supervisory Committee members and from other officers and employees.

The status of audits conducted by the Audit and Supervisory Committee is as described in "(3) Status of Auditing, 1) Status of Auditing by the Audit and Supervisory Committee".

5) Overview of limited liability agreements, indemnification agreements and the directors and officers' liability insurance contracts

• Overview of limited liability agreements

The Company has entered into limited liability agreements pursuant to Article 427, Paragraph 1 of the Companies Act, with non-executive directors Mr. Yoshiaki Yoshida, Mr. Toshimitsu Urabe, Mr. Nicholas Benes, Mr. Naoto Nishida, Mr. Yuichi Kurita, Ms. Sayaka Sumida and Ms. Tomoko Nakada. The maximum amount of liability under each agreement is the minimum liability amount as prescribed by applicable laws and regulations.

• Overview of the contents of indemnification agreements

The Company has entered into indemnification agreements with directors Mr. Douglas Lefever, Mr. Koichi Tsukui, Mr. Yoshiaki Yoshida, Mr. Toshimitsu Urabe, Mr. Nicholas Benes, Mr. Naoto Nishida, Mr. Yuichi Kurita, Ms. Sayaka Sumida and Ms. Tomoko Nakada pursuant to Article 430-2, Paragraph 1 of the Companies Act. Under the agreements, the Company shall indemnify them for the expenses set forth in Item 1 and losses set forth in Item 2 of the Paragraph, to the extent permitted by laws and regulations. However, certain grounds for exemption from indemnification have been stipulated to ensure the appropriateness of the execution of duties by such directors. In addition, any indemnification involving expenses and losses in an amount of no less than JPY 3 million shall be subject to deliberation by the Board of Directors.

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

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

The Company to which the insured belongs bears the full amount of the insurance premium including the special clauses, so there is no substantial insurance premium burden for the insured party.

The insurance policy covers legal damages and litigation expenses that may arise when the insured party assumes liability in connection with the execution of their duties or is subject to a claim to pursue such liability.

However, under such insurance contracts, measures are taken to ensure that the appropriateness of the execution of duties by the insured person is not impaired by establishing certain grounds for exemption. For instance, damage to the insured person arising from an act committed by the insured person with the knowledge that such act constituted a violation of laws and regulations is not covered.

6) The Company's Articles of Incorporation

- Number of Directors

The number of Directors of the Company shall be no more than fifteen. Among the Directors set forth in the preceding paragraph, the number of Directors who are Audit and Supervisory Committee members shall be no more than five.

- Requirements for resolution of Directors Nomination/Dismissal

Directors shall be elected, distinguishing Directors who shall become Audit and Supervisory Committee members from those who shall not, at the General Meeting of Shareholders. A resolution to elect a Director shall be made at a meeting at which the shareholders holding one-third or more of the voting rights of all shareholders who are entitled to exercise their voting rights, and shall be adopted by a majority of votes thereof. Pursuant to Article 341 of the Companies Act, a resolution to dismiss a director shall be adopted by a majority of the voting rights of the shareholders present at the meeting where the shareholders holding a majority of the voting rights of the shareholders entitled to exercise their voting rights are present.

Cumulative voting shall not be used for election of Directors in the Article of Incorporation.

- Resolutions of the General Meeting of Shareholders that can be resolved by the Board of Directors

In order to make management decisions more flexibly, the Company's Articles of Incorporation provide that matters stipulated in each item of Article 459, Paragraph 1 of the Companies Act, such as dividends of surplus, may be determined by resolution of the Board of Directors, unless otherwise provided by laws and regulations.

Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company's Articles of Incorporation provide that the Company may, by resolution of the Board of Directors, exempt Directors (including former Directors) from liability for damages arising from negligence in the performance of their duties to the extent permitted by laws and regulations, so that Directors can fully exercise their expected roles in the performance of their duties. The Company has stipulated in the supplementary provisions of the Articles of Incorporation that the provisions of the Articles of Incorporation prior to the change to the Company with Audit and Supervisory Committee shall remain in force with respect to agreements concerning partial exemption from liability based on the actions of the Audit and Supervisory Board Members by resolution of the Board of Directors prior to the change to the Articles of Incorporation and the limitation of such liability.

- Special resolutions of general meetings of shareholders

The Company's Articles of Incorporation prescribe that special resolutions of general meetings of shareholders set forth in Article 309, Paragraph 2 of the Companies Act shall be made at a meeting at which the shareholders holding one-third or more of the voting rights of all shareholders who are entitled to exercise their voting rights, and shall be adopted by two-thirds of votes thereof.

(2) Directors

1) List of Directors

The Directors of the Company as of June 26, 2026 (As of the filing date of this Annual Securities Report and Business Report) are shown as below.

Seven men and two women (Percentage of women: 22%)

Title	Name	Date of Birth	Brief biography	Term of office	Share ownership (unit: 100 shares) (Notes) 6
Representative Director, Senior Executive Officer, Group CEO	Douglas Lefever	December 10, 1970	<p>June 1998 Joined Advantest America, Inc.</p> <p>August 2014 Executive Officer, Advantest Corporation</p> <p>September 2014 Director, President and CEO, Advantest America, Inc.</p> <p>June 2017 Managing Executive Officer, Advantest Corporation</p> <p>June 2020 Director, Managing Executive Officer</p> <p>June 2021 Director, Senior Executive Officer</p> <p> CSO (Chief Strategy Officer)</p> <p>January 2023 Representative Director, Corporate Vice President & Group COO (Group Chief Operating Officer)</p> <p>June 2023 Representative Director, Corporate Vice President</p> <p> Group COO (Corporate Strategy, Business Promotion, Technology in charge) (Group Chief Operating Officer)</p> <p> Chairman, Advantest America, Inc.</p> <p>April 2024 Representative Director, Senior Executive Officer (current position)</p> <p> Group CEO (Corporate Strategy, Business Promotion, Technology in charge)</p> <p>April 2025 Group CEO (Corporate Strategy & Finance, Business Promotion, Technology in charge)</p> <p>July 2025 Group CEO (current position)</p>	(Notes) 4	76 (1,704)
Representative Director, Senior Executive Officer and President, Group COO	Koichi Tsukui	December 11, 1964	<p>April 1987 Joined Advantest Corporation</p> <p>June 2014 Executive Officer</p> <p>June 2015 Managing Executive Officer</p> <p>June 2020 Director, Managing Executive Officer</p> <p>June 2021 Director, Senior Executive Officer</p> <p> CTO (Chief Technology Officer)</p> <p>January 2023 Representative Director, Corporate Vice President & Group Co-COO (Group Co-Chief Operating Officer)</p> <p>June 2023 Representative Director, Corporate Vice President</p> <p> Group Co-COO (Production, Business Process Innovation in charge) (Group Co-Chief Operating Officer)</p> <p>April 2024 Representative Director, Senior Executive Officer and President (current position)</p> <p> Group COO (Administration, Production, Business Process Innovation in charge) (Group Chief Operating Officer)</p> <p>June 2024 Group COO (Administration, Supply Chain, Business Process Innovation in charge) (Group Chief Operating Officer)</p> <p>April 2025 Group COO (Human Capital & General Affairs & Legal, Supply Chain, Business Process Innovation in charge) (Group Chief Operating Officer)</p> <p>July 2025 Group COO (Group Chief Operating Officer) (current position)</p>	(Notes) 4	822

Title	Name	Date of Birth	Brief biography	Term of office	Share ownership (unit:100 shares) (Notes) 6
Director, Chairperson of the Board	Yoshiaki Yoshida	February 8, 1958	<p>April 1999 Joined Advantest Corporation</p> <p>June 2006 Executive Officer</p> <p>June 2009 Managing Executive Officer</p> <p>June 2013 Director, Managing Executive Officer</p> <p>June 2016 Director, Senior Executive Officer</p> <p>January 2017 Representative Director, President and CEO</p> <p>January 2023 Representative Director, President & Group CEO</p> <p>June 2023 Representative Director, President Group CEO (Administration, New Area Business Development Initiative in charge)</p> <p>April 2024 Director, Chairperson of the Board (current position)</p>	(Notes) 4	3,032
Director	Toshimitsu Urabe	October 2, 1954	<p>April 1978 Joined Mitsubishi Corporation</p> <p>April 2009 Senior Vice President and Deputy Chief Representative for China of Mitsubishi Corporation, and President for Mitsubishi Corporation (Hong Kong) Ltd.</p> <p>April 2011 Senior Vice President and Senior Assistant to Senior Executive Vice President, Human Resources of Mitsubishi Corporation</p> <p>April 2013 Executive Vice President, Group CEO, Business Service Group of Mitsubishi Corporation</p> <p>April 2017 Advisor, Mitsubishi Corporation</p> <p>June 2017 Deputy President and Executive Officer of Mitsubishi UFJ Lease & Finance Company Limited (currently Mitsubishi HC Capital Inc.)</p> <p>June 2019 Director of Advantest Corporation (current position)</p> <p>April 2021 Outside Director of Japan Business Systems, Inc.</p>	(Notes) 4	59
Director	Nicholas Benes	April 16, 1956	<p>September 1983 Joined Morgan Guaranty Trust Company of New York (currently JPMorgan Chase & Co.)</p> <p>November 1983 Joined California State Bar Association</p> <p>October 1984 Joined New York State Bar Association</p> <p>May 1994 Senior Managing Director, Kamakura Corporation</p> <p>April 1997 President and Founder, JTP Corporation</p> <p>March 2000 Outside Director, Alps Mapping Co., Ltd.</p> <p>December 2006 Outside Director, Livedoor Holdings Co., Ltd.</p> <p>March 2007 Outside Director, Cecile Co., Ltd.</p> <p>November 2009 Representative Director, The Board Director Training Institute of Japan</p> <p>June 2016 Outside Director, Imagica Robot Holdings Inc. (currently IMAGICA GROUP Inc.)</p> <p>June 2019 Director of Advantest Corporation (current position)</p> <p>June 2025 Executive Director and Founder, The Board Director Training Institute of Japan</p> <p>April 2026 Director and Founder, The Board Director Training Institute of Japan (current position)</p>	(Notes) 4	30

Title	Name	Date of Birth	Brief biography	Term of office	Share ownership (unit:100 shares) (Notes) 6
Director	Naoto Nishida	February 11, 1954	<p>April 1978 Joined Toshiba Corporation</p> <p>June 2007 Director, Production Engineering Center, Toshiba</p> <p>April 2009 General Manager, Productivity Planning Division, Toshiba Corporation</p> <p>April 2011 General Manager, Technology Planning Division, Toshiba Corporation</p> <p>June 2012 Executive Officer, Corporate Vice President (General Manager, Technology Planning Division), Toshiba Corporation</p> <p>June 2013 Executive Officer, Corporate Senior Vice President (In charge of Procurement & Logistics Group, In charge of Production Control Group), Toshiba Corporation</p> <p>June 2014 Board of Director, Executive Officer, Corporate Executive Vice President (In charge of Technology & Innovation Dept., New Business Dept., Research & Development Center, Software Technology Center), Toshiba Corporation</p> <p>September 2015 Executive Officer, Corporate Executive Vice President (In charge of Research & Development Management Dept.), Toshiba Corporation</p> <p>April 2016 Executive Officer, Corporate Executive Vice President (In charge of Technology Management Dept.), Toshiba Corporation</p> <p>November 2017 Special Commission, Toshiba Corporation</p> <p>June 2023 Director of Advantest Corporation (current position)</p>	(Notes) 4	18
Director, Standing Audit and Supervisory Committee Member	Yuichi Kurita	July 28, 1949	<p>April 1973 Joined Fujitsu Limited</p> <p>March 2001 Joined Advantest Corporation</p> <p>June 2003 Executive Officer</p> <p>June 2007 Director, Managing Executive Officer</p> <p>June 2009 Corporate Planning and Administration</p> <p>June 2010 Director, Senior Executive Officer</p> <p>June 2012 Standing Corporate Auditor</p> <p>June 2015 Director, Standing Audit and Supervisory Committee Member (current position)</p>	(Notes) 5	164

Title	Name	Date of Birth	Brief biography	Term of office	Share ownership (unit:100 shares) (Notes) 6
Director, Audit and Supervisory Committee Member	Sayaka Sumida	January 28, 1961	<p>October 1984 Joined Asahi Accounting Company (currently KPMG AZSA LLC)</p> <p>May 1988 Registered as a Certified Public Accountant</p> <p>May 2006 Partner, KPMG Azsa & CO., (currently KPMG AZSA LLC)</p> <p>August 2007 Chairperson of Audit Standards Committee, The Japanese Institute of Certified Public Accountants</p> <p>July 2010 Executive Board Member (in charge of Quality Control Standards and Audit Standards), The Japanese Institute of Certified Public Accountants</p> <p>January 2015 Board Member, International Auditing and Assurance Standards Board (IAASB), International Federation of Accountants (IFAC)</p> <p>February 2017 Member, Business Accounting Council in the Financial Services Agency</p> <p>June 2020 Outside Audit and Supervisory Board Member, Furukawa Electric Co., Ltd. Outside Audit and Supervisory Board Member, Nisshin OilliO Group, Ltd. Director, Audit and Supervisory Committee Member (current position)</p> <p>June 2024 Outside Director, Audit Committee Member, Japan Exchange Group, Inc. (current position)</p> <p>June 2025 Outside Director (Audit & Supervisory Committee Member), Furukawa Electric Co., Ltd. (current position)</p>	(Notes) 4	53
Director, Audit and Supervisory Committee Member	Tomoko Nakada	January 20, 1972	<p>April 1995 Entered Legal Training and Research Institute</p> <p>April 1997 Assistant Judge, Tokyo District Court</p> <p>June 2000 Attorney-at-law Registration in Japan Takahashi Norikatsu Law Office (currently, Hokusei Law Office, P.C.)</p> <p>September 2001 Visiting Research Fellow, Harvard Law School</p> <p>August 2002 Attorney-at-law Registration in New York State</p> <p>March 2015 International Fellow, The American College of Trust and Estate Counsel (ACTEC) (current position)</p> <p>April 2017 Academician, The International Academy of Estate and Trust Law (TIAETL) (current position)</p> <p>December 2020 Founder and Representative, Tokyo Heritage Law Firm (current position)</p> <p>June 2021 Outside Director, Audit and Supervisory Committee Member, TS Tech Co., Ltd. (current position)</p> <p>June 2023 Director, Audit and Supervisory Committee Member (current position)</p>	(Notes) 5	18
Total					4,272 (1,704)

- (Notes)
1. The above table includes the current position and responsibilities, and other significant concurrent positions.
 2. Mr. Toshimitsu Urabe, Mr. Nicholas Benes, Mr. Naoto Nishida, Ms. Sayaka Sumida and Ms. Tomoko Nakada are outside directors.
 3. The Company has registered Mr. Toshimitsu Urabe, Mr. Nicholas Benes, Mr. Naoto Nishida, Ms. Sayaka Sumida and Ms. Tomoko Nakada as independent directors with the Tokyo Stock Exchange.
 4. Term of office will expire upon the closing of the Ordinary General Meeting of Shareholders concerning the fiscal year ending March 31, 2026.
 5. Term of office will expire upon the closing of the Ordinary General Meeting of Shareholders concerning the fiscal year ending March 31, 2027.
 6. Share ownership is the number of the Company's shares held as of May 15, 2026, rounded down to the nearest hundred shares. The shares shown in parentheses represent the number of the Company's shares to be provided under the restricted stock compensation plan.
 7. The Company has in place an Executive Officers System to clarify and separate the functions of Board members (decision-making and supervision) from the functions of Executive Officers (business execution) with the aim of making Board activities more effective. The position of Executive Officer is currently held by 29 persons (including those who serve as Director), as follows:

Title	Name	Assignment in the Company and significant concurrent positions
Representative Director, Senior Executive Officer, Group CEO	Douglas Lefever	
Representative Director, Senior Executive Officer and President, Group COO	Koichi Tsukui	
Senior Executive Officer	Keith Hardwick	CHO (Chief Human Capital Officer)
Senior Executive Officer	Yasuo Mihashi	CSRO (Chief Stakeholder Relations Officer)
Senior Executive Officer	Juergen Serrer	CTO & Test System Business Group Leader (Chief Technology Officer)
Senior Executive Officer	Makoto Nakahara	Leader, CEO Office
Senior Executive Officer	Sanjeev Mohan	CCRO (Chief Customer Relations Officer)
Senior Executive Officer	Richard Junger	CSCO (Chief Supply Chain Officer)
Senior Executive Officer	Yong Xu	China Business Strategy
Senior Executive Officer	Toshiaki Adachi	Sub-leader, Test System Business Group
Senior Executive Officer	Hisako Takada	CFO (Chief Financial Officer)
Senior Executive Officer	Kesa Yorozu	CLO (Chief Legal Officer)
Senior Executive Officer	Robert Leindl	CDO & CIO (Chief Digital Officer & Chief Information Technology Officer)
Executive Officer	Suan Seng Sim (Ricky Sim)	Managing Director (CEO), Advantest (Singapore) Pte. Ltd.
Executive Officer	Wan-Kun Wu (Alex Wu)	Chairman of the Board and President (CEO), Advantest Taiwan Inc.
Executive Officer	Akio Osawa	Leader, System Solution Unit, Sales Unit
Executive Officer	Yasushi Yoshimoto	Co-CHO (Co-Chief Human Capital Officer)
Executive Officer	Jaehyuk Cha	Representative Director and President, Advantest Korea Co., Ltd.
Executive Officer	Daisuke Watanabe	Leader, Technology Development Unit, Technology & Research Group
Executive Officer	Ralf Stoffels	Leader, 93000 Product Unit, SoC Test Business Unit, Test System Business Group
Executive Officer	Katsuhiko Tsunetsugu	Sub-leader, Corporate Finance Unit
Executive Officer	Andre Vachenauer	Leader, Corporate IT Unit
Executive Officer	Kazuyuki Yamashita	Leader, DH Business Unit, Test System Business Group
Executive Officer	Tung Sheng Hsieh (Steven Hsieh)	Asia SoC Sales & Support
Executive Officer	Jintie Li	Director, Advantest (China) Co., Ltd.
Executive Officer	Fabio Giovanni Antonio Morgana (Fabio Morgana)	Leader, Research & Venture Unit, Technology & Research Group
Executive Officer	Jonathan Sinskie	Leader, ATS Business Unit, Test System Business Group
Executive Officer	Mitsuru Sakai	Leader, Memory Test Business Unit, Test System Business Group
Executive Officer	Toshimichi Iwai	Leader, Nanotechnology Business Unit

2) Outside Directors

The Company is enhancing the supervisory and oversight functions of the Board of Directors by having a majority of its directors be outside directors, and is also enhancing its audit functions by including outside directors among the Audit and Supervisory Committee members.

The number of outside directors as of the filing date of this Annual Securities Report and Business Report (June 26, 2026) is five (two of whom are Audit and Supervisory Committee members). The following are their names, significant concurrent positions and main activities, as well as reasons for their nomination and their independence. Each outside director of the Company owns the Company's shares, and the number of such shares is as described in "1) List of Directors."

Name	Significant concurrent position (s)	The Reasons for Nomination and Independence
	Main Activities (Attendance)	Main Activities (Summary of duties performed in relation to the expected role of an Outside Director and status of oral statements)
Toshimitsu Urabe	-	<p>Mr. Toshimitsu Urabe has extensive management experience at a leading Japanese general trading company and a non-bank financial institution, particularly overseas experience in the United States and Asia, experience in business investment decision-making, etc., and extensive experience in administrative management such as human resources and IT. The Company expects him to reflect his knowledge in Advantest's global management, thereby contributing to the sustainable enhancement of corporate value and further activation of the Board of Directors. Thus, the Company has determined that he is well qualified to serve as an Outside Director.</p> <p>Mr. Toshimitsu Urabe has no special transactions with the Company that would affect his independent judgment. In addition, in FY2025, there were no special business relationships between the Company and Japan Business Systems, Inc., where Mr. Toshimitsu Urabe served as an Outside Director until December 2025. Therefore, the Company has determined that he is sufficiently independent in accordance with the Independence Criteria of Independent Outside Directors established by the Company. Furthermore, as he also satisfies the requirements for independent directors set forth by Tokyo Stock Exchange, Inc., the Company has registered him as an Independent Director.</p>
	Meetings of Board of Directors: 13 out of 13 times	<p>During FY2025, based on his experience in business investment in global companies, he performed duties based on his role, such as providing advice on M&A and, as the Chairperson of the Nomination and Compensation Committee, making statements based on his own experience in the fields of management and human resources with respect to the executive compensation.</p> <p>Mr. Urabe expresses his opinions mainly on business investment decisions, global management, and the promotion of DX, based on his management experience.</p>
Nicholas Benes	Director and Founder, The Board Director Training Institute of Japan	<p>Mr. Nicholas Benes has extensive knowledge and experience in corporate governance, and investment banking, including M&A transactions. The Company expects him to reflect his knowledge of corporate governance, finance matters and the shareholder-oriented perspective in Advantest's global management, thereby contributing to the sustainable enhancement of corporate value and further activation of the Board of Directors. Thus, the Company has determined that he is well qualified to serve as an Outside Director.</p> <p>Mr. Nicholas Benes has no special transactions with the Company that would affect his independent judgment. The Company has paid an annual fee to and received executive training from the certified non-profit public association Board Director Training Institute of Japan, where he serves as a Director. The amount of payment to the Board Director Training Institute of Japan in FY2025 was less than JPY 1,000,000. Therefore, the Company has determined that the institute does not constitute a significant business partner as defined in the Independence Criteria of Independent Outside Directors established by the Company, and accordingly, he is sufficiently independent. Furthermore, as he also satisfies the requirements for independent directors set forth by Tokyo Stock Exchange, Inc., the Company has registered him as an Independent Director.</p>
	Meetings of Board of Directors: 13 out of 13 times	<p>During FY2025, Mr. Benes performed his duties by providing advice on M&A based on his experience in investment banks, as well as offering insights from the perspective of shareholders including institutional shareholders.</p> <p>Mr. Benes expresses his opinions based mainly on his knowledge of corporate governance and finance matters.</p>

Name	Significant concurrent position (s)	The Reasons for Nomination and Independence
	Main Activities (Attendance)	Main Activities (Summary of duties performed in relation to the expected role of an Outside Director and status of oral statements)
Naoto Nishida	-	<p>Mr. Naoto Nishida has extensive knowledge and experience as a laser technology expert, in addition to his extensive experience in technology, supply chain management (SCM), production, and research & development at a global company closely related to the semiconductor industry. The Company expects him to reflect his insights in the Company's business, industry and technology as well as his perspectives on strategic innovation in Advantest's global management, thereby contributing to the sustainable enhancement of corporate value and further activation of the Board of Directors. Thus, the Company has determined that he is well qualified to serve as an Outside Director.</p> <p>Mr. Naoto Nishida has no special transactions with the Company that would affect his independent judgment. The Company has had transactions with Toshiba Corporation, where Mr. Naoto Nishida served as Special Commission until December 2025, and its affiliates, including the sales of the Company's products. The amount of such transactions with Toshiba Corporation and its affiliates in FY2025 was less than 1% of the total of the Company's consolidated cost of sales and selling, general and administrative expenses. Therefore, the Company has determined that Toshiba Corporation does not constitute a significant business partner as defined in the Independence Criteria of Independent Outside Directors established by the Company, and accordingly, he is sufficiently independent. Furthermore, as he also satisfies the requirements for independent directors set forth by Tokyo Stock Exchange, Inc., the Company has registered him as an Independent Director.</p>
	Meetings of Board of Directors: 13 out of 13 times	<p>During FY2025, Mr. Nishida performed his duties based on his role, including making statements on SCM and safety and health based on his experience in the production and procurement division of a global company.</p> <p>Mr. Nishida expresses his opinions mainly on global management and SCM, based on his management experience.</p>
Sayaka Sumida	<p>Outside Director (Audit Committee Member), Japan Exchange Group, Inc.</p> <p>Outside Director (Audit & Supervisory Committee Member), Furukawa Electric Co., Ltd.</p>	<p>Although Ms. Sayaka Sumida has not been directly involved in the management of a company in the past, she has extensive knowledge and experience in finance and accounting gained through her engagement in accounting auditing services and internal control-related services as a certified public accountant at an accounting firm for many years. The Company expects her to reflect her knowledge of finance and accounting in Advantest's audit and supervision, thereby contributing to the enhancement of corporate accounting and internal control. Thus, the Company has determined that she is well qualified to serve as an Outside Director who is an Audit and Supervisory Committee Member.</p> <p>Ms. Sumida has no special transactions with the Company that would affect her independent judgment. Ms. Sayaka Sumida serves as an Outside Director (Audit Committee Member) of Japan Exchange Group, Inc. The Company pays listing fees and other expenses to Tokyo Stock Exchange, Inc., a subsidiary of Japan Exchange Group, Inc. However, the amount of transactions between Japan Exchange Group, Inc. and the Company in FY2025 was less than 1% of the Company's consolidated cost of sales and selling, general, and administrative expenses. The Company has had transactions with Furukawa Electric Co., Ltd., at which Ms. Sayaka Sumida serves as an Outside Director (Audit & Supervisory Committee Member), including the purchase of raw materials, etc. The amount of such transactions with Furukawa Electric Co., Ltd., in FY2025 was less than 1% of the total of the Company's consolidated cost of sales and selling, general and administrative expenses. Therefore, the Company has determined that Furukawa Electric Co., Ltd., and Japan Exchange Group, Inc. do not constitute a significant business partner as defined in the Independence Criteria of Independent Outside Directors established by the Company, and accordingly, she is sufficiently independent. Furthermore, as she also satisfies the requirements for independent directors set forth by Tokyo Stock Exchange, Inc., the Company has registered her as an Independent Director.</p>
	Meetings of Board of Directors: 13 out of 13 times, Meetings of Audit and Supervisory Committee: 14 out of 14 times	<p>During FY2025, as the Chairperson of the Audit and Supervisory Committee, Ms. Sumida performed her duties based on her role, including providing advice on internal audit and disclosure documents such as the Annual Securities Report and Business Report, based on many years of experience as a certified public accountant.</p> <p>Ms. Sumida expresses her opinions mainly in relation to corporate accounting and auditing from a professional perspective.</p>

Name	Significant concurrent position (s)	The Reasons for Nomination and Independence
	Main Activities (Attendance)	Main Activities (Summary of duties performed in relation to the expected role of an Outside Director and status of oral statements)
Tomoko Nakada	Outside Director, Audit and Supervisory Committee Member, TS Tech Co., Ltd.	<p>Although Ms. Tomoko Nakada has not been directly involved in the management of a company in the past, she has extensive experience and a high level of expertise in law as a judge and an attorney, engaging in the practice of corporate legal affairs and general civil matters, as well as domestic and international inheritance cases. The Company expects her to reflect her legal expertise in Advantest's audit and supervision, thereby contributing to the enhancement of compliance. Thus, the Company has determined that she is well qualified to serve as an Outside Director who is an Audit and Supervisory Committee Member.</p> <p>The Company has no special transactions with Ms. Tomoko Nakada, the law firm of which she is the representative and TS Tech Co., Ltd., where she serves as an Outside Director who is an Audit and Supervisory Committee Member. However, Ms. Tomoko Nakada is a relative within the third degree of kinship of an attorney at the law firm of Nagashima Ohno & Tsunematsu. The Company has transactions with the law firm related to the provision of legal advice, but the amount paid to the firm by the Company in FY2025 was less than 1% of the total revenue of the law firm. Therefore, the Company has determined that she is sufficiently independent in accordance with the Independence Criteria of Independent Outside Directors established by the Company. Furthermore, as she also satisfies the requirements for independent directors set forth by Tokyo Stock Exchange, Inc., the Company has registered her as an Independent Director.</p>
	Meetings of Board of Directors: 13 out of 13 times, Meetings of Audit and Supervisory Committee: 14 out of 14 times	<p>During FY2025, Ms. Nakada performed her duties based on her role, including pointing out matters relating to risk management and providing advice from a compliance perspective based on her many years of experience as an attorney-at-law.</p> <p>Ms. Nakada expresses her opinions mainly in relation to law and compliance from a professional perspective.</p>

- (Notes) 1. Mr. Toshimitsu Urabe retired as an Outside Director of Japan Business Systems, Inc. on December 18, 2025.
2. Mr. Nicholas Benes retired as a Representative Director of the certified non-profit public association Board Director Training Institute of Japan on June 25, 2025, and was appointed as an Executive Director and Founder of the same organization on the same day. Furthermore, he retired as an Executive Director and Founder on April 1, 2026, and, on the same day, has continued to serve as a Director and Founder of the organization.
3. Mr. Naoto Nishida retired as a Special Commission of Toshiba Corporation on December 31, 2025.
4. Ms. Sayaka Sumida retired as an Outside Audit & Supervisory Board Member of Furukawa Electric Co., Ltd. on June 25, 2025, and was appointed as an Outside Director (Audit & Supervisory Committee Member) of the same company on the same date.
5. In addition to the number of Board of Directors' meetings held as described above, there were two written resolutions deemed to be a resolution of the Board of Directors pursuant to Article 370 of the Companies Act and Article 23 of Advantest Corporation's Articles of Incorporation.

Independence Criteria of Independent Outside Directors

Outside Directors of the Company shall be judged to be independent provided none of the following conditions apply presently and recently.

1. Major Business Partner

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

2. Expert

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

3. Relative

- (1) Relative of person who falls in the condition set forth in 1 or 2 above
- (2) Relative of Executive or Board Director of the subsidiary of the Company
- (3) Relative of person who was an Executive or Board Director of the Company or subsidiary of the Company recently
(Notes) 1. "Recently" shall mean time range substantially identical to presently.
2. "Major Business Partner" means partner whose revenue from the transaction with the Company shares the considerable part of revenue of the Company or partner supplying the Company with commodities or services indispensable to the Company's business.
3. "Executive" means the "executive" defined in the Ordinance for Enforcement of the Companies Act.
4. "Relative" means the person's relative within the second degree of kinship.

3) Interoperation between Supervising or Auditing by Outside Directors and Internal Audit, Audit and Supervisory Committee Members, Financial Audits and Relationship with Internal Control Department

The status of design and operation of internal control systems and significant results and significant material deficiencies detected in the course of assessment evaluation of internal controls shall be reported to the Board of Directors. Outside directors can attend the Internal Control Committee as observers.

The Audit and Supervisory Committee, the Auditing Unit and the Independent Accounting Auditors collaborate with one another so as to carry out regular discussions or timely meetings. Outside directors who are the Audit and Supervisory Committee members express their opinions as necessary.

(3) Status of Auditing

1) Status of Auditing by the Audit and Supervisory Committee

a. Organization of the Audit and Supervisory Committee

As of the filing date of this Annual Securities Report and Business Report, the Audit and Supervisory Committee is composed of one inside director and two outside directors. To ensure the effectiveness of audits by overseeing daily business execution, promptly collecting internal information, and sharing such information with non-standing members, one inside director has been appointed as a standing member of the Audit and Supervisory Committee.

Mr. Yuichi Kurita, an inside director and a member of the Audit and Supervisory Committee, has experience as an officer in Advantest's corporate planning, finance and administration. Ms. Sayaka Sumida, an outside director and a member of the Audit and Supervisory Committee, has extensive experience as a certified public accountant at an accounting firm. Both have sufficient knowledge of finance and accounting. Also, Ms. Tomoko Nakada, an outside director and a member of the Audit and Supervisory Committee, has experience as an attorney and abundant knowledge of legal affairs and compliance.

The Company has the Audit and Supervisory Committee Office dedicated to supporting the duties of the Audit and Supervisory Committee and its members. The office is composed of two employees who are independent of business execution.

b. Activities of the Audit and Supervisory Committee

(Activities by the Audit and Supervisory Committee)

During FY2025, the Audit and Supervisory Committee held 14 meetings, and the attendance rate of each member was as follows.

Job title	Name	Attendance
The standing Audit and Supervisory Committee member (Inside director)	Yuichi Kurita	100% (14 times)
The Audit and Supervisory Committee member, Chairperson of the Audit and Supervisory Committee (Independent outside director)	Sayaka Sumida	100% (14 times)
The Audit and Supervisory Committee member (Independent outside director)	Tomoko Nakada	100% (14 times)

The Audit and Supervisory Committee audited the execution of duties by directors, executive officers, and other business execution organizations in accordance with the audit policy, audit plan, priority audit items, and the assignment of duties established by the Audit and Supervisory Committee. The average duration of each of the Audit and Supervisory Committee meetings was approximately two hours and 20 minutes.

The main activities of the Audit and Supervisory Committee during FY2025 were as follows.

	Activities	Standing	Outside
The Audit and Supervisory Committee	- The Audit and Supervisory Committee's meeting (14 times)	○	○
Attendance at important meetings	- The Board of Directors' meeting (13 times) - Internal Control Committee's meeting (twice) - Executive Management Committee's meeting (twice a month), Business Plan Meeting (twice), Executive Mid-term Strategy Meeting (5 times), Executive Officers Meeting in Japan (monthly), General managers' meeting (monthly), etc.	○ ○ ○	○ ○ -
Interviews with executive officers	- Interview with Representative Director, Senior Executive Officer, Group CEO (twice) - Interviews with Representative Director, Senior Executive Officer and President, Group COO (once) - Executive Officers (22 times in total)	○ ○ ○	○ ○ (Notes) 1

Activities		Standing	Outside
Audits of major units and subsidiaries	- Audits of units and major domestic and overseas consolidated subsidiaries selected in the audit plan (domestic :3 companies, overseas: 10 companies)	○	(Notes) 1
	- Inspection of the status of operations and assets of the head office and major domestic and overseas consolidated subsidiaries	○	(Notes) 1
Inspection of important documents	- Inspection of important approval documents	○	-
	- Monthly reports from domestic and overseas consolidated subsidiaries	○	-
Collaboration with outside directors and subsidiary auditors	- Attendance at meetings with outside directors and Senior Executive Officers (10 times)	(Notes) 2	○
	- Periodic discussions with auditors of domestic and overseas consolidated subsidiaries (twice)	○	○
	- Exchange of views as needed	○	(Notes) 1
Cooperation with the Auditing Unit	- Periodic reports from the Auditing Unit (internal audit) (5 times)	○	○
	- Exchange of views as needed	○	(Notes) 1
Cooperation with the independent auditor	- Periodic exchanges of views on audit plans, status of interim reviews and year-end audits, and audit focus areas including Key Audit Matters (KAM) with the independent auditor (7 times)	○	○
	- Meetings with the global audit team, including the audit teams of overseas consolidated subsidiaries (once)	○	-
	- On-site meetings with teams of independent auditors of overseas consolidated subsidiaries	○	-
	- Exchange of views as needed	○	(Notes) 3

(Notes) 1. Independent outside Audit and Supervisory Committee members participate in meetings to the extent possible, including the use of Web conferencing.

2. Participated in some of them

3. Independent outside Audit and Supervisory Committee members participate, depending on the agenda.

The Audit and Supervisory Committee conducted on-site inspections and in-person interviews at major domestic and overseas consolidated subsidiaries and offices to the extent possible, and when it was difficult to do so, the Audit and Supervisory Committee conducted inspections and interviews via Web conference. Information obtained through on-site inspections by the standing member of the Audit and Supervisory Committee, attendance at important meetings such as the Executive Management Committee and Business Plan Meetings, and hearing business reports from executive divisions is shared with the entire Audit and Supervisory Committee. As a result of these audit activities, the Audit and Supervisory Committee provided feedback and recommendations to the Executive Management Committee, in addition to the directors and leaders of each unit involved when necessary.

(Specific considerations by the Audit and Supervisory Committee)

In light of business acquisitions and rapid personnel increases overseas in recent years for the mid- to long-term growth of Advantest, the Audit and Supervisory Committee, continuing from the previous year, conducted audits from a global management perspective, paying attention to the following points.

- Whether Advantest's business execution is properly conducted in accordance with the Grand Design and the Third Mid-term Management Plan, the various measures for enhancing corporate value over the mid- to long-term based on these plans.
- Whether the Executive Management Committee, the highest decision-making body for business execution, is appropriately operating in accordance with the Global Organization and Authorization Rules and holding substantive discussions.
- Whether a prompt and efficient business execution system has been established in line with the CxO structure.

- Whether Advantest is taking concrete measures to deal with issues to be addressed and risks surrounding Advantest, based on an understanding of the current situation and in relation to management policies and strategies, etc.
- Whether the policies of the Board of Directors are thoroughly communicated to executive officers or employees.
- Whether problems in the field are reported to executive officers and directors, and whether important matters are reported to the Board of Directors.
- Whether measures to disseminate The Advantest Way and to ensure its effectiveness are appropriately implemented.

The Audit and Supervisory Committee also exchanges views on agenda items that are submitted or to be submitted to the Board of Directors and on the status of compliance, including Advantest's risk assessment at the Internal Control Committee's meetings and whistleblower system.

In addition, the Company has established a basic policy regarding non-assurance services, and with regard to non-assurance services provided to Advantest by the independent auditor, Ernst & Young Shin Nihon LLC, and its network firms, the Audit and Supervisory Committee discusses and decides whether or not to accept requests based on this basic policy prior to the provision of services. In addition, the Chairperson of the Audit and Supervisory Committee, Ms. Sayaka Sumida, also serves as a member of the Nomination and Compensation Committee. The Audit and Supervisory Committee discusses and exchanges views on the status of appointment of board directors and revisions to the director's compensation system, which are mainly discussed by the Nomination and Compensation Committee, as appropriate.

(Collaboration with outside directors of Advantest and auditors of consolidated subsidiaries)

The Audit and Supervisory Committee members also regularly exchange views with outside directors who are not members of the Audit and Supervisory Committee on matters such as management policies and the performance of duties by the executive directors and executive officers. In addition, the Audit and Supervisory Committee members hold regular meetings with the auditors of Advantest's subsidiaries to improve the quality of group-wide audits and to foster an environment that facilitates sharing information among all parties.

(Cooperation with the Auditing Unit [internal audit])

The Audit and Supervisory Committee regularly exchanges views on the annual audit plan and quarterly activities of the Auditing Unit, including the evaluation of internal control over financial reporting based on the Financial Instruments and Exchange Act. The Audit and Supervisory Committee also exchanges views on the results of internal audits on individual topics as necessary.

(Cooperation with the Independent Auditor)

The Audit and Supervisory Committee has regular meetings with the independent auditor at the time of audit planning and on a quarterly basis. At these meetings, the Audit and Supervisory Committee receives reports from the independent auditor on the audit plan, status of group audits, quarterly status, including interim review results, and year-end audit results and questions are raised as necessary on audit issues.

Regarding Key Audit Matters (KAM), the Audit and Supervisory Committee exchanged views with the independent auditor on potential KAM items from an early stage of the audit, considering changes in the business environment during the fiscal year. During the year, the Audit and Supervisory Committee confirmed that KAM items are consistent with the risk perception of the Audit and Supervisory Committee. Regarding the "Valuation of goodwill and intangible assets related to R&D Altanova group", the Audit and Supervisory Committee conducted discussions on the probability of future business plans, taking into account the details of the impairment test and the status of communication between the independent auditor and the management. With respect to the "Valuation of inventories", the Audit and Supervisory Committee discussed with the independent auditor, focusing on this year's changes, such as efforts to improve the accuracy of simulations of future usage expectations for inventory.

2) Status of Auditing by Internal Auditors

a. Internal Audit Organization and Personnel

The Company has established an Internal Audit Group under the direct control of Group CEO and Group COO, and has a total of 15 employees in charge of internal audit, including 5 from the Auditing Unit of the Company and 10 from overseas Group companies (3 in the U.S., 4 in Singapore, 1 in South Korea, and 2 in Germany) as of the filing date of this Annual Securities Report and Business Report, to conduct internal audit within Advantest. The Internal Audit Group is staffed with personnel with specialized qualifications such as CIA (Certified Internal Auditor), CPA (Certified Public Accountant), CISA (Certified Information Systems Auditor) and CFE (Certified Fraud Examiner).

b. Purpose of Internal Audit

The purpose of internal audits is defined in the Internal Audit Charter as "to improve Advantest's operations and contribute to achieving its objectives by bringing a systematic, disciplined approach to evaluate and improve the compliance and effectiveness of risk management, internal control and governance processes." The Internal Audit Group provides assurance regarding compliance with the applicable laws, regulations, and internal rules, the effectiveness and efficiency of operations and provides advice for improvement of operations from an independent and objective standpoint.

c. Internal Audit Procedures

Based on the results of the risk assessment by the Internal Control Committee, the Internal Audit Group determines key audit items using a risk-based approach and formulates a plan for compliance and operational audits covering each division of the Company and its domestic and overseas consolidated subsidiaries and business units and functional units covering Advantest globally. Based on the audit plan for each fiscal year, the Internal Audit Group conducts compliance and operational audits focusing on key audit items of the Company's divisions, its domestic and overseas consolidated subsidiaries, as well as business units and functional units through interviews with responsible personnel, review of important documentation, and inspection of the status of business operations and assets at the offices. If the Internal Audit Group identifies any issues, it points them out, provides recommendations for improvement and monitors the status of those improvements.

The key audit items for the current fiscal year are as follows.

- Effectiveness and efficiency of operation: Research and development progress, management of intellectual property, status of supply chain management, status of response to digital transformation, status of implementation of business continuity management framework.
- Compliance with the applicable laws and internal rules: Status of compliance with applicable laws and design of delegation of authority and compliance with the rules under the delegation of authority, status of prevention of fraud and conflict of interest.
- Information security: Status of management of personal and confidential information - information security including cyberattack countermeasures.
- Talent management: Status of labor management, succession planning, enhance engagement and talent development.
- Management of newly acquired companies: Status of development of governance and internal controls and IT infrastructure and security.

In FY2025, the Internal Audit Group conducted compliance and operational audits of 27 divisions of the Company, 23 domestic and overseas consolidated subsidiaries, and 2 units consisting of a business unit and a functional unit, for a total of 52 organizational units.

In addition, the Internal Audit Group evaluates internal control over financial reporting in accordance with the Financial Instruments and Exchange Act in Japan. In FY2025, the Company and its 9 consolidated subsidiaries were subject to a company-level control assessment, of which the Company and 2 consolidated subsidiaries were evaluated for their business processes as significant business units.

d. Initiatives to Ensure the Effectiveness of Internal Audit

The Internal Audit Group has established a system to report directly not only to the Group CEO and Group COO, but also to the Board of Directors and the Audit and Supervisory Committee, and periodically reports to the Board of Directors every six months and the Audit and Supervisory Committee quarterly as follows.

- Reports to the Board of Directors

Reports	Date	Summary
Activity Reports of the Internal Audit Group	June 23, 2025 December 18, 2025	Reports on audit results and activities for the previous half of the fiscal year (including reports on the status of internal control evaluation related to financial reporting)

- Reports to the Audit and Supervisory Committee

Reports	Date	Summary
Activity Reports of the Internal Audit Group	April 24, 2025 July 29, 2025 October 28, 2025 January 27, 2026	Audit results and activity reports for each quarter (including reports on the status of internal control evaluation related to financial reporting)
Reports on the status of internal control evaluation related to financial reporting	May 21, 2025	Evaluation status of internal control over financial reporting in FY2024.

e. Cooperation between Internal Audit, Audit and Supervisory Committee and Independent Auditors

- Cooperation between the Internal Audit Group and the Audit and Supervisory Committee

In order to contribute to the efficient execution of audit by the Audit and Supervisory Committee, the Auditing Unit Leader sends an audit report to the Audit and Supervisory Committee members each time an audit is conducted, and reports on activities to the Audit and Supervisory Committee on a quarterly basis. In addition, the Internal Audit Group shares audit plans and achievements with the Audit and Supervisory Committee and exchanges views with the Audit and Supervisory Committee.

- Cooperation between the Internal Audit Group and the Independent Auditors

The Auditing Unit Leader determines the annual plan and scope of audits related to internal control over financial reporting in consultation with the independent auditors, holds meetings and engages in discussions as necessary, and holds regular approximately quarterly meetings with the independent auditors regarding the status of internal control evaluations.

3) Status of Auditing by the Independent Auditor

The Company has entered into an audit contract with Ernst & Young ShinNihon LLC for audits of Advantest’s financial statements and its internal control over financial reporting in accordance with the Companies Act and the Financial Instruments and Exchange Act. The certified public accountants who performed audit services and the assistants for audit services during the fiscal year 2025 are as follows:

- a. Name of Independent Auditor

Ernst & Young ShinNihon LLC

- b. Period of consecutive audit

Financial audits have been continued since the fiscal year ended March 31, 1984, when listed on the second section of the Tokyo Stock Exchange. There is a possibility that the continuous audit period may exceed the period stated above, as it is extremely difficult to investigate records prior to the fiscal year ended March 31, 1984.

- c. Certified public accountants (CPA) who performed the audit are as follows:

Name of CPA, and others	
Certified public accountant Designated and Engagement Partner	Keiichi Wakimoto
	Minoru Ota
	Hiroyuki Nakada

(Note) The rotation of the certified public accountants is conducted appropriately at Ernst & Young ShinNihon LLC. No certified public accountants are involved in accounting audits of the same company for more than seven consecutive fiscal years, and they are not involved in accounting audits of the same company for more than five

consecutive fiscal years as lead certified public accountants. If a certified public accountant is involved in accounting audits of the same company for seven consecutive fiscal years, they 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.

d. Assistants in financial audits

Assistants for accounting audit services are mainly composed of certified public accountants and include those who have expert knowledge such as system experts.

e. Reasons for the selection of the Independent Auditor

The reason for selecting Ernst & Young ShinNihon LLC as the independent auditor is that the Company has judged that they are qualified to be an independent auditor based on the Practical Guidelines published by the Japan Audit & Supervisory Board Members Association, and that they have a system to ensure that accounting audits are conducted properly, taking into account the audit corporation's quality control system, independence and expertise, appropriateness, effectiveness and efficiency of audit activities, and other matters related to the execution of duties in a comprehensive manner.

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

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

f. Evaluation of the independent auditor by Audit and Supervisory Committee

The Audit and Supervisory Committee evaluated the appropriateness of audit by the independent auditor by taking into account various factors such as the quality control system of the independent auditor, independence and expertise of the audit team, appropriateness of audit fees, effectiveness of communication with the Audit and Supervisory Committee, effectiveness of communication with management, effectiveness of group audit utilizing overseas network firms, and appropriateness of assessment and response to fraud risks. This evaluation was conducted comprehensively by collecting relevant materials from the independent auditor and conducting interviews and inquiries. As a result, the Audit and Supervisory Committee concluded that audit was appropriately conducted.

4) Audit Fees and Others

a. Details of fees paid to the independent auditor involved in the audit

Category	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026	
	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)
Advantest Corporation (The Company)	163	15	173	24
The Company's consolidated subsidiaries	—	—	-	-
Total	163	15	173	24

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

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

3. The total amount of cash and other financial benefits payable by the Company and its subsidiaries to the independent auditor represents the aggregate of the fees for the audit services and non-audit services described

above, amounting to 178 million yen for the fiscal year ended March 31, 2025 and 197 million yen for the fiscal year ended March 31, 2026.

The fees for non-audit services for the Company mainly consisted of third-party assurance services for non-financial information for the fiscal years ended March 31, 2025 and 2026.

b. Details of fees paid to the same network firms (Ernst & Young) involved in the audit (except for a.)

Category	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026	
	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)
Advantest Corporation (The Company)	-	13	-	18
The Company's consolidated subsidiaries	227	150	248	168
Total	227	163	248	186

The fees for non-audit services for the Company and its consolidated subsidiaries mainly consisted of tax advisory services for the fiscal year ended March 31, 2025 and 2026.

c. Other important fees for audit services

Not applicable

d. Policy for determining the audit fees

Audit fees for the independent auditor are appropriately determined with the consent of the Audit and Supervisory Committee, taking into consideration the scope of work and the number of audit hours.

e. Reason that the Audit and Supervisory Committee gave consent to the amount of audit fees

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

(4) Compensation for Members of the Board of Directors

1) Total Amount of Compensation by Officer Category, the Total Amount of Compensation, by Compensation Category, and the Number of Eligible Directors

Officer category	Company category	Total compensation (Millions of Yen)	Total compensation by category (Millions of Yen)					Number of eligible directors (Persons)
			Cash compensation			Non-cash compensation		
			Base compensation	Performance-based compensation	Other cash compensation	Restricted stock compensation	Performance-based stock remuneration	
Directors (excluding Audit and Supervisory Committee members) (excluding Outside Directors)	Advantest Corporation (The Company)	1,558	234	345	2	454	523	3
	The consolidated subsidiaries	10	10	-	-	-	-	
Directors (Audit and Supervisory Committee members) (excluding Outside Directors)	Advantest Corporation (The Company)	55	43	-	1	11	-	1
Outside Directors (excluding Audit and Supervisory Committee members)	Advantest Corporation (The Company)	59	42	-	1	16	-	3
Outside Directors (Audit and Supervisory Committee members)	Advantest Corporation (The Company)	42	31	-	1	10	-	2

- (Notes) 1. As of March 31, 2026, the number of directors (excluding outside directors and directors who are Audit and Supervisory Committee members), outside directors and directors who are Audit and Supervisory Committee members (excluding outside directors) was three, five and one, respectively. There were no changes in the number of directors during this fiscal year.
2. Performance-based bonuses are paid to directors who concurrently serve as executive officers as performance-based compensation. Performance-based bonuses are cash compensation for achievements for a single year and paid out once a year after the corporate performance of Advantest for the fiscal year is confirmed. Net income is used as the performance indicator for the bonuses which are positioned as a short-term incentive. The details of the performance-based bonuses are described in “3) Board Policies and Procedures in Determining Compensation for Directors (Policies and Procedures for Determining Compensation for Directors and Executive Officers) 5. (4) and 6. (2).” Net income is a comprehensive indicator of Advantest’s overall financial performance and is closely linked to shareholder value, as it forms the basis for calculating basic earnings per share (EPS) and dividends. Accordingly, it has been selected as an indicator for performance-based bonuses.
3. Restricted stock compensation is granted to directors (excluding outside directors and directors who are Audit and Supervisory Committee members), outside directors (excluding directors who are Audit and Supervisory Committee members) and directors who are Audit and Supervisory Committee members, and performance-based stock remuneration is granted to directors who concurrently serve as executive officers, each as non-cash compensation. The status of shares delivered during the fiscal year is described in “1. Status of shares (8) Status of Shares Delivered to Directors as Compensation for the Execution of Their Duties during the Fiscal Year.” The details of the restricted stock compensation and performance-based stock remuneration are as described in “3) Board Policies and Procedures in Determining Compensation for Directors (Policies and Procedures for Determining Compensation for Directors and Executive Officers) 2. (2) d, 3. (4), 4. (4) and 5. (5).” With regard to performance-based stock remuneration, the primary objective is to align the Company’s pursuit of medium- to long-term corporate value enhancement with that of its shareholders, while also encouraging the achievement of mid-term management goals that contribute to such enhancement. Accordingly, the primary indicator is EPS, which is one of the targets of the mid-term management plan. Secondary indicators include relative total shareholder return (r-TSR), which is related to corporate value enhancement, and sustainability, which is one of the strategies outlined in the mid-term management plan.
4. "Other cash compensation" in the table above refers to the portion attributable to directors of the "congratulatory money" paid to all officers and employees, including directors, as a reward for achieving record-breaking revenue of 1 trillion yen for FY2025.
5. Restricted stock compensation and performance-based stock remuneration are recorded as expenses in accordance with IFRS for FY2025.

2) Directors with Total Consolidated Compensation of ¥100 million or more

Name	Total consolidated compensation (Millions of Yen)	Classification	Company name	Total consolidated compensation by category (Millions of Yen)				
				Cash compensation			Non-cash compensation	
				Base compensation	Performance-based compensation	Other cash compensation	Restricted stock compensation	Performance-based stock remuneration
Douglas Lefever	1,217	Director	Advantest Corporation (The Company)	129	245	1	347	485
			The consolidated subsidiaries	10	-	-	-	-
Koichi Tsukui	254	Director	Advantest Corporation (The Company)	54	100	1	60	39

(Notes) 1. Performance-based bonuses are paid to directors (excluding outside directors and directors who are Audit and Supervisory Committee members) as performance-based compensation.

2. "Other cash compensation" in the table above refers to the portion attributable to directors of the "congratulatory money" paid to all officers and employees, including directors, as a reward for achieving record-breaking revenue of 1 trillion yen for FY2025.

3. Restricted stock compensation and performance-based stock remuneration are recorded as expenses in accordance with IFRS for FY2025.

3) Board Policies and Procedures in Determining Compensation for Directors

The Company's policy for determining the details of individual compensation for directors (excluding directors who are Audit and Supervisory Committee members) is as follows.

This policy was approved by the Board of Directors on May 22, 2025.

The Nomination and Compensation Committee deliberated individual compensation for directors (excluding directors who are Audit and Supervisory Committee members) for FY2025 based on the policy and reported their findings to the Board of Directors. The Board of Directors deliberated on and determined compensation based on the Nomination and Compensation Committee's findings, and the Company believes that compensation is in line with the policy.

(Policies and Procedures for Determining Compensation for Directors and Executive Officers)

1. Basic policy

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

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

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

(2) Bonus that is strongly linked to business performance

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

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

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

2. Policy on the system, timing, conditions, and determination of compensation for directors (excluding outside directors and directors who are Audit and Supervisory Committee members)

(1) For directors who also serve as executive officers, base compensation (monetary remuneration) appropriate to their duties and responsibilities will be paid monthly, in addition to the executive officer compensation specified in 5 below.

(2) The compensation of directors who do not serve as executive officers shall be set as follows, in accordance with the basic policy set forth in 1 above.

- (a) Structure: Base compensation (monetary remuneration), Stock compensation
 - (b) Ratio: Base compensation : Stock compensation = 1 : 1 (guideline in the standard amount)
 - (c) Base compensation
 - Base compensation shall be set at an appropriate level according to duties and responsibilities as such director, and will be paid monthly, with reference to external objective data (i.e. the level of compensation paid to people with similar responsibilities by companies of similar size in each country).
 - (d) Stock compensation
 - The Company will grant restricted stock (RS), which incentivizes the pursuit of medium- to long-term corporate value improvement, which is also beneficial to shareholders.
 - Shares of RS will be granted every business year as described in (b).
 - As a general rule, holding is obligatory during the term of office, and transfer restrictions will be lifted when a director retires.
- (3) In addition to the above, lump sum payments may be made based on special events such as the anniversary of the Company's founding.

3. Policy on the system, timing, conditions, and determination of compensation for outside directors (excluding directors who are Audit and Supervisory Committee members)

The compensation of outside directors (excluding directors who are Audit and Supervisory Committee members) shall be set as follows in consideration of their roles and independence with the basic policy set forth in 1 above.

- (1) Structure: Base compensation (monetary remuneration), Stock compensation
 - (2) Ratio: Stock compensation not to exceed one-third of total compensation
 - (3) Base compensation
 - Base compensation shall be set at an appropriate level according to duties and responsibilities as such director, and will be paid monthly, with reference to external objective data (i.e. the level of compensation paid to people with similar responsibilities by companies of similar size in each country).
 - (4) Stock compensation
 - The Company will grant restricted stock (RS), which incentivizes the pursuit of medium- to long-term corporate value improvement, which is also beneficial to shareholders.
 - Shares of RS will be granted every business year as described in (2).
 - As a general rule, holding is obligatory during the term of office, and transfer restrictions will be lifted when a director retires.
- (5) In addition to the above, lump sum payments may be made based on special events such as the anniversary of the Company's founding.

4. Policy on the system, timing, conditions, and determination of compensation for directors who are Audit and Supervisory Committee members

The compensation of directors who are Audit and Supervisory Committee members shall be set as follows in consideration of their roles and independence with the basic policy set forth in 1 above.

- (1) Structure: Base compensation (monetary remuneration), Stock compensation
 - (2) Ratio: Stock compensation not to exceed one-third of total compensation
 - (3) Base compensation
 - Base compensation will be paid monthly. The individual compensation level of directors who are Audit and Supervisory Committee members will be decided through discussions with them.
 - (4) Stock compensation
 - The Company will grant restricted stock (RS), which incentivizes the pursuit of medium- to long-term corporate value improvement, which is also beneficial to shareholders.
 - Shares of RS will be granted every business year as described in (2).
 - The individual compensation level of directors who are Audit and Supervisory Committee members will be decided through discussions with them.
 - As a general rule, holding is obligatory during the term of office, and transfer restrictions will be lifted when a director retires.
- (5) In addition to the above, lump sum payments may be made based on special events such as the anniversary of the Company's founding.

5. Policy on the system, timing, conditions, and determination of compensation for executive officers

The compensation of executive officers shall be set as follows with the basic policy set forth in 1 above.

(1) Structure: Base compensation (monetary remuneration), Performance-based bonuses (monetary remuneration), Stock compensation

(2) Ratio: Base compensation : Performance-based bonuses : Stock compensation =

1 : 1 : 4 (Senior Executive Officer (Group CEO))

1 : 1 : 2 (Senior Executive Officer (Group COO))

Between 1 : 1 : 1 and 1 : 1 : 1.5 (Senior Executive Officer)

1 : 1 : 1 (Executive Officer)

*All of the above estimates are based on the standard amount.

(3) Base compensation

- Base compensation shall be set at an appropriate level according to individual duties and responsibilities, and will be paid monthly, with reference to external objective data (i.e. the level of compensation paid to people with similar responsibilities by companies of similar size in each country).

(4) Performance-based bonuses

- Performance-based bonuses (monetary remuneration) are short-term incentives for the results of a single year, and are paid once a year after the performance of the Group for the relevant business year is confirmed.
 - a. The amount of bonuses is determined using net income as an index.
 - b. Target amounts will be set by referring to the net income targets of the single-year business plan and mid-term management plan. The Company will pay the standard amount when the target values are achieved, but the amount paid will fluctuate as described below when actual results undershoot or exceed the target values.
 - Actual results \leq 50% of target values: 0% of standard amount
 - Actual results \geq 150% of target values: 200% of standard amount
 - Actual results 50% -150% of target values: Varies between 0 to 200% of standard amount

(5) Stock compensation

- The Company will grant restricted stock (RS) and performance-based stock remuneration (PSU) with the intention of incentivizing the pursuit of medium- to long-term enhancement of corporate value in alignment with shareholder priorities. As a general rule, the ratio of RS to PSUs should be 1:3 for the Senior Executive Officers (Group CEO) and 1:1 for other Executive Officers.
 - a. Shares of RS will be granted every business year as described above. As a general rule, for residents in Japan, holding is obligatory during the term of office, and transfer restrictions will be lifted when an officer retires and for non-residents in Japan, establish a transfer restriction period of 3 to 5 years.
 - b. PSU shall be granted in a lump sum for three years in the first year of the three-year mid-term management plan, with the base value being the points that will become shares of a value determined to be as described above. After the expiration of the term of the mid-term management plan, The Company will grant shares in proportion to the points, which are varied between 60% and 140% of the base value according to the degree of achievement of the mid-term management targets. The indicators for evaluating achievement of mid-term management targets are as follows, and the degree of fluctuation is determined by the total value of both indicators.
 - Main indicator: Earnings per share (EPS) during the mid-term management plan
→ Fluctuation between 70% and 130% of the standard amount
 - Sub-indicator: Relative Total Shareholders Return (r-TSR) and Sustainability
→ Fluctuation between -5% to 5% of the standard amount, respectively

*However, the indicators and fluctuation ranges may be revised in response to the new mid-term management plan.

Note, officers who take office or retire in the second or third years of the mid-term management plan will be as standard performance, prorated according to the length of time they have served.

(6) Additional compensation may be paid for the purpose of securing managers, specially skilled personnel, and/or similar individuals, depending on the conditions of the human resource market in each region and/or industry. As a general rule, compensation levels across regions shall be adjusted through base compensation (monetary compensation) and stock compensation while stock compensation shall be used to secure a pool of specific human resources. The stock compensation shall be in the form of RS or PSU, but the term of the RS transfer restriction under this section shall be 3 to 5 years.

(7) Compensation for non-residents in Japan may be different from the above due to laws and other circumstances.

(8) If there are changes in the Company's financial situation or business environment that are clearly judged to make it difficult to achieve the goals of the mid-term management plan, this system and its operation may be reviewed based on a

resolution of the Board of Directors.

(9) In addition to the above, lump sum payments may be made based on special events such as the anniversary of the Company's founding.

6. Procedures and methods for determining compensation

(1) Individual compensation for directors (excluding directors who are Audit and Supervisory Committee members) and executive officers is deliberated by the Nomination and Compensation Committee based on consultation with the Board of Directors, and proposed to the Board of Directors. The Board of Directors deliberates on proposals from the Nomination and Compensation Committee and decides on compensation.

(2) However, performance-based bonuses are determined as follows:

- a. Up to 30% of the total amount calculated and determined according to the policies above of performance-based bonuses for executive officers, excluding the Group CEO, shall be redistributed based on individual evaluations conducted by the Group CEO and approved by the Nomination and Compensation Committee. Results of these evaluations and redistributions shall be reported to the Board of Directors.
- b. In principle, the Group CEO's performance-based 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.

7. Compensation Reduction and Clawback

The Company may reduce future compensation or claw back past compensation by resolution of the Board of Directors in the event of certain circumstances, such as violation of relevant laws and regulations or internal rules, or material restatement due to errors discovered in the consolidated financial statements.

8. Stock ownership guidelines

The Company recommends that Executive Officers hold the Company's shares (including RS/RSUs) as follows. The Company will set the criteria for the amount and the number of shares based on the amount of base compensation and the stock price at the start of the Mid-term Management Plan, and one of them shall be satisfied with a grace period of five years until the achievement of the criteria.

Group CEO: 4 years of base compensation

Executive officers other than the Group CEO: 2 years of base compensation

4) Bodies and Procedures Involved in the Determination of “Board Policies and Procedures in Determining Compensation for Directors”

a. Compensation for Directors (excluding directors who are Audit and Supervisory Committee members) and Executive Officers

The Company has established a Nomination and Compensation Committee to increase the objectivity and transparency of the compensation for directors (excluding directors who are Audit and Supervisory Committee members) and executive officers. The Nomination and Compensation Committee is chaired by an outside director, and a majority of its members are outside directors. Additionally, “Policies and Procedures for Determining Compensation for Directors and Executive Officers” has been approved by the Board of Directors based on the deliberation and advise by the Nomination and Compensation Committee.

Individual compensation for directors (excluding directors who are Audit and Supervisory Committee members) and executive officers is deliberated by the Nomination and Compensation Committee in consultation with the Board of Directors and proposed to the Board of Directors. The Board of Directors deliberates on proposals from the Nomination and Compensation Committee and decides compensation. However, with respect to the performance-based compensation for executive officers (including those concurrently serving as directors) other than the Group CEO, it is considered most appropriate to reflect the evaluation of such executive officers by the Group CEO, who is the top executive officer in charge of business execution. Therefore, regarding performance-based compensation for this current fiscal year, Mr. Douglas Lefever, who is Representative Director and Senior Executive Officer and Group CEO as of the end of this fiscal year, evaluated each executive officer, and redistributed the performance-based compensation for each individual, which was approved by the Nomination and Compensation Committee (members: Mr. Toshimitsu Urabe, Ms. Sayaka Sumida, and Mr. Yoshiaki Yoshida, whose titles are as described in “(2) Directors 1) List of Directors.”) Individual amounts of performance-based compensation which the Nomination and Compensation Committee approves are within the range decided by the Board of Directors, and the amounts are reported to the Board of Directors after the approval by the Nomination and Compensation Committee. The range of individual amounts of performance-based compensation which the Nomination and

Compensation Committee approves is stated in “(3) Board Policies and Procedures in Determining Compensation for Directors (Policies and Procedures for Determining Compensation for Directors and Executive Officers) 6. (2) a.”

The compensation amount and the performance indicators have been approved by the Board of Directors based on the deliberation and report by the Nomination and Compensation Committee within the total amount of director compensation determined by resolution of the general meeting of shareholders ((Notes) 1 and 2) and “Board Policies and Procedures in Determining Compensation for Directors.”

When determining the details of the individual compensation and related matters of directors, as the Nomination and Compensation Committee conducts multifaceted examinations including consistency with the “Board Policies and Procedures in Determining Compensation for Directors”, the Board of Directors also respects the committee’s judgment, and has determined that the details of the individual compensation and related matters of directors for the current fiscal year are in line with the “Board Policies and Procedures in Determining Compensation for Directors.”

b. Compensation for Directors who are Audit and Supervisory Committee members

The Audit and Supervisory Committee deliberates and determines the compensation for directors who are Audit and Supervisory Committee members within the total amount of directors who are Audit and Supervisory Committee members compensation that is determined by resolution of the general meeting of shareholders ((Notes) 3).

The Audit and Supervisory Committee determines individual compensation by considering external objective data, as well as the types and levels of compensation for directors who are not members of the Audit and Supervisory Committee, and by taking into account whether a director is full-time or non-full-time and the allocation of audit duties.

- (Notes) 1. As for monetary compensation, it has been resolved at the 82nd Ordinary General Meeting of Shareholders held on June 28, 2024 that the amount of base compensation and performance-based bonuses shall be no more than 1.2 billion yen per year for directors (excluding outside directors and directors who are Audit and Supervisory Committee members) and the amount of base compensation shall be no more than 150 million yen per year for outside directors (excluding directors who are Audit and Supervisory Committee members). The number of directors (excluding outside directors and directors who are Audit and Supervisory Committee members) and outside directors (excluding directors who are Audit and Supervisory Committee members) at the end of the 82nd Ordinary General Meeting of Shareholders was three and three, respectively.
2. As for non-cash compensation, it has been resolved at the 82nd Ordinary General Meeting of Shareholders held on June 28, 2024 that the restricted stock compensation plan for directors (excluding outside directors and directors who are Audit and Supervisory Committee members) shall be no more than 1 billion yen and 400,000 shares per year, and the performance share unit compensation shall be no more than 3 billion yen and 1.2 million shares per three consecutive fiscal years. In addition, it has been resolved at the 83rd Ordinary General Meeting of Shareholders held on June 27, 2025 that the transfer restriction period applicable to restricted stock compensation as a medium- to long-term incentive for non-residents of Japan was amended to three years or more. It has been resolved at the 83rd Ordinary General Meeting of Shareholders held on June 27, 2025 that the restricted stock compensation plan for outside directors (excluding directors who are Audit and Supervisory Committee members) shall be no more than 7 million yen and 30,000 shares per year, and the per-person amount of cash compensation claims to be paid to eligible outside directors shall be not more than one-third of the total compensation paid to the relevant outside director. The number of directors (excluding outside directors and directors who are Audit and Supervisory Committee members) and outside directors (excluding directors who are Audit and Supervisory Committee members) at the end of the 82nd and 83rd Ordinary General Meetings of Shareholders was three and three, respectively.
3. As for monetary compensation, at the 73rd Ordinary General Meeting of Shareholders held on June 24, 2015, shareholders approved that the total amount of compensation for the Company’s directors who are Audit and Supervisory Committee members shall not be more than 100 million yen per year. The number of directors who are Audit and Supervisory Committee members at the end of the 73rd Ordinary General Meeting of Shareholders was three (including two outside directors). For stock compensation, the total amount of compensation shall be within 50 million yen and 20,000 shares per year, and the per-person amount of cash compensation claims to be paid to eligible directors who are Audit and Supervisory Committee members shall be not more than one-third of the total compensation paid to the relevant director who is an Audit and Supervisory Committee member as a restricted stock compensation plan approved at the 83rd Ordinary General Meeting of Shareholders held on June 27, 2025. The number of directors who are Audit and Supervisory Committee members at the end of the 83rd Ordinary General Meeting of Shareholders was three.

5) Performance-Based Bonuses Formula for FY2025 (payment in June 2026)

The Performance-based bonuses formula for FY2025 (payment in June 2026) has been resolved by the Board of Directors held on June 23, 2025, after deliberation by the Nomination and Compensation Committee (held on June 10, 2025. Outside directors make up the majority, and executive officers do not participate in resolutions relating to opinions.)

Group CEO:

executive officer base compensation×100%×payment rate

Senior Executive Officer:

executive officer base compensation× 70%×payment rate

+ executive officer base compensation×individual evaluations portion (0 to 60%)×payment rate

Executive Officer :

executive officer base compensation× 70%×payment rate

+ executive officer base compensation×individual evaluations portion (0 to 60%)×payment rate

Performance Target (consolidated net income) and Payment Rate for FY2025

Consolidated net income	Payment rate
89.5 billion yen or less	0%
Between 89.5 and 179.0 billion yen	Prorate from 0 to 100%
179.0 billion yen	100%
Between 179.0 and 268.5 billion yen	Prorate from 100 to 200%
268.5 billion yen or more	200%

The payment rate based on FY2025 results (consolidated net income: 375.4 billion yen) was 202.6%, based on the judgment of the Board of Directors, taking into account the business performance. In addition, the bonus for the Group CEO for FY2025 was set at 102.1% of the amount calculated (final payment rate was 204.2%), based on a comprehensive review of business performance and other factors, in accordance with the (Policies and Procedures for Determining Compensation for Directors and Executive Officers) 5. (7) and 5. (8).

6) Performance-Based Bonuses Formula for FY2026 (to be paid in June 2027)

The Performance-based bonuses formula for FY2026 (to be paid in June 2027) has been resolved by the Board of Directors held on April 27, 2026, after deliberation by the Nomination and Compensation Committee (held on April 20, 2026. Outside directors make up the majority, and executive officers do not participate in resolutions relating to opinions.)

Group CEO:

executive officer base compensation×100%×payment rate

Senior Executive Officer:

executive officer base compensation× 70%×payment rate

+ executive officer base compensation×individual evaluations portion (0 to 60%)×payment rate

Executive Officer :

executive officer base compensation× 70%×payment rate

+ executive officer base compensation×individual evaluations portion (0 to 60%)×payment rate

Performance Target (consolidated net income) and Payment Rate for FY2026

Consolidated net income	Payment rate
232.75 billion yen or less	0%
Between 232.75 and 465.50 billion yen	Prorate from 0 to 100%
465.50 billion yen	100%
Between 465.50 and 698.25 billion yen	Prorate from 100 to 200%
698.25 billion yen or more	200%

7) Performance-Based Stock Remuneration Indicators

Performance-based stock remuneration was granted in a lump sum for three years in the first year of the mid-term management plan for fiscal years 2024 to 2026 (MTP3), and after the period of the mid-term management plan expires, shares will be granted according to the points, which vary between 60% and 140% of the base value according to the achievement of mid-term management targets. The indicators for performance-based stock remuneration are as follows.

Indicators	Base value and variable range
【EPS】 Achievement of the EPS target set at the start of MTP3 (127–202 yen)	80%±30 point
【r-TSR】 The Nikkei Semiconductor Stock Index TSR is compared to the Company's TSR (the Company's TSR divided by the Nikkei Semiconductor Stock Index TSR)	10%±5 point
【Sustainability】 From the MTP3 Sub-Strategy, five KPIs related to the environment and human capitals are taken up, and the degree of achievement of these KPIs.	10%±5 point

(5) Status of Shareholdings

1) Classification and Definition of Shares

The Company classifies shares as “Shares with purposes of pure investment” and “Shares held for purposes other than pure investment”. “Shares with purposes of pure investment” are shares to gain profit from capital gain or dividend income, and “Shares held for purposes other than pure investment” are shares other than “Shares with purposes of pure investment”.

2) Shares Held for Purposes Other than Pure Investment

a. The Policy of Shareholdings, the Method of Assessing Reasonableness, and Assessing Reasonableness of Individual Shares by the Board of Directors

The Company may hold shares of other companies for important strategic purposes of the Advantest Group (“strategic shares”), including sustainable and long-term relationships with business partners, business partnership reinforcement, or research and development efficiency.

The Company assesses the rationale for the holding of shares by examining the benefits and risks of shareholding in view of its capital cost and other factors. The result of this assessment is directly reported to the Board of Directors.

b. Number of Companies whose Shares are Held by the Company and Total Carrying Amount

(As of March 31, 2026)

	Number of companies	Total carrying amount (Millions of Yen)	Purpose for holding shares
Unlisted shares	6	171	To engage in partnerships to strengthen business collaboration
Shares other than unlisted shares	1	1,386	To engage in strategic partnerships to enable high-performance total test solutions that meet customers’ future testing needs

(Companies whose Shares are Held by the Company increased during the current fiscal year)

Not applicable.

(Companies whose Shares are Held by the Company decreased during the current fiscal year)

Not applicable.

(Reference)

Number of Companies whose Shares are Held by the Company’s Subsidiaries for Purposes Other than Pure Investment as of March 31, 2026

	Number of companies	Total carrying amount (Millions of Yen)	Purpose for holding shares
Unlisted shares	2	436	To engage in partnerships to strengthen business collaboration
Technoprobe S.p.A.	1	42,774	To engage in strategic partnerships to enable high-performance total test solutions that meet customers’ future testing needs
PDF Solutions, Inc.	1	17,294	
Other	2	5,337	
Shares other than unlisted shares	4	65,405	

(Note) The amount of shares with other purposes than pure investment held by the Company’s subsidiaries is stated at fair value in accordance with IFRS.

c. Number of special investment securities deemed to be held for each issue and information including amounts recorded on the balance sheet

Company	As of March 31, 2026	As of March 31, 2025	Reasons for holding shares, outline of business tie-ups, quantitative effect of holding shares, and reasons for the increase of the number of shares	Shares held by the Company
	Number of shares held by the Company	Number of shares held by the Company		
	Total carrying amount (Millions of Yen)	Total carrying amount (Millions of Yen)		
Micronics Japan Co., Ltd.	150,000	150,000	<p>Probe cards are critical mechanical components positioned between the tester and the device in wafer-level testing. As devices continue to become more high-performance and complex, the wafer-level test becomes an increasingly important component. To provide customers with the best total test solutions, close collaboration between Advantest and the semiconductor supply chain at the wafer-level stage has become critical.</p> <p>By acquiring shares in leading probe card makers, which are part of the semiconductor supply chain, Advantest believes that partnerships and technical collaboration will be further promoted, enabling us to meet customers' future testing needs.</p> <p>Although it is difficult to disclose the quantitative holding effects, the Company considers such holding to be reasonable by the assessment mentioned in 2) a above.</p>	None
	1,386	522		

3) Shares with Purposes of Pure Investment

The Company does not have any “Shares with purposes of pure investment”.

5. Status of Employees and Others

(1) Basic Policies Regarding Human Capital Strategy

1) Human Capital Strategy

As the semiconductor industry enters an “era of complexity,” Advantest positions human capital as a critical strategic asset and promotes a human capital strategy that is fully integrated with our management strategy. Continuous investment in human capital underpins the growth strategy and operational excellence outlined in the Third Mid-term Management Plan (MTP3), serving as the foundation for achieving long-term competitive advantage and enhancing corporate value. Details are as follows.

Guided by our purpose & mission of “Enabling Leading-Edge Technologies,” Advantest has established the vision of “Be the most trusted and valued test solution company in the semiconductor value chain.” Currently, the “era of complexity” in the semiconductor industry continues due to the combined effects of increasing complexity in semiconductor devices—driven by factors such as the rapid growth of AI technology—and rising complexity in semiconductor-related supply chains caused by geopolitical risks. For Advantest to remain a market leader in this “era of complexity,” we must strengthen partnerships with customers and suppliers, proactively anticipate industry trends and challenges, and continue to invest. The foundation for all of this is Advantest’s human capital.

Under our Mid- to Long-term Management Policy, “Grand Design,” our long-term management goal is to expand the value we provide to stakeholders in a balanced and multifaceted manner. Employees are one of Advantest’s six key stakeholders—alongside shareholders and the capital markets, customers, suppliers, partners, and the global environment. By providing value to our employees in the form of improved employee satisfaction and engagement, Advantest aims to earn even greater trust from our stakeholders. In other words, for Advantest, human capital is a strategic asset that generates sources of competitiveness, such as R&D capabilities, customer service capabilities, and operational efficiency. We view investment in human capital not as a short-term expense but as a forward-looking investment that enhances mid- to long-term profitability and capital efficiency.

Furthermore, MTP3 sets forth the following four strategies.

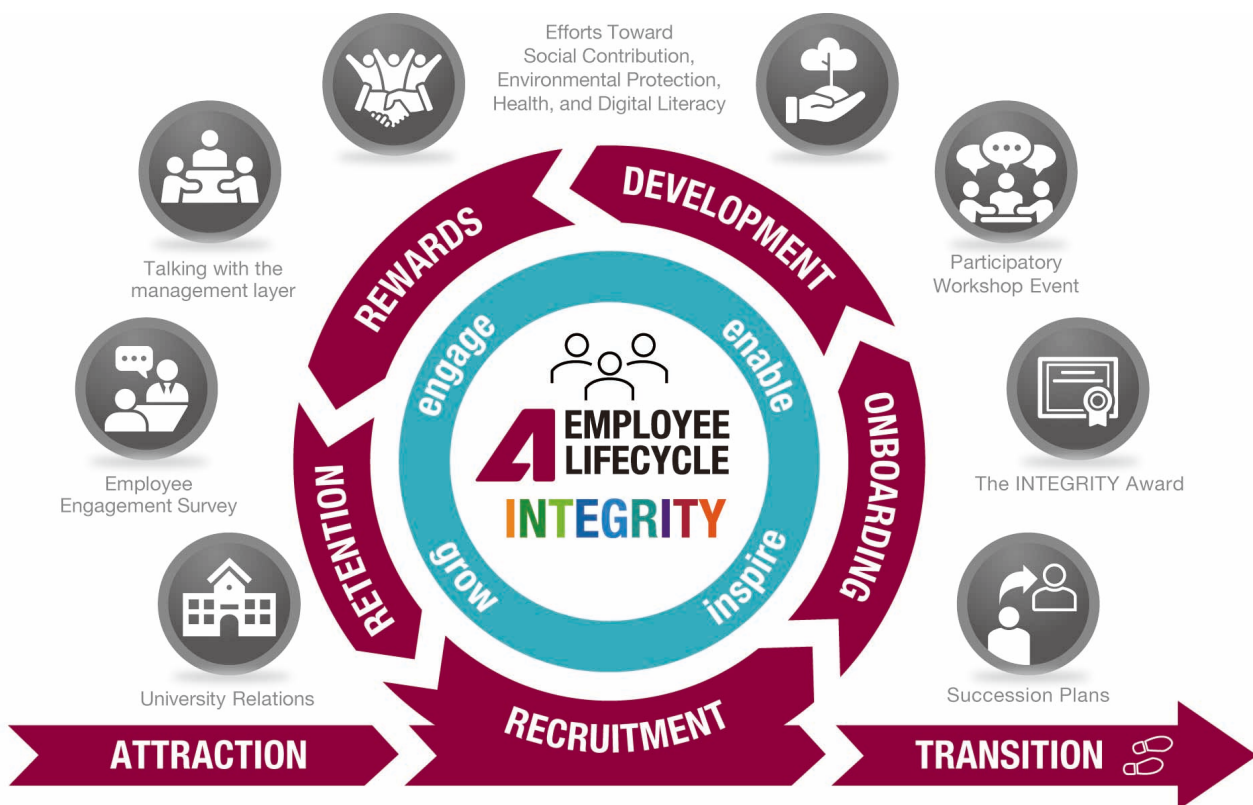
1. Outpace the growth in our core market
2. Expand adjacently / new businesses
3. Drive operational excellence
4. Enhance sustainability

In MTP3, the human capital strategy plays the following roles:

1. Securing and developing specialized talent capable of meeting increasingly sophisticated and complex customer needs
2. Appointing talent with adaptability and a spirit of challenge
3. Establishing the human capital and organizational infrastructure to drive global standardization
4. Creating sustainable value through improved engagement

As such, business strategy and human capital strategy are closely intertwined. To ensure the effective execution of our human capital strategy, we have established a leadership framework centered around the Chief Human Capital Officer (CHO). One of our key initiatives, “Global Human Capital Transformation,” involves the global standardization of HR systems and processes. However, this goes beyond mere reform of the HR framework and its operations; it is the development of a management foundation to achieve the operational excellence outlined in MTP3 from a human capital perspective.

For Advantest to navigate an increasingly complex environment, we need talent equipped with skills, flexibility, and mindset to drive innovation. We are also committed to creating an environment where employees receive consistent support at every stage of their career with Advantest. To this end, we have established a comprehensive strategy called the “Advantest Employee Lifecycle.” This is a comprehensive framework covering all stages of a career: Attraction, Recruiting, Onboarding, Development, Rewards, Retention, and Transition. Through this lifecycle strategy, we aim to enhance consistency from recruitment through development and retention, thereby generating business benefits such as shortening the lead time from talent acquisition to full productivity and reducing turnover costs.



Through Gallup’s Employee Engagement Survey, Advantest is implementing initiatives that prioritize “dialogue,” “clarifying expectations,” and “providing growth opportunities.” This is not merely about improving the work environment; it is a management investment designed to enhance strategic execution capabilities, functioning as the “invisible infrastructure” for the revenue growth and improved capital efficiency outlined in MTP3.

The value standard that underpins these human capital strategies is our core value of “INTEGRITY.” “INTEGRITY” is not merely a slogan; it serves as the foundation supporting trust and collaboration across regions, cultures, and organizations. The permeation of this corporate culture, centered on “INTEGRITY,” enables the delivery of consistent customer value on a global scale and serves as the source of Advantest’s competitive advantage.

2) Policy on Determining the Amount and Content of Employee Compensation (including bonuses) and Other Benefits

With the aim of securing and continuously motivating talented personnel, Advantest has established a compensation system that prioritizes competitiveness in the external market and internal fairness. Regarding base compensation for employees, we set levels by referring to employee compensation survey data conducted by external research firms, using the 50th percentile of base compensation levels for technology companies in each country as a benchmark.

Pay raise rates are determined on a country-by-country basis, taking into account the labor market environment and economic conditions in each country, while referencing pay raise rate forecasts by country and region provided by external research firms. Individual pay raise (or pay cut) amounts are determined based on the pay raise rate established for the relevant country or region, each employee’s performance evaluation results, and wage regulations, and pay adjustments are generally implemented once a year.

Regarding bonuses, we prioritize alignment with the performance of the Advantest Group as a whole and determine the payment level using a globally standardized calculation method based on the operating profit margin. The bonus payment level is designed to reach its maximum when the operating profit margin reaches 20%. Bonus amounts also reflect each employee’s performance evaluation results.

In addition, for executive employees and others, we have introduced a restricted stock compensation plan to enhance incentives for eligible employees and to share the enhancement of mid- to long-term corporate value with shareholders.

(2) Status of Employees

1) Status of Consolidated Companies

As of March 31, 2026

Segment	Number of employees (Persons)	Change in number of employees compared to the previous fiscal year (Persons)
Test System Business	4,313 (242)	- (-)
Services and Others	2,708 (116)	- (-)
Corporate (Common)	220 (31)	- (-)
Total	7,241 (389)	240 (2)

(Notes) 1. The number of employees indicates the number of full-time employees (excluding employees seconded from Advantest to outside the Group, but including employees seconded from outside the Group to Advantest) and the average number of temporary employees for the year is shown in parentheses described by outside numbers. From the fiscal year ended March 31, 2026, the number of dispatched workers, which had previously been included in temporary employees, has been excluded. In calculating “Change in number of employees compared to the previous fiscal year”, the number of dispatched workers has also been excluded from the temporary employees for the comparative period.

2. The number of employees listed as Corporate (Common) includes the number of employees who belong to Administration Group or others that cannot be classified in a specific segment.

3. Beginning the fiscal year ended March 31, 2026, Advantest has changed its reportable segments into two reportable segments, which are “Test System Business” and “Services and Others.” See Note 6 to the Consolidated Financial Statements for details.

2) Status of Filing Company (The Company)

As of March 31, 2026

Number of employees (Persons)	Change in number of employees compared to the previous fiscal year (Persons)	Average age (Years old)	Average length of service (Years)	Average annual salary (Yen)	Change in average annual salary compared to the previous fiscal year (%)
2,033 (290)	45 (15)	45.68	20.16	10,977,033	4.6

Segment	Number of employees (Persons)
Test System Business	1,535 (219)
Services and Others	278 (40)
Corporate (Common)	220 (31)
Total	2,033 (290)

(Notes) 1. The number of employees indicates the number of full-time employees, and the average number of temporary employees for the year is shown in parentheses described by outside numbers. From the fiscal year ended March 31, 2026, the number of dispatched workers, which had previously been included in temporary employees, has been excluded. In calculating “Change in number of employees compared to the previous fiscal year”, the number of dispatched workers has also been excluded from the temporary employees for the comparative period.

2. The average annual salary is the total gross pay before taxes, including bonuses and surplus wages.

3. The number of employees listed as Corporate (Common) includes the number of employees who belong to Administration Group or others that cannot be classified in a specific segment.

4. Beginning the fiscal year ended March 31, 2026, Advantest has changed its reportable segments into two reportable segments, which are “Test System Business” and “Services and Others.” See Note 6 to the Consolidated Financial Statements for details.

3) Status of Labor Union

Advantest and its consolidated subsidiaries have labor unions, including the Advantest Labour Union, which is also a member of the Japanese Electrical Electronic & Information Union.

There are no particular matters to be noted about the relationship between the labor union and the management.

4) The ratio of female workers to all workers in managerial positions, Usage Rate of Childcare Leave by Males, Differences in Wages Between Male and Female Workers

a) The Company

Fiscal year ended March 31, 2026				
The ratio of female workers to all workers in managerial positions (%) (Note 1)	Usage rate of childcare leave by males (%) (Note 2)	Differences in wages between male and female workers (%) (Note 3)		
		All workers	Regular workers	Non-regular workers
4.5	60.0	72.2	74.1	55.9

(Notes) 1. (1) This is calculated based on "The Act on Promotion of Women's Participation and Advancement in the Workplace" (Act No. 64 of 2015).

(2) This includes seconded employees from the Company and does not include seconded employees to the Company.

2. (1) This is based on the calculation of the ratio of childcare leave, taken under Article 71-6, Item 1 of the "Enforcement Regulations of the Law Concerning the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave" (Ordinance of the Ministry of Labor No. 25 of Oct. 15, 1991) based on the provisions of the "Law Concerning the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave" (Act No. 76 of 1991).

(2) This includes seconded employees from the Company and does not include seconded employees to the Company.

(3) This does not include employees taking special paid leave of up to 5 days for the birth of a child.

(Reference) Acquisition rate of childcare leave or special paid leave for male employees in FY2025: 80%.

Average length of childcare leave taken by male employees in FY2025: 53 days.

3. (1) This is calculated based on "The Act on Promotion of Women's Participation and Advancement in the Workplace" (Act No. 64 of 2015).

(2) Regular workers are regular employees.

(3) Non-regular workers are contract workers (fixed term, indefinite term) and part-time workers.

(4) All workers are the sum of regular workers and non-regular workers.

(5) Workers in the differences in wages between male and female workers do not include the following.

Directors (including outside directors)

Executive officers

Seconded employees to the Company

Seconded employees from the Company

(6) Wages in the differences in wages between male and female workers are calculated based on total salaries and bonus payments, including allowances.

(7) Differences in wages between male and female workers (%) = Average annual wage for female workers ÷ Average annual wage for male workers × 100.

(8) The background to the differences in wages between male and female includes the low ratio of female in management positions compared to the ratio of female among all workers, the large number of female among workers who choose to work shorter hours for childcare, and the wage of workers rehired after retirement for non-regular workers is in line with the wage at retirement, which is affected by the difference in wages for regular workers.

4. Other metrics related to human capital, including female managers ratio of Advantest, are included in "Item 2.

Business Overview 2. Sustainability Approach and Initiatives (1) Sustainability in general 5) Metrics and Goals".

(Reference) Advantest's initiatives to increase female managers ratio and usage rate of childcare leave by males

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 31, 2026, the percentage of female employees to total employees was 22.6% (22.0% in the previous fiscal year), and the percentage of female managers to total managers was 10.7% (9.7% in the previous fiscal year). Increasing the number of female employees and managers still remains an urgent task.

Advantest has been recruiting a high percentage of male students with a technical/engineering background, and conventional recruiting activities have not been able to motivate female students to apply to Advantest. 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/engineering background. Information on active female employees in the workforce has been disseminated through corporate websites and recruitment brochures, and at recruitment events, Advantest has explained about programs and career plans for women and introduced how our female employees are working at Advantest.

In addition, recognizing that employees undergo various life stage changes, we are focusing on work-life balance initiatives to allow employees to work flexibly according to their individual circumstances.

In addition to utilizing remote work as needed, we have established a 100% paid pregnancy hospital visit and pregnancy disability leave system, a childcare leave system that exceeds legal standards, a nursing care leave system, and a shortened working hour system as support systems for balancing work with childcare and nursing care.

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 FY2022, 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.

For more details, please see Advantest's Integrated Annual Report and Sustainability Report, both available on our website.

Integrated Annual Report (<https://www.advantest.com/about/annual.html>)

Sustainability Report (<https://www.advantest.com/sustainability/report/>)

b) Domestic Subsidiaries

Domestic subsidiaries are not subject to the obligation to disclose information under the provisions of "The Act on Promotion of Women's Participation and Advancement in the Workplace" (Act No. 64 of 2015) and the "Law Concerning the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave" (Act No. 76 of 1991), therefore, this information is omitted.

Item5. Financial Information

(1) Basis of Preparation of the Consolidated Financial Statements and the Non-Consolidated Financial Statements

- 1) The consolidated financial statements of Advantest Corporation (hereinafter the “Company”) and its subsidiaries are prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”), pursuant to the provision of Article 312 of the “Regulation on the Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (Regulation of the Ministry of Finance of Japan No. 28 of 1976, hereinafter “Regulation on Consolidated Financial Statements.”)
- 2) The non-consolidated financial statements of the Company are prepared in accordance with the “Regulation on the Terminology, Forms and Preparation Methods of Financial Statements” (Regulation of the Ministry of Finance of Japan No. 59 of 1963, hereinafter “Regulation on Financial Statements.”) Also, the Company is qualified as a company submitting financial statements prepared in accordance with special provision and prepares financial statements in accordance with the provision of Article 127 of the Regulation on Financial Statements.
- 3) The consolidated and non-consolidated financial statements of the Company have been prepared to satisfy the requirements in accordance with the Regulations for Corporate Accounting (Ministry of Justice Order No.13 of 2006.)
- 4) The consolidated and non-consolidated financial statements are rounded to the nearest million yen.

(2) Audit Certification

Pursuant to Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act, the consolidated financial statements for the fiscal year (from April 1, 2025 to March 31, 2026) and the non-consolidated financial statements for the fiscal year (from April 1, 2025 to March 31, 2026) were audited by Ernst & Young ShinNihon LLC.

(3) Particular Efforts to Secure the Appropriateness of the Consolidated Financial Statements.

The Company carries out special measures for ensuring the appropriateness of consolidated financial statements. Specifically, for the purpose of ensuring that the Company has an appropriate grasp of the contents and changes of Accounting Standards and related regulations, the Company is a member of the Financial Accounting Standards Foundation and participates in seminars hosted by the foundation, auditing firms and other organizations.

(4) Structures to Properly Prepare the Consolidated Financial Statements in Accordance with IFRS

In order to prepare appropriate consolidated financial statements in accordance with IFRS, the Company obtains press releases and standards issued by the International Accounting Standards Board from time to time to keep abreast of the latest standards and analyze their impact on the Company’s consolidated financial statements. Furthermore, the Company developed group accounting policies and accounting guidelines in compliance with IFRS and conducts its accounting in accordance with those policies and guidelines. Also, the Company is striving to accumulate expertise within the company by establishing mandatory training programs including participating in seminars hosted by the Financial Accounting Standards Foundation and auditing firms.

1. Consolidated Financial Statements

(1) Consolidated Financial Statements

1) Consolidated Statement of Financial Position

Millions of Yen

	Note	As of March 31, 2025	As of March 31, 2026
Assets			
Current assets			
Cash and cash equivalents	7, 30	262,544	339,966
Trade and other receivables	8, 30	113,031	228,731
Inventories	9	209,707	231,718
Other current assets	10, 30	14,471	35,992
Total current assets		<u>599,753</u>	<u>836,407</u>
Non-current assets			
Property, plant and equipment, net	11	78,602	101,628
Right-of-use assets	13	18,338	19,947
Goodwill and intangible assets, net	12	78,365	84,250
Other financial assets	10, 30	30,167	71,949
Deferred tax assets	15	47,894	55,774
Other non-current assets	19	1,091	1,861
Total non-current assets	6	<u>254,457</u>	<u>335,409</u>
Total assets		<u><u>854,210</u></u>	<u><u>1,171,816</u></u>
Liabilities and Equity			
Liabilities			
Current liabilities			
Trade and other payables	16, 30	107,093	142,061
Short-term borrowings	17, 30	74,952	-
Income taxes payable		73,023	112,455
Provisions	18	12,454	15,538
Lease liabilities	13, 30	5,046	4,966
Other financial liabilities	30	5,790	12,508
Other current liabilities	22	31,066	42,756
Total current liabilities		<u>309,424</u>	<u>330,284</u>
Non-current liabilities			
Long-term borrowings	17, 30	3	-
Lease liabilities	13, 30	13,502	15,226
Retirement benefit liabilities	19	17,614	20,222
Deferred tax liabilities	15	4,709	6,444
Other non-current liabilities	30	2,419	3,914
Total non-current liabilities		<u>38,247</u>	<u>45,806</u>
Total liabilities		<u><u>347,671</u></u>	<u><u>376,090</u></u>
Equity			
Share capital	20	32,363	32,363
Share premium	20	46,665	52,462
Treasury shares	20	(104,193)	(44,372)
Retained earnings	20	489,850	655,566
Other components of equity	20	41,854	99,707
Total equity attributable to owners of the parent		<u>506,539</u>	<u>795,726</u>
Total equity		<u><u>506,539</u></u>	<u><u>795,726</u></u>
Total liabilities and equity		<u><u>854,210</u></u>	<u><u>1,171,816</u></u>

2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

Consolidated Statement of Profit or Loss

Millions of Yen

	Note	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	6, 22	779,707	1,128,610
Cost of sales	11, 12, 19	(334,622)	(402,503)
Gross profit		445,085	726,107
Selling, general and administrative expenses	11, 12, 18, 19, 23, 24	(195,392)	(229,628)
Other income	26	1,366	3,552
Other expenses	27	(22,898)	(911)
Operating income	6	228,161	499,120
Financial income	25	1,895	20,354
Financial expenses	25	(5,282)	(2,754)
Income before income taxes		224,774	516,720
Income taxes	15	(63,597)	(141,367)
Net income		161,177	375,353
Net income attributable to:			
Owners of the parent		161,177	375,353
Earnings per share:	29	Yen	Yen
Basic		218.67	515.15
Diluted		218.01	513.30

Consolidated Statement of Comprehensive Income

Millions of Yen

	Note	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net income		161,177	375,353
Other comprehensive income (loss), net of tax			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit pension plan	19, 20, 28	825	(976)
Net change in fair value measurements of equity instruments at fair value through other comprehensive income	20, 28	(6,740)	33,157
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations	20, 28	(5,834)	24,696
Total other comprehensive income (loss)		(11,749)	56,877
Total comprehensive income for the year		149,428	432,230
Comprehensive income attributable to:			
Owners of the parent		149,428	432,230

3) Consolidated Statement of Changes in Equity

Millions of Yen

	Note	Equity attributable to owners of the parent					Total	Total Equity
		Share capital	Share premium	Treasury shares	Retained earnings	Other components of equity		
Balance as of April 1, 2024		32,363	45,441	(56,353)	355,299	54,428	431,178	431,178
Net income					161,177		161,177	161,177
Other comprehensive income (loss), net of tax						(11,749)	(11,749)	(11,749)
Total comprehensive income for the year		-	-	-	161,177	(11,749)	149,428	149,428
Purchase of treasury shares	20		(48)	(50,005)			(50,053)	(50,053)
Disposal of treasury shares	20		(1,702)	2,165	(112)		351	351
Dividends	21				(27,339)		(27,339)	(27,339)
Share-based payments	24		2,893				2,893	2,893
Other			81				81	81
Transfer from other components of equity to retained earnings	20				825	(825)	-	-
Total transactions with the owners		-	1,224	(47,840)	(26,626)	(825)	(74,067)	(74,067)
Balance as of March 31, 2025		32,363	46,665	(104,193)	489,850	41,854	506,539	506,539
Net income					375,353		375,353	375,353
Other comprehensive income (loss), net of tax						56,877	56,877	56,877
Total comprehensive income for the year		-	-	-	375,353	56,877	432,230	432,230
Purchase of treasury shares	20		(55)	(114,241)			(114,296)	(114,296)
Disposal of treasury shares	20		(759)	1,956	(786)		411	411
Cancellation of treasury shares	20			172,106	(172,106)		-	-
Dividends	21				(35,769)		(35,769)	(35,769)
Share-based payments	24		4,447				4,447	4,447
Other			2,164				2,164	2,164
Transfer from other components of equity to retained earnings	20				(976)	976	-	-
Total transactions with the owners		-	5,797	59,821	(209,637)	976	(143,043)	(143,043)
Balance as of March 31, 2026		32,363	52,462	(44,372)	655,566	99,707	795,726	795,726

4) Consolidated Statement of Cash Flows

Millions of Yen

	Note	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities:			
Income before income taxes		224,774	516,720
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:			
Depreciation and amortization	11, 12, 13	27,075	25,612
Impairment losses	12	21,393	-
Share-based compensation expense	24	2,893	4,450
Changes in assets and liabilities:			
Trade and other receivables		(28,090)	(105,858)
Inventories		(4,682)	(18,471)
Trade and other payables		30,124	31,888
Warranty provisions		3,817	3,064
Advance receipts		11,099	9,748
Retirement benefit liabilities		(408)	152
Other		11,833	(21,921)
Subtotal		299,828	445,384
Interest and dividends received		1,808	2,968
Interest paid		(2,522)	(2,400)
Income taxes paid		(13,143)	(110,770)
Net cash provided by (used in) operating activities		285,971	335,182
Cash flows from investing activities:			
Purchases of equity instruments		(18,529)	-
Proceeds from sale of property, plant and equipment		25	8
Purchases of property, plant and equipment		(17,414)	(33,012)
Purchases of intangible assets		(2,017)	(3,018)
Proceeds from transfer of business	26	-	2,902
Acquisition of subsidiaries	32	(3,815)	-
Other		(439)	(1,432)
Net cash provided by (used in) investing activities		(42,189)	(34,552)
Cash flows from financing activities:			
Repayments of current portion of long-term borrowings	17	-	(75,352)
Proceeds from disposal of treasury shares		352	411
Purchases of treasury shares	20	(50,080)	(114,328)
Dividends paid	21	(27,320)	(35,754)
Payments for lease liabilities	13	(5,323)	(4,982)
Other		(447)	(545)
Net cash provided by (used in) financing activities		(82,818)	(230,550)
Net effect of exchange rate changes on cash and cash equivalents		(5,122)	7,342
Net change in cash and cash equivalents		155,842	77,422
Cash and cash equivalents at the beginning of year		106,702	262,544
Cash and cash equivalents at the end of year	7	262,544	339,966

Notes to the Consolidated Financial Statements

1. Reporting Entity

Advantest Corporation is a public company located in Japan.

The Company's consolidated financial statements consist of the Company and its subsidiaries (collectively, "Advantest").

Advantest manufactures and sells test system products and mechatronics-related products such as test handlers and device interfaces. Advantest also engages in research and development activities and provides maintenance and support services associated with these products.

2. Basis of Preparation

(1) Compliance with IFRS Accounting Standards

Advantest prepares its consolidated financial statements in accordance with IFRS Accounting Standards (IFRS) issued by the International Accounting Standards Board. As Advantest meets the requirements of a "Specified Companies Applying Designated IFRS" pursuant to Article 1-2 of the "Regulation on Consolidated Financial Statements", Advantest adopts Article 312 of the same regulation.

The consolidated financial statements were approved on June 23, 2026 by Koichi Tsukui, Representative Director, Senior Executive Officer and President, Group COO and Hisako Takada, Senior Executive Officer, CFO of the Company.

(2) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments measured at their fair values, as included in Material Accounting Policies (See Note 3 for additional details).

(3) Functional Currency and Presentation Currency

The consolidated financial statements are presented in Japanese Yen, which is the Company's functional currency.

3. Material Accounting Policies

(1) Basis of Consolidation

Advantest's consolidated financial statements include financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control is obtained when the Company has risks or rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the variable returns.

The Company consolidates all subsidiaries from the date on which the Company acquires control until the date on which the Company loses control.

Inter-company balances and transactions are eliminated in consolidation.

Subsidiaries' financial statements are adjusted, if necessary, when their accounting policies differ from those of the Company. For subsidiaries with different reporting dates from that of the Company, the financial statements based on provisional settlement of accounts made as of the reporting date are used in the preparation of the consolidated financial statements. The reporting date of the subsidiaries is not more than 3 months earlier than that of the Company.

(2) Business Combinations

Business combinations are accounted for using the acquisition method. Goodwill is measured as the excess of the total amount of the consideration transferred, the amount of any non-controlling interests in the acquiree and, if a business combination is achieved in stages, the amount of the fair value at the date of acquisition of acquirer's previously held equity interest in the acquiree over the net amounts recognized of the identifiable acquired assets and assumed liabilities (which is usually measured at fair value). If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. During the measurement period, which does not exceed one year from the acquisition date, the Company retrospectively adjusts the provisional amounts recognized at the acquisition date. Acquisition-related costs are recognized as expenses in the period in which they are incurred.

(3) Foreign Currency Translation

1) Translation of Foreign Currency Transactions

Monetary assets and liabilities denominated in foreign currencies are converted into the functional currency of each entity using the exchange rate at the end of the reporting period. Foreign currency transactions are converted into the functional currency using the exchange rate prevailing at the transaction date. Foreign exchange gains and losses resulting from the currency conversion and settlement are recognized as financial income (expenses).

2) Translation of Foreign Operations

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

(4) Financial Instruments

1) Non-Derivative Financial Assets

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

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

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

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

Financial assets measured at amortized cost

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

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

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

Financial assets measured at fair value through other comprehensive income

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

Financial assets measured at fair value through profit or loss

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

2) Non-Derivative Financial Liabilities

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

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

Advantest derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

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

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

3) Equity

Share capital

Share capital is included in equity. The direct issuance costs of share capital are deducted, net of tax, from share premium.

Treasury shares

Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized at purchase, sale and retirement of treasury shares.

4) Derivative Financial Instruments

Advantest uses derivative instruments primarily to manage exposures to foreign currency. The primary objective in holding derivatives is to reduce the volatility of earnings and cash flows associated with changes in foreign currency. The instruments are not designated for trading or speculative purposes. Derivative financial instruments contain an element of risk in the event the counterparties are unable to meet the terms of the agreements. However, Advantest minimizes risk exposure by limiting the counterparties to major international banks and financial institutions meeting established credit guidelines. Management of the Company does not expect any counterparty to default on its obligations and, therefore, does not expect to incur any losses due to counterparty default on its obligations. Advantest generally does not require or provide collateral for these derivative financial instruments.

Derivative financial instruments are initially recognized at fair value and remeasured after initial recognition to their fair value. If the derivative instrument is not designated as a hedge, the gain or loss is recognized in earnings in the period of change.

The accounting for changes in the fair value (that are, gains or losses) of a derivative instrument depends on the objective for holding such instrument and whether it meets the criteria for designation as a cash flow hedge or a fair value hedge.

If certain conditions are met, Advantest may elect to designate a derivative instrument as a hedge of exposures to changes in fair values, cash flows, or a net investment in a foreign operation.

(5) Impairment

1) Non-Derivative Financial Assets

Allowance for doubtful accounts against expected credit losses is recognized for financial assets measured at amortized cost.

Advantest assesses at the end of each reporting period whether the credit risk that relates to financial assets has increased significantly or not since initial recognition. If the credit risk has not increased significantly, Advantest recognizes an amount equal to 12-month expected credit losses as allowance for doubtful accounts. If the credit risk has increased significantly, Advantest recognizes an amount equal to lifetime expected credit losses as allowance for doubtful accounts. Advantest determines whether the credit risk has increased significantly or not based on the change of default risk.

Advantest always recognizes an amount equal to lifetime expected credit losses for trade receivables as allowance for doubtful accounts. If there has been a significant decrease of impairment loss on financial assets after initial recognition, Advantest recognizes in profit or loss, as an impairment gain, the amount of reversal that is required to adjust the allowance for doubtful accounts.

2) Non-Financial Assets

If there is any indication of impairment for non-financial assets other than inventories and deferred tax assets, the asset's recoverable amount is estimated, and the asset is tested for impairment. Goodwill is tested for impairment both annually and when there is any indication of impairment. An impairment loss is recognized if the recoverable amount of an asset, cash-generating unit (CGU) or CGU group is less than its carrying amount.

The recoverable amount of an asset, CGU or CGU group is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows associated with the asset, CGU or CGU group are discounted to present value using a pre-tax discount rate which reflects current market assessments of the time value of money and any risks specific to the asset, CGU or CGU group. For impairment testing purposes, assets are grouped together into the smallest assets, CGU or CGU group that generates cash inflows independently of cash inflows of other assets, CGU or CGU group. Goodwill is grouped together so that the impairment is tested for the smallest group of units used for internal reporting purposes. Goodwill acquired in a business combination is allocated to CGU or CGU group that is expected to benefit from the synergies of the business combination.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to that CGU or CGU group and then to reduce the carrying amounts of other assets in CGU or CGU group on a pro-rata basis.

Impairment losses on goodwill are not reversed. For all other assets, impairment losses are only reversed to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(6) Cash and Cash Equivalents

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

(7) Inventories

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

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

(8) Property, Plant and Equipment (except Right-of-Use Assets)

Property, plant and equipment are measured by using the cost model and are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost includes any costs directly attributable to the acquisition of the asset and dismantlement, removal and restoration costs.

Except for assets that are not subject to depreciation such as land, assets are depreciated using the straight-line method over their estimated useful lives. The estimated useful lives of major asset items are as follows:

- Buildings:10 to 50 years
- Machinery and equipment:4 to 10 years
- Tool, furniture and fixture:2 to 10 years

The estimated useful lives, depreciation method and residual value are reviewed at each fiscal year end and if there are any changes made to the estimated useful lives, depreciation method and residual value, such changes are accounted for on a prospective basis as changes in estimate.

(9) Goodwill and Intangible Assets

1) Goodwill

Details on the measurement of goodwill at initial recognition are included in Business Combinations (see note (2) for additional details).

Goodwill is not amortized. It is allocated to CGU or group of CGUs that are identified according to types of business and regions and tested for impairment each fiscal year or when there is any indication of impairment. Impairment losses on goodwill are recognized in profit or loss, and no subsequent reversal is made.

After initial recognition, goodwill is presented at cost less accumulated impairment losses.

2) Intangible Assets (except Right-of-Use Assets)

Intangible assets acquired separately are measured at cost at the initial recognition, and the cost of intangible assets acquired through business combinations are recognized at fair value at the acquisition date.

Expenses on internally generated intangible assets are recognized as expense in the period when incurred, except for those that satisfy the criteria for recognition as assets. Internally generated intangible assets that satisfy the criteria for recognition as assets are stated at cost in the total amount of spending that is incurred after the assets first met recognition standards.

Intangible assets are subsequently measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets for which useful lives can be determined are amortized on a straight-line method over their estimated useful lives from the date the assets are available for use. These assets are also tested for impairment whenever there is any indication of impairment.

Estimated useful lives, residual values and amortization methods are reviewed at each fiscal year end and the effect of any changes in estimate are accounted for during the period in which the change occurred and on a prospective basis. The effect of any changes in estimate is recognized in the period in which the change occurs.

The estimated useful lives of major assets are as follows:

- Software:3 to 5 years
- Customer-related assets and technology-related assets:5 to 18 years

(10) Leases

1) Leases-Lessor

Advantest recognizes the lease transactions that do not transfer substantially all risks and rewards of ownership as property, plant and equipment in the consolidated statement of financial position and recognizes revenue on the straight line basis over the leasing period in the consolidated statement of profit or loss.

2) Leases-Lessee

Advantest recognizes right-of-use asset and lease liability at the inception of a lease contract. At the commencement date, a right-of-use asset is measured based on the amount of the initial measurement of the lease liability and depreciated on a straight-line basis over the lease term. The lease term is determined as the non-cancellable period of a lease, together with periods covered by an option to extend the lease if it is reasonably certain to be exercised and periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

A lease liability is recognized and measured at the present value of the lease payments that are not paid at the commencement date, discounted using the lessee's incremental borrowing rate. After the commencement date, the lease liability is measured by increasing or reducing the carrying amount to reflect interest on the lease liability and the lease payments made and re-measuring the carrying amount as necessary to reflect lease modifications.

Advantest has elected not to recognize short term leases and leases of low-value assets as right-of-use assets and lease liabilities, but expense over the lease term on a straight-line basis.

(11) Post-Employment Benefits

The Company and certain of its subsidiaries have retirement and severance defined benefit plans covering substantially all of their employees. For each defined benefit plan, the present value of defined benefit obligations, related current service cost and past service cost are calculated using the projected unit credit method. The discount rates are the yields of high quality corporate bonds that have maturity terms approximating those of the obligations which the benefits are expected to be paid. Net defined benefit liability (asset) is measured at the present value of the defined benefit obligation less the fair value of plan assets. Remeasurements of net of liabilities or assets for defined benefit plans are recognized in full as other comprehensive income in the period when they are incurred and reclassified to retained earnings immediately. Past service costs are recognized immediately in profit or loss.

The Company and certain of its subsidiaries have retirement and severance defined contribution plans. Defined contribution plans are post-employment benefit plans in which the employer makes a certain amount of contributions to fund post-employment benefits and does not bear more legal and constructive obligations than the amount contributed. The contribution in defined contribution plans is recognized in profit or loss in the period during which services were provided by employees.

(12) Provisions

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

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

Warranty Provisions

Advantest's products are generally subject to warranty, and Advantest provides contractual product warranty services, when the performance of products sold does not meet expected product specifications. Estimated repair expenses over the warranty period are accrued based on the historical ratio of actual repair expenses to corresponding sales, when product revenue is recognized.

(13) Share-Based Compensation

Advantest applies the fair-valued-based method of accounting for share-based compensation and recognizes share-based compensation expenses in the consolidated statement of profit or loss.

The cost of service received in share options is measured based on the grant-date fair value. The cost is recognized on the straight line basis over the period during which an employee is required to provide service in exchange for the award. The Black Scholes pricing model is used to estimate the value of share options. Expected dividend yield is determined by the Company's dividend ratio of the past and other associated factors. Risk free interest rate is determined by Japanese government bond yield for the period corresponding to expected life. Expected volatility is determined by historical volatility and trend of the Company's share prices, and other associated factors. Expected life is determined by the Company's option exercise history, post vesting employment termination behavior for similar grants, and other pertinent factors.

Advantest has performance-based stock remuneration plan and restricted stock compensation plan for directors, executive officers and executive employees as an incentive. The cost of service received in performance-based stock remuneration plan is measured based on the grant-date fair value of the Company's shares. The cost is recognized over the applicable period. The cost of service received in restricted stock compensation plan is measured based on the grant-date fair value of the Company's shares. The cost is recognized with a corresponding increase in equity over the applicable period.

(14) Revenue

Advantest recognizes revenue based on the five-step model.

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

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

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

Step 4: Allocate the transaction price to the performance obligations

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

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

Additionally, Advantest has performance obligations to customers under the service contracts. Revenue from such service contracts is recognized over the contract term on the straight-line basis.

(15) Financial Income and Expenses

Financial income mainly consists of dividend income, interest income, foreign exchange gains and changes in the fair value of financial instruments measured at fair value through profit or loss. Dividend income is recognized on the date when the right of Advantest to receive the dividend is established. Interest income is recognized using the effective interest method as incurred.

Financial expenses mainly consist of interest expenses, foreign exchange losses and changes in the fair value of financial instruments measured at fair value through profit or loss. Interest expenses are recognized using the effective interest method as incurred.

(16) Income Taxes

Current and deferred taxes are stated as income taxes in the consolidated statement of profit or loss except when they relate to business combinations or on items recognized in other comprehensive income or directly in equity.

Current and deferred taxes related to items recognized in other comprehensive income are recognized as other comprehensive income.

1) Current Taxes

Current income taxes are measured at the amount that is expected to be paid to or refunded from the tax authorities. For the calculation of the tax amount, Advantest uses the tax rates and tax laws that have been enacted or substantively enacted by the end of the fiscal year.

2) Deferred Taxes

Deferred income taxes are calculated based on the temporary differences between the amounts used for tax purpose and the carrying amount for assets and liabilities at the fiscal year end. Deferred tax assets are recognized for deductible temporary differences, unused tax credits and unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilized. Deferred tax liabilities are recognized for taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the fiscal year when the asset is realized or the liability is settled, based on the tax laws that have been enacted or substantively enacted by the fiscal year end.

Deferred tax assets and deferred tax liabilities are not recognized for the following temporary differences:

- taxable temporary differences on initially recognized goodwill
- temporary differences arising from the initial recognition of assets or liabilities in transactions that are not business combinations and that, at the time of the transaction, affect neither accounting profit or loss nor taxable profit or loss, and at the time of the transaction, do not give rise to equal taxable and deductible temporary differences
- taxable temporary differences on investments in subsidiaries to the extent that the timing of the reversal of the temporary difference is controlled and that it is probable the temporary difference will not reverse in the foreseeable future
- deductible temporary differences on investments in subsidiaries to the extent that it is not probable the temporary differences will reverse in the foreseeable future

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority on the same taxable entity.

Advantest has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two Model rules published by the Organization for Economic Co-operation and Development (OECD) under the amendments to IAS 12. The impact of applying the exception on Advantest's consolidated financial statements is immaterial.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires Advantest to make judgments, accounting estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on the best judgment of management in light of historical experience and various factors deemed to be reasonable according to the situation. Given their nature, however, actual results may differ from those estimates and assumptions.

The estimates and underlying assumptions are continuously reviewed. The effects of a change in these estimates and assumptions are recognized in the period of the change and subsequent periods.

The estimates and assumptions that could have a material effect on the amounts recognized in its consolidated financial statements are as follows:

(1) Valuation of Inventories

1) Amount Recognized in the Consolidated Financial Statements as of March 31, 2026

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Inventories	209,707	231,718

2) Other Information that Deepens the Understanding of Users of the Consolidated Financial Statements Regarding the Content of Accounting Estimates

Inventories are measured at the lower of cost or net realizable value after initial recognition. If the net realizable value is less than the cost, the difference is accounted for as a write off and recognized as an impairment loss. In addition, based on forecasts by item, Advantest analyzes whether there is an excess inventory balance and consider the necessity of recording an impairment loss. Furthermore, if inventories become excessive, or if the market environment deteriorates beyond forecasts and the net realizable value significantly declines, there is a possibility that a loss may occur.

(2) Impairment of Property, Plant and Equipment, Right-of-use Assets, Goodwill and Intangible Assets

1) Amount Recognized in the Consolidated Financial Statements as of March 31, 2026

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Property, plant and equipment, net	78,602	101,628
Right-of-use assets	18,338	19,947
Goodwill and intangible assets, net	78,365	84,250

2) Other Information that Deepens the Understanding of Users of the Consolidated Financial Statements Regarding the Content of Accounting Estimates

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

The impairment test is performed by comparing the carrying amount and the recoverable amount of cash-generating unit (CGU) or CGU group. If the recoverable amount is less than the carrying amount, impairment loss is recognized. The recoverable amount is based on the value in use mainly calculated by the discounted cash flow model. The estimated future cash flows associated with CGU or CGU group are discounted to present value using a pre-tax discount rate which reflects current market assessments of the time value of money and any risks specific to CGU or CGU group. The estimated future cash flows associated with CGU or CGU group are based on the sales forecast that forms the basis of the three-year business plan approved by management and the growth rate after 3 years. Pre-tax discount rates used for measuring the value in use for the fiscal years ended March 31, 2025 and 2026 were 11.8% - 19.8% and 15.1% - 22.3%, respectively.

CGU that has significant goodwill and assets as of March 31, 2025 is R&D Altanova group, and the amount of goodwill and intangible assets allocated to the CGU are ¥27,479 million and ¥8,398 million, respectively.

CGU that has significant goodwill and assets as of March 31, 2026, is R&D Altanova group, and the amount of goodwill and intangible assets allocated to the CGU are ¥29,383 million and ¥8,126 million, respectively. The key assumptions in this impairment test are the sales forecast that forms the basis of the three-year business plan and the discount rate. Generally, a reduction rate of capital expenditures of semiconductor manufacturers during downturns in the semiconductor industry, including investments in semiconductor test systems, is much greater than a reduction rate of worldwide semiconductor sales. These assumptions are based on the best estimates and judgments of management, but they could be affected by variable and uncertain future economic conditions. Any changes in these assumptions may have a material impact on the amount recognized in the consolidated financial statements in future periods.

At the end of the fiscal year ended March 31, 2025, Essai, Inc. recognized ¥21,393 million of impairment losses, which is included in other expenses in the consolidated statement of profit or loss, for goodwill and intangible assets due to softness in sales for a major customer and delays in expanding sales to new customers. As a result, Essai, Inc. has no balance of goodwill and intangible assets.

The method of calculating the recoverable amount of goodwill is included in Goodwill and Intangible Assets (See Note 12 for additional details).

(3) Post-Employment Benefits

1) Amount Recognized in the Consolidated Financial Statements as of March 31, 2026

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Retirement benefit liabilities	17,614	20,222

2) Other Information that Deepens the Understanding of Users of the Consolidated Financial Statements Regarding the Content of Accounting Estimates

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

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

These actuarial assumptions and related sensitivity analysis are included in Post-Employment Benefits (See Note 19 for details).

(4) Valuation of Deferred Tax Assets

1) Amount Recognized in the Consolidated Financial Statements as of March 31, 2026

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Deferred tax assets	47,894	55,774

2) Other Information that Deepens the Understanding of Users of the Consolidated Financial Statements Regarding the Content of Accounting Estimates

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

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

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

The contents and amounts related to income taxes are included in the Income Taxes (See Note 15 for details).

5. New Accounting Standards and Interpretations Issued but not yet Applied

New or revised accounting standards and interpretations that were issued by the date of approval of the consolidated financial statements but have not yet been applied by Advantest as of March 31, 2026, are principally as follows:

Standards and Interpretations	Title	Date of mandatory application (fiscal year beginning on or after)	Reporting periods of application (end date of the reporting period)	Overview of new/revised Standards and Interpretations
IFRS 9 IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026	March 31, 2027	Clarification of the classification of financial assets, addition of derecognition requirements for financial liabilities, and amendments to disclosure requirements for financial assets measured at fair value through other comprehensive income
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	March 31, 2028	New standard of the presentation and disclosure of information in financial statements that replaces IAS 1

The impact of the application of IFRS 9 and IFRS 7 amendments and IFRS 18 on the consolidated financial statements is currently being assessed.

6. Segment Information

(1) Overview of Reportable Segments

Advantest manufactures and sells test system products and mechatronics-related products such as test handlers and device interfaces. Advantest also engages in research and development activities and provides maintenance and support services associated with these products.

Advantest's previous organizational structure consisted of three reportable segments, which were "Semiconductor and Component Test System Business," "Mechatronics System Business" and "Services, Support and Others." In efforts to provide comprehensive test solutions that include not only test equipment but also peripherals, from the fiscal year ended March 31, 2026, Advantest has changed its reportable segments into two, which are "Test System Business" and "Services and Others." Segment information for the comparative period is after the changes of the reportable segments. These reportable segments are determined based on the nature of the products and the markets. Segment information is prepared on the same basis that management reviews financial information for operational decision-making purposes.

The test system segment provides product lines such as test systems for SoC semiconductor devices, test systems for memory semiconductor devices, test handlers and mechatronic-applied products for handling semiconductor devices, device interfaces that serve as interfaces with the devices that are measured, and system level testing solutions for semiconductors and modules.

The services and others segment consists of comprehensive customer solutions provided in connection with the above segments, operations related to nano-technology products, support services, sales of consumables and others.

(2) Information of Reportable Segments

Accounting treatment applied to operating segments is the same as in the note "3. Material Accounting Policies".

Advantest uses the operating income (loss) before share-based compensation expense for management's analysis of operating segment results.

Share-based compensation expense primarily represents restricted stock compensation expense.

Segment income (loss) is presented on the basis of operating income (loss) before share-based compensation expense.

Inter-segment sales are based on market prices.

Fiscal year ended March 31, 2025

Millions of Yen

	Test System Business	Services and Others	Elimination and Corporate	Consolidated
Net sales				
Net sales to unaffiliated customers	682,819	96,888	-	779,707
Inter-segment sales	-	-	-	-
Total	682,819	96,888	-	779,707
Segment income (loss) (operating income (loss) before share-based compensation expense)	262,120	(16,125)	(14,941)	231,054
Adjustment:				
Share-based compensation expense	-	-	-	(2,893)
Operating income	-	-	-	228,161
Financial income	-	-	-	1,895
Financial expenses	-	-	-	(5,282)
Income before income taxes	-	-	-	224,774
(Other items)				
Depreciation and amortization	17,926	8,086	1,063	27,075

Fiscal year ended March 31, 2026

Millions of Yen

	Test System Business	Services and Others	Elimination and Corporate	Consolidated
Net sales				
Net sales to unaffiliated customers	1,019,380	109,230	-	1,128,610
Inter-segment sales	10	-	(10)	-
Total	1,019,390	109,230	(10)	1,128,610
Segment income (loss) (operating income (loss) before share-based compensation expense)	518,760	8,758	(23,948)	503,570
Adjustment:				
Share-based compensation expense	-	-	-	(4,450)
Operating income	-	-	-	499,120
Financial income	-	-	-	20,354
Financial expenses	-	-	-	(2,754)
Income before income taxes	-	-	-	516,720
(Other items)				
Depreciation and amortization	19,234	5,617	761	25,612

(Notes) 1. Adjustments to segment income (loss) in Corporate principally represent corporate general and administrative expenses and research and development expenses related to fundamental research activities that are not allocated to operating segments.

2. For services and others, the segment loss for the fiscal year ended March 31, 2025 includes impairment losses of (Y) 21,393 million on the goodwill and intangible assets acquired through a business combination with Essai, Inc. The segment income for the fiscal year ended March 31, 2026 includes (Y) 2,504 million income from the partial divestiture of a business.

3. Financial income for the fiscal year ended March 31, 2026 includes (Y) 17,312 million in gains resulting from the fair value measurement of share call options that were acquired as part of strategic investments.

(3) Net Sales to Unaffiliated Customers by Segments of Products and Services

Disclosure is omitted as the classification of products and services is identical to reportable segments.

(4) Net Sales to Unaffiliated Customers by Region

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Japan	15,849	25,137
Americas	47,119	44,474
Europe	19,962	23,149
Asia	696,777	1,035,850
Total	779,707	1,128,610

Net sales to unaffiliated customers are based on customer's location. Net sales indicated as Asia were mainly generated in Taiwan, China and South Korea in the amount of ¥326,506 million, ¥175,105 million and ¥156,994 million for the fiscal year ended March 31, 2025 and ¥569,466 million, ¥213,293 million and ¥180,340 million for the fiscal year ended March 31, 2026, respectively. Substantially all net sales indicated as Americas were generated in the United States.

(5) Non-Current Assets (Property, Plant and Equipment, Right-of-Use Assets, Goodwill and Intangible Assets, Other Non-Current Assets) by Region

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Japan	49,310	57,237
Americas	79,152	93,439
Europe	24,097	29,103
Asia	23,683	27,479
Total	176,242	207,258

Non-current assets are those assets located in each geographic area.

Substantially all non-current assets indicated as Americas were located in the United States of America. Substantially all non-current assets indicated as Europe were located in Germany and Netherlands. Non-current assets in Asia were primarily located in Taiwan, South Korea, China and Singapore.

(6) Information of Main Customers

The customer groups that accounted for 10% or more of the net sales were Taiwan Semiconductor Manufacturing Co., Ltd. and the Samsung Group for the fiscal year ended March 31, 2025. Net sales to Taiwan Semiconductor Manufacturing Co., Ltd. and to the Samsung Group were mainly related to the Test System Business segment of Advantest. Net sales to Taiwan Semiconductor Manufacturing Co., Ltd. and the Samsung Group amounted to ¥96,158 million and ¥87,734 million for the fiscal year ended March 31, 2025, respectively.

The customer groups that accounted for 10% or more of the net sales were the NVIDIA Group and Taiwan Semiconductor Manufacturing Co., Ltd. for the fiscal year ended March 31, 2026. Net sales to the NVIDIA Group and Taiwan Semiconductor Manufacturing Co., Ltd. were mainly related to the Test System Business segment of Advantest. Net sales to the NVIDIA Group and Taiwan Semiconductor Manufacturing Co., Ltd. amounted to ¥243,735 million and ¥124,922 million for the fiscal year ended March 31, 2026, respectively.

7. Cash and Cash Equivalents

The breakdown of cash and cash equivalents was as follows:

	Millions of Yen	
	As of March 31, 2025	As of March 31, 2026
Cash and short-term deposits with maturities of three months or less	262,544	339,966

Cash and cash equivalents are classified as financial assets measured at amortized cost.

The balances of cash and cash equivalents on the consolidated statement of financial position agree with the respective balances in the consolidated statement of cash flows.

8. Trade and Other Receivables

The breakdown of trade and other receivables was as follows:

	Millions of Yen	
	As of March 31, 2025	As of March 31, 2026
Note Receivables	4,942	8,279
Trade Receivables	100,942	209,175
Other Receivables	7,197	11,319
Allowance for doubtful accounts	(50)	(42)
Total	113,031	228,731

Trade and other receivables are presented net of the allowance for doubtful accounts in the consolidated statement of financial position.

Trade and other receivables are classified as financial assets measured at amortized cost.

9. Inventories

The breakdown of inventories was as follows:

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Finished goods	27,730	35,244
Work in process	53,225	69,240
Raw materials and supplies	128,752	127,234
Total	209,707	231,718

Inventory valuation losses recognized as an expense due to the decline in profitability for the fiscal years ended March 31, 2025 and 2026 were ¥17,712 million and ¥16,006 million, respectively.

10. Other Financial Assets

The breakdown of other financial assets was as follows:

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Financial assets that are measured at fair value through other comprehensive income		
Equity instruments	27,680	67,927
Financial assets that are measured at fair value through profit or loss		
Derivatives	165	17,313
Financial assets measured at amortized cost	2,641	4,211
Total	30,486	89,451
Current assets	319	17,502
Non-current assets	30,167	71,949
Total	30,486	89,451

11. Property, Plant and Equipment, Net

(1) Increase or Decrease Table

Changes in carrying amount of property, plant and equipment were as follows:

Fiscal year ended March 31, 2025

Millions of Yen

	Land	Buildings	Machinery	Equipment and Furniture	Construction in progress (Note)	Total
Balance at beginning of year	16,556	17,125	32,889	3,160	9,154	78,884
Acquisition	-	8,757	11,475	2,149	(3,383)	18,998
Acquisition through business combinations	-	123	133	50	-	306
Sales and disposals	-	(28)	(929)	(40)	-	(997)
Depreciation	-	(1,903)	(13,775)	(1,342)	-	(17,020)
Exchange differences	(318)	(674)	(463)	(53)	(61)	(1,569)
Balance at end of year	16,238	23,400	29,330	3,924	5,710	78,602

Fiscal year ended March 31, 2026

Millions of Yen

	Land	Buildings	Machinery	Equipment and Furniture	Construction in progress (Note)	Total
Balance at beginning of year	16,238	23,400	29,330	3,924	5,710	78,602
Acquisition	2,789	4,971	23,137	2,653	2,237	35,787
Sales and disposals	-	(47)	(1,028)	(24)	-	(1,099)
Depreciation	-	(2,486)	(13,378)	(1,680)	-	(17,544)
Exchange differences	811	1,610	2,442	316	703	5,882
Balance at end of year	19,838	27,448	40,503	5,189	8,650	101,628

(Note) Acquisitions of “construction in progress” are stated at net amounts, including increases from new acquisitions and transfers to each property, plant and equipment category.

Gross carrying amount, accumulated depreciation and impairment losses and carrying amount of property, plant and equipment were as follows:

Millions of Yen

	Land	Buildings	Machinery	Equipment and Furniture	Construction in progress	Total
As of March 31, 2025						
Gross carrying amount	17,279	53,536	105,750	12,982	5,710	195,257
Accumulated depreciation and impairment losses	1,041	30,136	76,420	9,058	–	116,655
Carrying amount	16,238	23,400	29,330	3,924	5,710	78,602

Millions of Yen

	Land	Buildings	Machinery	Equipment and Furniture	Construction in progress	Total
As of March 31, 2026						
Gross carrying amount	20,905	60,511	120,362	15,425	8,650	225,853
Accumulated depreciation and impairment losses	1,067	33,063	79,859	10,236	–	124,225
Carrying amount	19,838	27,448	40,503	5,189	8,650	101,628

Depreciation expense is included in cost of sales and selling, general and administrative expenses in the consolidated statement of profit or loss.

(2) Impairment Losses

No impairment losses were recorded on property, plant and equipment for the year ended March 31, 2025 and 2026, respectively.

(3) Commitments Related to Acquisition of Fixed Assets

Commitments related to acquisition of fixed assets were as follows:

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Acquisition of Fixed Assets	368	612

12. Goodwill and Intangible Assets

(1) Increase or Decrease Table

Changes in carrying amount of goodwill and intangible assets were as follows:

Fiscal year ended March 31, 2025

Millions of Yen

	Goodwill	Software	Intangible assets recognized by business combination (Note)	Others	Total
Balance at beginning of year	65,254	2,573	30,406	281	98,514
Acquisition	-	2,016	-	1	2,017
Acquisition through business combinations	3,004	342	1,258	-	4,604
Sales and disposals	-	(19)	-	-	(19)
Amortization	-	(1,048)	(3,493)	(15)	(4,556)
Impairment losses	(6,381)	-	(15,012)	-	(21,393)
Exchange differences	(717)	(35)	(46)	(4)	(802)
Balance at end of year	61,160	3,829	13,113	263	78,365

Fiscal year ended March 31, 2026

Millions of Yen

	Goodwill	Software	Intangible assets recognized by business combination (Note)	Others	Total
Balance at beginning of year	61,160	3,829	13,113	263	78,365
Acquisition	-	3,018	-	-	3,018
Sales and disposals	-	(6)	-	-	(6)
Amortization	-	(1,282)	(1,604)	(5)	(2,891)
Exchange differences	4,530	201	1,014	19	5,764
Balance at end of year	65,690	5,760	12,523	277	84,250

(Note) "Intangible assets recognized by business combination" were mainly customer-related assets and technology-related assets.

Gross carrying amount, accumulated amortization and impairment losses and carrying amount of goodwill and intangible assets were as follows:

Millions of Yen

	Goodwill	Software	Intangible assets recognized by business combination	Others	Total
As of March 31, 2025					
Gross carrying amount	76,435	12,091	49,499	871	138,896
Accumulated amortization and impairment losses	15,275	8,262	36,386	608	60,531
Carrying amount	61,160	3,829	13,113	263	78,365
As of March 31, 2026					
Gross carrying amount	82,024	15,306	53,209	921	151,460
Accumulated amortization and impairment losses	16,334	9,546	40,686	644	67,210
Carrying amount	65,690	5,760	12,523	277	84,250

Amortization expense is included in cost of sales and selling, general and administrative expenses in the consolidated statement of profit or loss.

The intangible assets at the end of the fiscal year ended March 31, 2025 and 2026 were mainly intangible assets of ¥8,398 million and ¥8,126 million, respectively, recognized by the business combination of R&D Altanova Inc. group.

The remaining amortization periods at the end of the fiscal year ended March 31, 2025 and 2026 were 3 to 15 years and 2 to 14 years, respectively.

(2) Impairment Test for Goodwill

Carrying amounts of goodwill allocated to CGU or CGU group were as follows.

Beginning the fiscal year ended March 31, 2026, Advantest has changed its reportable segments into two reportable segments, which are “Test System Business” and “Services and Others.” See Note 6 under Notes to the Consolidated Financial Statements for details. Segment information for the comparative period is after the changes of the reportable segments.

Millions of Yen

CGU or CGU group	As of March 31, 2025	As of March 31, 2026
Test system business		
-Japan	14,787	15,999
-Advantest Test Solutions, Inc.	9,101	9,731
-Collaudi Elettronici Automatizzati S.r.l.	1,701	1,924
Services and others		
-Japan	8,092	8,653
-Essai, Inc.	-	-
-R&D Altanova, Inc.	27,479	29,383

The recoverable amounts of CGU or CGU group are calculated by the value in use based on the sales forecast that forms the basis of the three-year business plan approved by management, growth rate after 3 years and discount rate. The business plan reflects the past experience using external and internal data, and for the cash flows exceeding the period, its value in use is calculated by the growth rate that does not exceed the expected long-term growth rate of the market CGU or CGU group belongs to.

Pre-tax discount rates used for measuring the value in use for fiscal years ended March 31, 2025 and 2026 were 11.8% - 19.8% and 15.1% - 22.3%, respectively. Since the recoverable amount of CGU or CGU group except for Essai, Inc. is well above the carrying amount, the probability that the recoverable amount is less than the carrying amount is expected to be low even when the primary assumption of the goodwill changes to reasonable extent.

At the end of the fiscal years ended March 31, 2025 and 2026, R&D Altanova group had significant goodwill, and pre-tax discount rates used for measuring the value in use were 19.4% and 20.2%, respectively. R&D Altanova group may be subject to impairment if pre-tax discount rate exceeds 22.9% for the fiscal year ended March 31, 2025 and 22.5% for the fiscal year ended March 31, 2026.

At the end of the fiscal year ended March 31, 2025, Essai, Inc. recognized ¥21,393 million of impairment losses, which is included in other expenses in the consolidated statement of profit or loss, for goodwill and intangible assets due to softness in sales for a major customer and delays in expanding sales to new customers. Essai, Inc. has no balance of goodwill and intangible assets, and pre-tax discount rate used in the fiscal year ended March 31, 2025 for measuring the value in use was 15.5%.

(3) Research and Development Expenses

Research and development expenses included in selling, general and administrative expenses for fiscal years ended March 31, 2025 and 2026 were ¥71,399 million and ¥78,140 million, respectively.

13. Leases

(1) Leases- Lessor

Advantest provides leases that enable its customers to use its semiconductor test systems. All leases are classified as operating leases. Lease terms range from 1 year to 3 years. All lease agreements as of March 31, 2025 and 2026 are non-cancelable.

Maturity analysis of operating lease payments to be received was as follows:

Fiscal year ended March 31, 2025

Millions of Yen

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years	Total
Lease payments to be received	338	-	-	-	-	-	338

Fiscal year ended March 31, 2026

Millions of Yen

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years	Total
Lease payments to be received	29	-	-	-	-	-	29

(2) Leases- Lessee

Advantest leases certain office space and office equipment under the lease contracts.

Amounts recognized in profit or loss related to right-of-use assets were as follows:

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Depreciation expense of right-of-use assets		
Buildings	3,950	3,892
Others	1,549	1,285
Total	5,499	5,177
Interest expense related to lease liabilities	514	454
Expenses related to short-term leases	57	181
Expenses related to leases of low-value assets	29	37

Carrying amount related to right-of-use assets was as follows:

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Right-of-use assets		
Buildings	16,040	18,293
Others	2,298	1,654
Total	18,338	19,947

The increases in right-of-use assets were ¥5,450 million and ¥5,582 million for the fiscal years ended March 31, 2025 and 2026, respectively.

In cases where the lessee is able to exercise an extension option without the lessor's consent, it is considered that the lessee has an extension option. In case where the lessee is able to terminate its lease contract in the middle of the contract, it is considered that the lessee has a termination option. Each of the affiliates exercises these options, as necessary.

Total cash outflows for leases were ¥5,409 million and ¥5,200 million for the fiscal years ended March 31, 2025 and 2026, respectively.

Of the changes in liabilities arising from financing activities, lease liabilities were as follows:

Fiscal year ended March 31, 2025

Millions of Yen

	As of April 1, 2024	Changes arising from cash flows	Non-cash changes		As of March 31, 2025
			Increase of right-of-use assets	Others	
Lease liabilities	19,300	(5,323)	5,450	(879)	18,548

Fiscal year ended March 31, 2026

Millions of Yen

	As of April 1, 2025	Changes arising from cash flows	Non-cash changes		As of March 31, 2026
			Increase of right-of-use assets	Others	
Lease liabilities	18,548	(4,982)	5,582	1,044	20,192

See Note 30 (4) for maturity analysis of lease liabilities as of March 31, 2026.

14. Subsidiaries

The number of consolidated subsidiaries is 39. Please see "Item 1. Company Overview 4. Status of Affiliated Companies" for details.

15. Income Taxes

(1) Deferred Tax Assets and Liabilities

The breakdown of deferred tax assets and liabilities was as follows:

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Deferred tax assets		
Inventories	5,703	7,695
Warranty provisions	3,813	4,801
Retirement benefit liabilities	7,233	9,224
Accrued expenses	7,475	10,310
Research and development expenses capitalized for tax purposes	7,029	5,695
Operating loss carryforwards	195	246
Property, plant and equipment and Intangible assets	16,701	18,867
Tax credits	389	909
Lease liabilities	5,152	5,024
Others	3,400	7,306
Total deferred tax assets	57,090	70,077
Deferred tax liabilities		
Net change in fair value measurements of equity instruments at fair value through other comprehensive income	-	(2,812)
Undistributed earnings of foreign subsidiaries	(5,190)	(8,163)
Right-of-use assets	(5,095)	(4,964)
Property, plant and equipment and Intangible assets	(3,526)	(3,366)
Others	(94)	(1,442)
Total deferred tax liabilities	(13,905)	(20,747)
Net deferred tax assets	43,185	49,330

Net deferred tax assets were included in the following line items in the consolidated statement of financial position.

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Deferred tax assets	47,894	55,774
Deferred tax liabilities	4,709	6,444

Changes in net deferred tax assets were as follows:

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net deferred tax assets		
Balance at beginning of year	29,489	43,185
Recognized in profit or loss	12,556	4,990
Recognized in other comprehensive income	1,589	(2,262)
Recognized directly in equity	-	2,154
Acquisition through business combinations	(386)	-
Others	(63)	1,263
Balance at end of year	43,185	49,330

Advantest recognizes deferred tax assets after taking into consideration taxable temporary differences, the forecasted future taxable profits and tax planning.

Deductible temporary differences, operating loss carryforwards and tax credits that are not recognized as deferred tax assets in the consolidated statement of financial position were as follows:

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Deductible temporary differences	82,322	76,187
Operating loss carryforwards	174	197
Tax credits	1,016	1,103

The expiration dates of operating loss carryforwards and tax credits that were not recognized as deferred tax assets in the consolidated statement of financial position were as follows:

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Operating loss carryforwards		
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	174	197
Total	174	197
Tax credits		
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	1,016	1,103
Total	1,016	1,103

The taxable temporary difference related to investments in subsidiaries for which deferred tax liabilities were not recognized for the fiscal year ended March 31, 2025 and 2026 were not material, respectively.

Deferred tax liabilities are not recognized for this difference for which Advantest can control the timing of the reversal and which are unlikely to reverse in the foreseeable future.

(2) Income Tax Expense

The breakdown of income tax expense was as follows:

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Income tax expense		
Current income tax expense	76,153	146,357
Deferred income tax expense		
Origination and reversal of temporary differences	(16,170)	(7,158)
Changes in unrecognized deferred tax assets	4,025	1,621
Adjustments to deferred tax assets and liabilities due to changes in tax rate	(411)	547
Total	63,597	141,367

Current and deferred income tax expense include tax benefit from operating loss carryforwards, tax credits, or temporary differences in past periods, which were not recognized as deferred tax assets. The tax benefits for the fiscal year ended March 31, 2025 and 2026 were not material, respectively.

(3) Reconciliation between Applicable Tax Rate and Effective Tax Rate

Reconciliation between the applicable tax rate and the effective tax rate was as follows:

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Applicable tax rate	30.5%	30.5%
Differences in statutory tax rate of foreign subsidiaries	(0.3)	(2.0)
Tax credits	(5.0)	(2.0)
Non-deductible expenses	0.6	0.3
Undistributed earnings of foreign subsidiaries	0.8	0.6
Changes in unrecognized deferred tax assets	1.8	0.3
Effect of tax rate changes	(0.2)	0.1
Others	0.1	(0.4)
Effective tax rate	28.3%	27.4%

The Company and its domestic subsidiaries are primarily affected by the corporation tax, resident tax and business tax. The statutory income tax rate calculated based on these rates for the fiscal years ended March 31, 2025 and 2026 were 30.5% and 30.5%, respectively.

Its foreign subsidiaries are affected by the corporation tax and other taxes at the domicile of each subsidiary.

16. Trade and Other Payables

The breakdown of trade and other payables was as follows:

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Accounts payable	70,875	94,322
Accrued expenses	28,855	37,770
Other payables	7,363	9,969
Total	107,093	142,061

17. Borrowings

(1) Breakdown of Borrowings

The breakdown of borrowings was as follows:

Millions of Yen

	As of March 31, 2025	As of March 31, 2026	Average interest rate (%)	Repayment Due (Year)
Short-term borrowings	–	–	–	–
Current portion of long-term borrowings	74,952	–	–	–
Long-term borrowings (excluding current portion)	3	–	–	–
Total	74,955	–		
Current liabilities	74,952	–		
Non-current liabilities	3	–		
Total	74,955	–		

(Notes) 1. Borrowings are classified as financial liabilities measured at amortized cost.

2. Regarding the borrowings above, there are no assets pledged as collateral.

(2) Reconciliation of Changes in Liabilities Relating to Cash Flows Arising from Financing Activities

Fiscal year ended March 31, 2025

Millions of Yen

	Short-term borrowings	Long-term borrowings (Note)	Total
Balance at beginning of year	–	75,143	75,143
Changes from financing cash flows	–	–	–
Changes from non-cash activities			
Exchange differences	–	(188)	(188)
Balance at end of year	–	74,955	74,955

(Note) These include amount of current portion of long-term borrowings.

Fiscal year ended March 31, 2026

Millions of Yen

	Short-term borrowings	Long-term borrowings (Note)	Total
Balance at beginning of year	–	74,955	74,955
Changes from financing cash flows	–	(75,352)	(75,352)
Changes from non-cash activities			
Exchange differences	–	397	397
Balance at end of year	–	–	–

(Note) These include amount of current portion of long-term borrowings.

(3) Committed Line of Credit and Overdraft Agreements

The unused balances under committed line of credit and overdraft agreements were as follows:

	Millions of Yen	
	As of March 31, 2025	As of March 31, 2026
Total amount of committed line of credit and overdraft facilities	60,000	140,000
Balance of borrowings	-	-
Unused committed line of credit and overdraft facilities	60,000	140,000

18. Provisions

Changes in warranty provisions were as follows:

	Millions of Yen	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Balance at beginning of year	8,668	12,454
Increase during the year	17,809	22,575
Decrease due to intended use	(13,987)	(19,514)
Reversal during the year	-	-
Exchange differences	(36)	23
Balance at end of year	12,454	15,538
Current liabilities	12,454	15,538

Advantest's products are generally subject to warranty, and Advantest provides contractual product warranty services, when the performance of products sold does not meet expected product specifications. Estimated repair expenses over the warranty period are accrued based on the historical ratio of actual repair expenses to corresponding sales, when product revenue is recognized. Most of these expenses are expected to be incurred in the next fiscal year.

19. Post-Employment Benefits

Advantest has post-employment plans as follows:

(Defined benefit corporate pension plan and retirement and severance plans for Japan)

The Company and its domestic subsidiaries have a defined benefit corporate pension plan and unfunded retirement and severance plans covering substantially all employees.

The benefits for both defined benefit corporate pension plan and retirement and severance plans are calculated based on accumulated amounts allocated to employees each year in proportion to amounts equivalent to their base salary.

In defined benefit corporate pension plan, in accordance with the Defined-Benefit Corporate Pension Act of Japan, the Company and its domestic subsidiaries have an obligation to make contributions to Advantest Pension Fund (the Fund) which manages the corporate pension plans. The directors of the Fund are responsible for faithfully executing operations in compliance with laws and regulations, and any orders issued by the Minister of Health, Labor and Welfare, and the Director-General of Regional Bureaus of Health and Welfare based on laws and regulations, as well as the rules of the Fund and the resolution of the Board of Representatives. And the directors are jointly and severally liable for damages if they fail to manage and operate the Fund. The actual management of the contributions is conducted by trustees in accordance with rules approved by the Board of Representatives.

The Company and its domestic subsidiaries are required to make contributions to the Fund and obligated to make contributions in the amount stipulated by the Fund. Contributions are also regularly reviewed and adjusted as necessary to the extent permitted by laws and regulations. The Company and its domestic subsidiaries introduced a risk reserve contribution at ¥6,018 million, which has been contributed for five years within future expected risks from fiscal year ended March 31, 2022.

Plan assets are managed on the basis of soundness. However, financial instruments have inherent investment risks. Discount rates and other aspects of defined benefit plan obligations are based on pension actuarial assumptions. There is a risk when these pension actuarial assumptions are changed.

The retirement and severance plans are principally unfunded.

(Defined benefit pension plans for foreign subsidiaries)

Certain foreign subsidiaries also have defined benefit pension plans covering substantially all of their employees. Benefits payable under the plans are based on employee compensation levels and years of service.

(Defined contribution plan)

The Company and its domestic subsidiaries have a defined contribution plan covering substantially all employees.

In defined contribution plan, the Company and its subsidiaries pay fixed contributions over entitlement period, and employees manage the contributed funds by themselves. Benefit is paid by a trustee organization, and the Company and its subsidiaries' obligation is limited to the contribution.

Disclosure of the amount recognized as an expense for the defined contribution plan is omitted since its immateriality.

(1) Defined Benefit Liabilities Recognized in the Consolidated Statement of Financial Position

Net defined benefit liabilities and assets recognized in the consolidated statement of financial position, defined benefit obligations and plan assets were as follows.

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Present value of defined benefit obligations	78,236	79,989
Fair value of plan assets	(70,580)	(80,449)
Subtotal	7,656	(460)
Effect of the asset ceiling	9,803	20,253
Net defined benefit liabilities	17,459	19,793

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Retirement benefit liabilities	17,614	20,222
Retirement benefit assets	(155)	(429)
Net defined benefit liabilities	17,459	19,793

(2) Defined Benefit Obligations and Plan Assets

The changes in present value of defined benefit obligations and fair value of plan assets of the Company and certain of its consolidated subsidiaries were as follows:

Japanese Plans

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Defined benefit obligations:		
Balance at the beginning of year	44,800	41,737
Service cost	951	817
Interest cost	691	916
Remeasurements:		
Actuarial (gain) or loss - Changes in demographic assumptions	146	(520)
Actuarial (gain) or loss - Changes in financial assumptions	(3,021)	(3,465)
Benefits paid	(1,830)	(2,050)
Others	-	327
Balance at the end of year	41,737	37,762
Plan assets:		
Balance at the beginning of year	41,536	41,845
Interest income	641	919
Remeasurements:		
Actual return on plan assets, excluding interest income	(105)	2,180
Employer contributions	1,060	1,026
Benefits paid	(1,287)	(1,594)
Balance at the end of year	41,845	44,376
Net balance	(108)	(6,614)

Non-Japanese Plans

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Defined benefit obligations:		
Balance at the beginning of year	35,090	36,499
Service cost	1,841	2,012
Interest cost	1,200	1,457
Remeasurements:		
Actuarial (gain) or loss -		
Changes in demographic assumptions	157	(89)
Actuarial (gain) or loss -		
Changes in financial assumptions	(1,244)	(1,855)
Benefits paid	(828)	(1,346)
Exchange differences	(549)	4,624
Others	832	925
Balance at the end of year	36,499	42,227
Plan assets:		
Balance at the beginning of year	26,341	28,735
Interest income	927	1,165
Remeasurements:		
Actual return on plan assets, excluding interest		
income	(87)	642
Employer contributions	1,753	1,846
Plan participants' contributions	832	947
Benefits paid	(531)	(993)
Exchange differences	(500)	3,731
Balance at the end of year	28,735	36,073
Net balance	7,764	6,154

(3) Plan Assets

The fair value of pension plan assets by asset category was as follows:

Japanese Plans

Millions of Yen

	As of March 31, 2025			As of March 31, 2026		
	With quoted market price in an active market	With no quoted market price in an active market	Total	With quoted market price in an active market	With no quoted market price in an active market	Total
Cash and cash equivalents	887	-	887	476	-	476
Equity securities:						
Pooled funds	-	13,651	13,651	-	15,124	15,124
Debt securities:						
Pooled funds	-	6,254	6,254	-	7,591	7,591
Hedge funds	-	13,141	13,141	-	14,712	14,712
Life insurance company general accounts and separate accounts	-	7,912	7,912	-	6,473	6,473
Total	887	40,958	41,845	476	43,900	44,376

Non-Japanese Plans

Millions of Yen

	As of March 31, 2025			As of March 31, 2026		
	With quoted market price in an active market	With no quoted market price in an active market	Total	With quoted market price in an active market	With no quoted market price in an active market	Total
Cash and cash equivalents	3,149	-	3,149	4,965	-	4,965
Equity securities:						
Pooled funds	8,842	762	9,604	12,531	946	13,477
Debt securities:						
Pooled funds	10,800	121	10,921	12,579	155	12,734
Others	1,577	3,484	5,061	822	4,075	4,897
Total	24,368	4,367	28,735	30,897	5,176	36,073

Investment policies of Advantest are designed to ensure adequate plan assets are available to provide future payments of pension benefits to eligible participants by attaining necessary long-term total returns on plan assets. Taking into consideration the expected returns, associated risks and correlations of returns between asset categories in plan assets, Advantest determines an optimal combination of equity, debt securities and other investments as Policy Asset Allocation (hereinafter "PAA"). Plan assets are invested in accordance with PAA with mid-term to long-term viewpoint, which is revised periodically to the extent considered necessary to achieve the expected long-term rate of return on plan assets.

Advantest expects to contribute ¥2,354 million including risk reserve contribution to defined benefit plans during the following fiscal year.

(4) Effect of the Asset Ceiling

The asset ceiling on the consolidated statement of financial position represents the limit of defined benefit plan assets accrued. It is defined as the present value of future economic benefits, such as refunds from the defined benefit plan or reductions in future contributions, that become available when the plan's reserves exceed the balance required.

Changes in the effect of the asset ceiling generated in Japanese plans are as follows:

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
The effect of the asset ceiling at beginning of year	7,121	9,803
Remeasurements		
Changes in the effect of the asset ceiling	2,682	10,450
The effect of the asset ceiling at end of year	9,803	20,253

(5) Actuarial Assumptions

The significant actuarial assumptions used to determine the present value of defined benefit obligations were as follows:

Japanese Plans

	As of March 31, 2025	As of March 31, 2026
Discount rate (%)	2.2	3.1
Rate of compensation increase (%)	2.3	2.1

Non-Japanese Plans

	As of March 31, 2025	As of March 31, 2026
Discount rate (%)	3.7	4.2
Rate of compensation increase (%)	3.1	3.1

The effects on defined benefit obligations of 0.5% increase or decrease in the discount rate were as follows.

The sensitivity analysis is based on an assumption that all other variables other than the one analyzed are held constant. In reality, changes in other assumptions may impact the analysis.

Japanese Plans

Millions of Yen

	Changes in actuarial assumptions	As of March 31, 2025	As of March 31, 2026
Discount rate	0.5% increase	(2,074)	(1,622)
	0.5% decrease	2,259	1,750

Non-Japanese Plans

Millions of Yen

	Changes in actuarial assumptions	As of March 31, 2025	As of March 31, 2026
Discount rate	0.5% increase	(1,379)	(1,313)
	0.5% decrease	1,521	1,316

The weighted average duration of defined benefit obligations was as follows:

Japanese Plans

	As of March 31, 2025	As of March 31, 2026
Weighted average duration (Years)	10	9

Non-Japanese Plans

	As of March 31, 2025	As of March 31, 2026
Weighted average duration (Years)	14	11

(6) Employee Benefit Expenses

The total amount of employee benefit expenses in the consolidated statement of profit or loss for the fiscal years ended March 31, 2025 and 2026 were ¥131,623 million and ¥146,777 million, respectively.

20. Equity and Other Equity Items

(1) Share Capital

1) Authorized Shares

The number of authorized shares as of March 31, 2025 and 2026 were 1,760,000,000 common shares.

2) Fully Paid Issued Shares

The movement of the number of issued shares was as follows:

	Number of issued common shares
As of April 1, 2024	766,141,256
Increase (decrease)	-
As of March 31, 2025	766,141,256
Increase (decrease)	(34,141,256)
As of March 31, 2026	732,000,000

(Note) The cancellation of treasury shares from the resolution of the Board of Directors' meeting held on January 28, 2026, resulted in a decrease of treasury shares by 34,141,256 for the fiscal year ended March 31, 2026.

The Company's shares are non-par value common shares with no restrictions on rights.

(2) Treasury Shares

The movement of the number of treasury shares was as follows:

	Number of shares
As of April 1, 2024	27,729,675
Increase (decrease)	4,692,556
As of March 31, 2025	32,422,231
Increase (decrease)	(25,938,007)
As of March 31, 2026	6,484,224

(Notes) 1. The share repurchase from the resolution of the Board of Directors' meeting held on October 30, 2024, resulted in an increase of treasury shares by 5,711,000 for the fiscal year ended March 31, 2025.

2. The share repurchase from the resolution of the Board of Directors' meeting held on April 25, 2025, resulted in an increase of treasury shares by 6,643,900 for the fiscal year ended March 31, 2026.

3. The share repurchase from the resolution of the Board of Directors' meeting held on October 28, 2025, resulted in an increase of treasury shares by 2,048,700 for the fiscal year ended March 31, 2026.

4. The cancellation of treasury shares from the resolution of the Board of Directors' meeting held on January 28, 2026, resulted in a decrease of treasury shares by 34,141,256 for the fiscal year ended March 31, 2026.

(3) Surplus

1) Share Premium

Under the Companies Act of Japan, at least 50% of the proceeds of certain issues of common shares shall be credited to share capital. The remainder of the proceeds shall be credited to the additional paid-in capital component of the share premium.

2) Retained Earnings

The Companies Act provides that 10% of the amount of dividends from retained earnings shall be appropriated as additional paid-in capital or as a legal reserve until the aggregate amount of the additional paid-in capital and the legal reserve component of the retained earnings equals 25% of share capital.

(4) Other Components of Equity

Millions of Yen

	Remeasurements of defined benefit pension plan (Note 1)	Exchange differences on translation of foreign operations (Note 2)	Net change in fair value measurements of equity instruments at fair value through other comprehensive income (Note 3)	Total
As of April 1, 2024	-	50,382	4,046	54,428
Increase (decrease)	825	(5,834)	(6,740)	(11,749)
Transfer to retained earnings	(825)	-	-	(825)
As of March 31, 2025	-	44,548	(2,694)	41,854
Increase (decrease)	(976)	24,696	33,157	56,877
Transfer to retained earnings	976	-	-	976
As of March 31, 2026	-	69,244	30,463	99,707

- (Notes) 1. Remeasurements of defined benefit pension plan include differences in return on plan assets and interest income on plan assets and differences between actuarial assumptions and actual results.
2. Exchange differences on translation of foreign operations are exchange differences resulting from the translation of financial statements of foreign operations.
3. Net change in fair value measurements of equity instruments at fair value through other comprehensive income is cumulative in nature.

**(5) Class and Number of Shares Underlying Stock Acquisition Rights
(Excluding Stock Acquisition Rights for Which the Exercise Period Has Not Commenced)**

	As of March 31, 2025	As of March 31, 2026
Class of shares	Common shares	-
Number of shares	235,410	-

21. Dividends

(1) Dividends Paid

Fiscal year ended March 31, 2025

Resolution	Class of shares	Amount of dividend (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting held on May 21, 2024	Common shares	13,291	18	March 31, 2024	June 7, 2024
Board of Directors' meeting held on October 30, 2024	Common shares	14,047	19	September 30, 2024	December 2, 2024

Fiscal year ended March 31, 2026

Resolution	Class of shares	Amount of dividend (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting held on May 22, 2025	Common shares	14,674	20	March 31, 2025	June 6, 2025
Board of Directors' meeting held on October 28, 2025	Common shares	21,094	29	September 30, 2025	December 1, 2025

(2) Dividends Whose Record Date is in the Fiscal Year under Review but Whose Effective Date is in the Following Fiscal Year

Resolution	Class of shares	Amount of dividend (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting held on April 27, 2026	Common shares	21,765	30	March 31, 2026	June 2, 2026

22. Revenue

(1) Disaggregation of Revenue

Beginning the fiscal year ended March 31, 2026, Advantest has changed its reportable segments into two reportable segments, which are “Test System Business” and “Services and Others.” See Note 6 for details.

Segment information for the comparative period is after the changes of the reportable segments. Net sales disaggregated by region and segment were as follows:

Fiscal year ended March 31, 2025

Millions of Yen

	Test System Business	Services and Others	Elimination and Corporate	Consolidated
Main regions				
Japan	10,959	4,890	-	15,849
Americas	23,507	23,612	-	47,119
Europe	13,962	6,000	-	19,962
Asia	634,391	62,386	-	696,777
Total	682,819	96,888	-	779,707

Fiscal year ended March 31, 2026

Millions of Yen

	Test System Business	Services and Others	Elimination and Corporate	Consolidated
Main regions				
Japan	19,216	5,931	(10)	25,137
Americas	22,482	21,992	-	44,474
Europe	14,638	8,511	-	23,149
Asia	963,054	72,796	-	1,035,850
Total	1,019,390	109,230	(10)	1,128,610

The breakdown of test system business was as follows:

Fiscal year ended March 31, 2025

Millions of Yen

	SoC	Memory	Others	Total
Test System Business	440,452	157,676	84,691	682,819

Fiscal year ended March 31, 2026

Millions of Yen

	SoC	Memory	Others	Total
Test System Business	767,424	171,504	80,462	1,019,390

Revenue is accounted for in accordance with the accounting policy as described in Note 3. The transaction price is measured based on the amount promised in the contracts with customers. Contracts include no significant financing components because payment terms are generally within 3 months. There are no contracts with long payment terms from the satisfaction of performance obligation to payment of transaction price. Additionally, there is no significant revenue including variable consideration.

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

(2) Contract Balances

Receivables and liabilities from contracts with customers were as follows:

Millions of Yen

	As of April 1, 2024	As of March 31, 2025	As of March 31, 2026
Receivables from contracts with customers			
- Notes and trade accounts receivable	80,815	105,884	217,454
- Allowance for doubtful accounts	-	(50)	(42)
Total	80,815	105,834	217,412
Contract liabilities			
- Advance receipts	18,233	28,798	40,143

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

Advance receipts are included in "Other current liabilities" in the consolidated statement of financial position.

Advantest recognized ¥15,591 million and ¥24,857 million from the balance of contract liabilities as of April 1, 2024 and 2025 as revenue in the fiscal years ended March 31, 2025 and 2026, respectively. Both amounts carried forward to the following fiscal years onward are insignificant.

There was no revenue recognized in the fiscal years ended March 31, 2025 and 2026 from performance obligations satisfied or partially satisfied in past periods, respectively.

(3) Transaction Price Allocated to the Remaining Performance Obligations

Advantest uses the practical expedient of omitting the disclosure of information on the remaining performance obligations because it has no significant transactions with performance obligation terms exceeding one year. Additionally, there are no significant amounts of consideration arising from contracts with customers that are excluded from the transaction price.

23. Selling, General and Administrative Expenses

The breakdown of selling, general and administrative expenses was as follows:

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Employee benefit expenses	107,325	119,812
Depreciation and amortization	18,498	18,356
Others	69,569	91,460
Total	195,392	229,628

24. Share-Based Compensation

(1) Stock Options

Advantest has share-based compensation plans using stock options as incentive plans for directors (excluding directors who are Audit and Supervisory Committee members and outside directors), executive officers and executive employees. Stock options have been issued to directors, executive officers and certain employees of the Company and its subsidiaries under stock option plans approved at the Board of Directors' Meeting. Options were generally granted with exercise prices of per share that were equal to the higher of (1) 1.05 times the average price of the Company's common shares of the preceding month on the date of grant and (2) the closing price of the Company's common shares traded on the Tokyo Stock Exchange on the date of grant.

The options have an exercise period of 3 years.

The exercisable stock option plans were as follows:

No.	Number of shares to be issued/delivered	Grant date	Exercise Period	Settlement Method	Vesting Conditions
33	766,080	July 13, 2020	From July 14, 2022 to July 13, 2025	Equity-settled	Persons who are entitled: director (excluding directors who are Audit and Supervisory Committee members and outside directors), executive officer, employee, adviser, part-time worker or any other similar position of the Company or its subsidiaries after grant date (July 13, 2020) to vesting date (July 13, 2022)

The exercise price of the stock options is subject to adjustment, if there is a share split or consolidation of shares, or if new shares are issued or treasury shares are sold at a price that is less than the market price.

The Company enacted a 4-for-1 share split of its common share with an effective date of October 1, 2023. Accordingly, "Number of shares to be issued/delivered" is adjusted to the number that reflects the share split.

Stock option activity was as follows:

	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026	
	Number of shares	Weighted average exercise price (Yen)	Number of shares	Weighted average exercise price (Yen)
Outstanding at beginning of year	574,560	1,328	235,410	1,748
Granted	-	-	-	-
Exercised	(339,150)	1,037	(235,410)	1,748
Expired	-	-	-	-
Forfeited	-	-	-	-
Outstanding at end of year	235,410	1,748	-	-
Exercisable at end of year	235,410	1,748	-	-

The Company enacted a 4-for-1 share split of its common share with an effective date of October 1, 2023. Accordingly, “Number of shares” and “Weighted average exercise price” are adjusted to the numbers that reflect the share split.

Weighted-average share prices as of exercise date were ¥7,342 and ¥8,467 for stock option plans exercised during the fiscal years ended March 31, 2025 and 2026, respectively.

The outstanding stock options of the two most recent fiscal years were as follows:

As of March 31, 2025

Exercise Price	Outstanding		Exercisable	
	Number of shares	Weighted average remaining contractual life (Years)	Number of shares	Weighted average remaining contractual life (Years)
1,748	235,410	0.3	235,410	0.3

The Company enacted a 4-for-1 share split of its common share with an effective date of October 1, 2023. Accordingly, “Exercise Price” and “Number of shares” are adjusted to the numbers that reflect the share split.

As of March 31, 2026

Since all outstanding stock options as of March 31, 2025 were exercised during the fiscal year ended March 31, 2026, there were no outstanding stock options as of March 31, 2026.

Share-based compensation expenses from stock options were not recognized for the fiscal years ended March 31, 2025 and 2026.

(2) Performance-Based Stock Remuneration Plan

1) Outline of the Performance-Based Stock Remuneration Plan

Advantest has Performance Share Unit Plan (hereinafter “PSU”) for directors (excluding directors who are Audit and Supervisory Committee members and outside directors) and executive officers as an incentive since June 2021.

The PSU is a performance-based stock compensation plan, under which numerical targets for the Company’s performance during the performance evaluation period consisting of the fiscal years that correspond to the period of the Company’s Mid-Term Management Plan (hereinafter “Performance Evaluation Period”) are preliminarily set by the Board of Directors, and cash compensation claims for the delivery of shares of common stock of the Company are delivered according to the rate of achievement of such numerical targets as compensation for the Performance Evaluation Period. Accordingly, the payment of cash compensation claims for the delivery of shares of common stock of the Company to the eligible directors and executive officers shall, in principle, take place after the Performance Evaluation Period ends.

The Performance Evaluation Period will be three-consecutive fiscal years started from April 1, 2021 and 2024, which

corresponds to the period of the Company’s Mid-Term Management Plan. After the Performance Evaluation Period ends, the Board of Directors may approve to grant the PSU for the three fiscal years covered by the Management Plan as the Performance Evaluation Period to the extent approved at the general meeting of shareholders.

The PSU may fluctuate between 60% and 140% of the standard amount according to how close actual results come to mid-term management targets. The indicators for evaluating achievement of mid-term management targets are earnings per share (EPS) during the mid-term management plan, relative total shareholders return (r-TSR) and ESG evaluation for three-consecutive fiscal years started from April 1, 2021. Those for three-consecutive fiscal years started from April 1, 2024 are earnings per share (EPS) during the mid-term management plan, relative total shareholders return (r-TSR) and sustainability indicators. EPS is the main indicator, and the others are the sub-indicators. The degree of fluctuation is determined by the total value of these indicators.

In principle, the Company shall issue or dispose of the number of shares of common stock of the Company calculated by multiplying basic points by the degree of the fluctuation to the eligible directors and executive officers after the end of the Performance Evaluation Period if the eligible directors and executive officers fulfill the following requirements.

- a. Eligible directors and executive officers have continuously remained in the position of either director or executive officer of the Company throughout the Performance Evaluation Period
- b. Eligible directors and executive officers have not engaged in any misconduct as defined by the Board of Directors
- c. Other requirements deemed necessary by the Board of Directors to achieve the purpose of the PSU

If, during the Performance Evaluation Period, a director or an executive officer is newly appointed or an eligible director or an eligible executive officer resigns from his/her position as either director or executive officer of the Company for a justifiable reason, the Board of Directors shall issue or dispose of shares of common stock of the Company in the number that have been reasonably adjusted in accordance with the term of office of such director or executive officer.

The PSU is booked as equity-settled type share-based compensation. The PSU does not have exercise price because the shares are delivered as remuneration.

2) Number of Estimated Granted Points and Fair Value

The fair values of the PSU granted in the fiscal year ended March 31, 2025 and 2026 were ¥6,232 and ¥11,235, respectively. The fair value was calculated based on the market price of the Company’s share at the grant date, expected dividends and the impact of r-TSR.

As described in 1) Outline of the Performance-Based Stock Remuneration Plan, the number of granted points is calculated based on the degree of fluctuation rate between 60% and 140% depending on the achievement of the mid-term management targets.

3) Share-Based Compensation Expense

Share-based compensation expenses from PSU were ¥980 million and ¥1,258 million for the fiscal years ended March 31, 2025 and 2026, respectively.

4) Basic Points Activity

Basic points activity was as follows:

	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026	
	Number of basic points	Weighted average fair value (Yen)	Number of basic points	Weighted average fair value (Yen)
Outstanding at beginning of year	423,368	2,471	331,503	6,232
Granted	331,503	6,232	62,796	11,235
Vested	(423,368)	2,471	(4,515)	6,232
Forfeited	-	-	(9,400)	6,232
Outstanding at end of year	331,503	6,232	380,384	7,058

The Company enacted a 4 for 1 share split of its common share with an effective date of October 1, 2023. Regarding the PSU granted prior to the share split, “Number of basic points” and “Weighted average fair value” are adjusted to the numbers that reflect share split.

(3) Restricted Stock Compensation Plan

1) Outline of the Restricted Stock Compensation Plan

Advantest has restricted stock compensation plan (hereinafter “RS”) for directors, executive officers and executive employees as an incentive.

Based on the resolution of the Board of Directors of the Company, eligible directors, executive officers and executive employees shall pay all of the cash compensation claims provided as in-kind contribution property and receive the issuance or disposal of the common shares of the Company. Regarding the issuance or disposal of the Company’s common shares and the payment of cash compensation receivables as its in-kind contribution property, a restricted stock allotment agreement (hereinafter “Agreement”) is subject to being concluded between the Company and eligible directors, executive officers and executive employees.

For those who are directors and executive officers of the Company at the time of receiving the above-mentioned allotment of restricted stock shall not transfer, set collateral rights or otherwise dispose of the Company’s common shares allotted under the Agreement (hereinafter “Allotted Shares”) from the date of the allotment under the Agreement to the time immediately after he/she resigns from either position as a director or an executive officer of the Company for mid-to long-term incentive portion, not less than three years from the date of the allotment under the Agreement for the recruiting and retention program portion, and for those who are employees, during the period of three or five years from the day of receiving the Allotted Shares (hereinafter “Transfer Restriction Period”) (this restriction is the “Transfer Restriction”).

In the event that a person who is a director or executive officer of the Company at the time of receiving the above-mentioned allotment of restricted stock resigns or retires as either director or executive officer of the Company before the expiration of the period determined in advance by the Board of Directors (hereinafter “Term of Service”), and a person who is an executive employee resigns or retires from any of the positions of Director, Corporate Auditor, Executive Officer, employee, temporary employee, or any other position during the Term of Service, the Company shall automatically acquire the Allotted Shares without consideration, unless such resignation is due to expiration of term of office, death or for other justifiable reasons.

Notwithstanding the provisions of the Transfer Restriction Period above, the Company shall lift the Transfer Restriction for all of the Allotted Shares upon expiration of the Transfer Restriction Period, on the condition that the person who is a director and an executive officer of the Company at the time of receiving the above-mentioned allotment of restricted stock continuously remains in the position as either director or executive officer of the Company throughout the Term of Service, and that the person who is an executive employee continuously remains in the position as either directors (excluding directors who are Audit and Supervisory Committee members and outside directors), executive officers, employees, advisers, part-time workers or any other similar position of the Company or its subsidiaries throughout the Transfer Restriction Period. However, if an eligible director, executive officer or executive employee resigns or retires from the position as either director or executive officer of the Company prior to the expiration of the Term of Service due to expiration of term, death or for other justifiable reasons, the Company shall make reasonable adjustments, as necessary, to the number of Allotted Shares for which the Transfer Restriction will be lifted and the timing at which the Transfer Restriction will be lifted by a resolution of the Board of Directors. The Company shall automatically acquire without consideration Allotted Shares for which the Transfer Restriction has not been lifted at the time immediately after the Transfer Restriction is lifted in accordance with the above-stated provisions.

If eligible directors, executive officers and executive employees are non-resident at the time of receiving the allotment of the above-mentioned restricted stock, the restricted stock unit plan (a plan in which shares of the Company are delivered after a certain period of time) (hereinafter “RSU”) may be applied instead of the above-stated RS for the purpose of ensuring compliance with the laws and regulations of the country of residence and mitigating adverse tax consequences. Regarding the RSU granted to the eligible directors, executive officers and employees, the covered period of service shall be two years or more from the granting of RSU rights as determined by the Board of Directors.

The RS and RSU are booked as equity-settled type share-based compensation. The RS and RSU do not have exercise price because the shares are delivered as remuneration.

2) Number of Shares and Points Granted and Fair Value

The fair values and allotted shares or points for RS and RSU granted in the fiscal year ended March 31, 2025 and 2026 were as follows:

Fiscal year ended March 31, 2025

	RS		RSU		
	Directors, Executive Officers	Executive Employees	Directors, Executive Officers	Executive Employees	
Date of the allotment	July 26, 2024	July 26, 2024	July 17, 2024	April 2, 2024	August 30, 2024
Allotted shares/points	32,107	40,480	105,536	84,663	211,793
Fair value	5,505	5,505	6,322	6,303	6,512

Fiscal year ended March 31, 2026

	RS	
	Directors, Executive Officers	Executive Employees
Date of the allotment	July 25, 2025	July 25, 2025
Allotted shares/points	27,000	28,956
Fair value	11,495	11,495

	RSU				
	Directors, Executive Officers	Executive Employees			
Date of the allotment	July 11, 2025	September 22, 2025	September 30, 2025	December 25, 2025	January 22, 2026
Allotted shares/points	80,912	36,520	141,710	2,884	3,713
Fair value	11,282	15,307	14,530	19,658	22,712

The fair value of RS was calculated based on the market price of the Company's share at the grant date, and the fair value of RSU was calculated based on the market price of the Company's share at the grant date and expected dividends.

3) Share-Based Compensation Expense

Share-based compensation expense from RS and RSU were ¥1,913 million and ¥3,189 million for the fiscal year ended March 31, 2025 and 2026, respectively.

4) Basic Points Activity

Basic points activity was as follows:

	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026	
	Number of basic points	Weighted average fair value (Yen)	Number of basic points	Weighted average fair value (Yen)
Outstanding at beginning of year	1,828,478	2,748	2,238,564	3,491
Granted	474,579	6,278	321,695	13,414
Vested	(36,797)	2,535	(226,510)	2,325
Forfeited	(27,696)	3,409	(39,712)	4,386
Outstanding at end of year	2,238,564	3,491	2,294,037	4,983

The Company enacted a 4 for 1 share split of its common share with an effective date of October 1, 2023. Regarding the RS and the RSU granted prior to the share split, “Number of basic points” and “Weighted average fair value” are adjusted to the numbers that reflect share split.

25. Financial Income and Expenses

(1) Financial Income

The breakdown of financial income was as follows:

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Interest income		
Financial assets measured at amortized cost	1,891	2,861
Dividend income		
Financial assets measured at fair value through other comprehensive income	4	125
Gain on valuation of derivatives		
Financial assets measured at fair value through profit or loss	-	17,312
Foreign exchange gains	-	56
Total	1,895	20,354

(2) Financial Expenses

The breakdown of financial expenses was as follows:

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Interest expense		
Financial liabilities measured at amortized cost	1,493	1,271
Financial liabilities measured at fair value through profit or loss	1,028	976
Foreign exchange losses	2,546	-
Others	215	507
Total	5,282	2,754

26. Other Income

The breakdown of other income was as follows:

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Income from the partial divestiture of a business ^(Note)	-	2,504
Others	1,366	1,048
Total	1,366	3,552

(Note) Other income for the fiscal year ended March 31, 2026 includes the income from the partial divestiture of a business related to the Services and Others segment.

27. Other Expenses

The breakdown of other expenses was as follows:

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Impairment loss ^(Note)	21,393	-
Others	1,505	911
Total	22,898	911

(Note) Advantest recognized an impairment loss on goodwill and intangible assets acquired through a business combination of Essai, Inc. within the Services and Others segment for the fiscal year ended March 31, 2025. See Note 12 for details.

28. Other Comprehensive Income

Each component of other comprehensive income, reclassification adjustments to net income and tax effects were as follows:

Millions of Yen

	Fiscal year ended March 31, 2025			Fiscal year ended March 31, 2026		
	Pretax amount	Tax (expense) or benefit	Net of tax amount	Pretax amount	Tax (expense) or benefit	Net of tax amount
Remeasurements of defined benefit pension plan						
Gains (losses) during the year	1,043	(218)	825	(1,464)	488	(976)
Net change during the year	1,043	(218)	825	(1,464)	488	(976)
Net change in fair value measurements of equity instruments at fair value through other comprehensive income						
Gains (losses) during the year	(8,547)	1,807	(6,740)	35,907	(2,750)	33,157
Net change during the year	(8,547)	1,807	(6,740)	35,907	(2,750)	33,157
Exchange differences on translation of foreign operations						
Gains (losses) during the year	(5,834)	-	(5,834)	24,696	-	24,696
Reclassification adjustments to Net income	-	-	-	-	-	-
Net change during the year	(5,834)	-	(5,834)	24,696	-	24,696
Total other comprehensive income	(13,338)	1,589	(11,749)	59,139	(2,262)	56,877

29. Earnings per Share

(1) Earnings per Share

Basic earnings per share is calculated by dividing net income or loss attributable to owners of the parent by the weighted average number of shares outstanding during the year. Diluted earnings per share reflects the maximum possible dilution from conversion, exercise, or contingent issuance of securities. All potentially dilutive securities are excluded from the calculation in a situation where there is a net loss attributable to owners of the parent.

(2) The Basis of Calculation of Basic Earnings per Share and Diluted Earnings per Share

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net income attributable to owners of the parent (Millions of Yen)	161,177	375,353
Net income not attributable to owners of the parent (Millions of Yen)	-	-
Net income to calculate basic earnings per share (Millions of Yen)	161,177	375,353
Net income adjustment (Millions of Yen)	-	-
Net income to calculate diluted earnings per share (Millions of Yen)	161,177	375,353
Weighted average number of common shares-basic	737,064,308	728,634,777
Dilutive effect of stock options	309,713	43,225
Dilutive effect of performance-based stock remuneration	298,012	420,155
Dilutive effect of restricted stock compensation	1,638,715	2,162,485
Weighted average number of common shares-diluted	739,310,748	731,260,642
Basic earnings per share (Yen)	218.67	515.15
Diluted earnings per share (Yen)	218.01	513.30
Financial instruments not included in the calculation of diluted earnings per share because they have anti- dilutive effect	-	-

(3) Equity Attributable to Owners of the Parent per Share

	As of March 31, 2025	As of March 31, 2026
Equity attributable to owners of the parent per share (Yen)	690.80	1,097.50

30. Financial Instruments

(1) Capital Management

Advantest seeks out the most appropriate methods to enhance capital efficiency considering safety and liquidity for the sake of securing funding.

Advantest raises funds through bonds and borrowings when required.

Advantest manages net interest-bearing debt, where cash and cash equivalents are deducted from interest-bearing debt, and capital. The amounts as of each fiscal year end were as follows:

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Interest-bearing debt ^(Note 1)	74,955	-
Cash and cash equivalents	(262,544)	(339,966)
Net interest-bearing debt ^(Note 2)	(187,589)	(339,966)
Capital (equity attributable to owners of the parent company)	506,539	795,726

(Notes) 1. Interest-bearing debt is borrowings.

2. The figure represents the net amount of cash and cash equivalents after deducting interest-bearing debt.

Advantest monitors financial indicators in order to maintain a well-balanced capital structure that ensures an appropriate return on equity and a stable financial condition for future investment.

Advantest monitors credit ratings for financial stability, and ROIC (return on invested capital) and other related indicators for profitability, while focusing on changes in the domestic and overseas environment.

(2) Basic Policy on Financial Risk Management

Advantest is exposed to financial risks (credit risks, liquidity risks and market risks) in the process of its management activities and it manages risks based on a specific policy in order to avoid or reduce these risks. The results of risk management are reported quarterly by the Accounting Department to management.

Advantest's policy limits derivatives to transactions for the purpose of mitigating risks from transactions based on actual demand. Therefore, Advantest does not transact derivatives for speculation purposes or trading purposes.

(3) Credit Risk

Receivables such as notes and trade receivables, resulting from the operating activities of Advantest are exposed to customers' credit risks. Advantest strives to mitigate collection risk in accordance with credit management standards and procedures in selling goods and services. Advantest assesses the credit standing of customers and manages due dates and outstanding balances for each customer to ensure smooth collection of trade receivables.

Equity securities held for strategic purposes are exposed to the issuer's credit risks. Advantest periodically monitors the fair value of the shares and other securities it holds and conducts an annual review to assess the rationale for continuous holding.

Additionally, derivative transactions in order to hedge foreign exchange fluctuation risks are exposed to credit risks of counterparty financial institutions. Advantest minimizes risk exposure by limiting counterparties to major international banks and financial institutions meeting established credit guidelines.

The maximum exposure to credit risk in financial assets is stated in the carrying amounts presented in the consolidated statement of financial position.

Aging of trade and other receivables that are past due but not impaired as of March 31, 2025 was as follows:

Millions of Yen

	As of March 31, 2025				
	Financial assets that are measured at an amount equal to 12-month expected credit losses	Financial assets that are measured at an amount equal to lifetime expected credit losses			Total
		Trade and other receivables	Financial assets whose credit risk has increased significantly	Financial assets whose credit is impaired	
Before due date	7,056	97,756	-	-	104,812
Within 90 days	22	7,307	-	-	7,329
Over 90 days, within 180 days	119	673	-	-	792
Over 180 days	-	148	-	-	148
Total	7,197	105,884	-	-	113,081

Aging of trade and other receivables that are past due but not impaired as of March 31, 2026 was as follows:

Millions of Yen

	As of March 31, 2026				
	Financial assets that are measured at an amount equal to 12-month expected credit losses	Financial assets that are measured at an amount equal to lifetime expected credit losses			Total
		Trade and other receivables	Financial assets whose credit risk has increased significantly	Financial assets whose credit is impaired	
Before due date	11,316	192,979	-	-	204,295
Within 90 days	0	21,382	-	-	21,382
Over 90 days, within 180 days	-	2,170	-	-	2,170
Over 180 days	3	923	-	-	926
Total	11,319	217,454	-	-	228,773

Impairment is accounted for using the allowance for doubtful accounts, not directly reducing the carrying amount of financial assets.

The allowance for doubtful accounts against the financial assets is included in “Trade and other receivables” and “Other financial assets” in the consolidated statement of financial position.

The movement in the allowance for doubtful accounts was as follows:

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Balance at the beginning of year	-	50
Increase during the year	50	12
Decrease due to intended use	-	(20)
Reversal during the year	-	-
Exchange differences	-	-
Balance at the end of year	50	42
Current	50	42
Non-current	-	-
Total	50	42

The amount of allowance for doubtful accounts mainly consists of the lifetime expected credit losses related to trade and other receivables. No allowance for doubtful accounts on credit-impaired financial assets was recognized as of March 31, 2025 and 2026.

(4) Liquidity Risk

Advantest establishes a financing plan based on the annual business plan and the Accounting Department monitors and collects information on the balance of liquidity-on-hand and interest-bearing debt and reports it to management.

In addition, Advantest manages liquidity risks with the balance of liquidity-on-hand maintained at a proper level by working out the financing plan on a timely basis, and by taking into consideration the financial environment.

The financial liability balance by maturity was as follows:

As of March 31, 2025

Millions of Yen

	Carrying amount	Contractual cash flow	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Non-derivative financial liabilities								
Trade and other payables	107,093	107,093	107,093	-	-	-	-	-
Borrowings	74,955	75,879	75,876	-	-	3	-	-
Lease liabilities	18,548	19,749	5,304	4,391	4,086	3,008	2,903	57
Other financial liabilities	4,329	4,405	2,866	215	868	226	230	-
Total	204,925	207,126	191,139	4,606	4,954	3,237	3,133	57
Derivative financial liabilities								
Cross-currency rate swap	2,924	2,924	2,924	-	-	-	-	-
Total	2,924	2,924	2,924	-	-	-	-	-

As of March 31, 2026

Millions of Yen

	Carrying amount	Contractual cash flow	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Non-derivative financial liabilities								
Trade and other payables	142,061	142,061	142,061	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
Lease liabilities	20,192	21,622	5,277	5,037	4,603	3,402	3,303	0
Other financial liabilities	14,130	14,331	11,413	1,338	610	615	355	-
Total	176,383	178,014	158,751	6,375	5,213	4,017	3,658	-
Derivative financial liabilities								
Foreign exchange forward contracts	1,043	1,043	799	-	243	1	-	-
Currency options	51	51	51	-	-	-	-	-
Cross-currency rate swap	-	-	-	-	-	-	-	-
Total	1,094	1,094	850	-	243	1	-	-

(5) Market Risk

1) Foreign Exchange Risk Management

As part of developing its global business, Advantest has foreign currency receivables and payables, which are subject to foreign exchange fluctuation risk.

To manage this risk, Advantest determines its foreign exchange fluctuation risk in each currency every month and, in principle, hedges this risk by using forward exchange transactions, and by using currency options and cross-currency rate swap as necessary.

Depending on foreign exchange market conditions, Advantest may also enter into forward exchange contracts on foreign currency receivables and payables for expected transactions it deems certain to occur.

Details of forward exchange contracts, currency options and cross-currency rate swap are presented below.

Millions of Yen

	Fiscal year ended March 31, 2025				Fiscal year ended March 31, 2026			
	Contract amount	Over one year	Carrying amount		Contract amount	Over one year	Carrying amount	
			Assets	Liabilities			Assets	Liabilities
Foreign exchange forward contracts								
Selling								
USD	30,785	-	145	-	58,555	24,622	-	1,068
Buying								
USD	-	-	-	-	4,755	-	26	-
EUR	-	-	-	-	1,098	-	-	1
Currency options								
Selling and Buying								
USD	2,536	-	20	-	3,142	-	-	51
Cross-currency rate swap	19,613	-	-	2,924	-	-	-	-

(Note) The carrying amounts of derivatives are presented on a net basis, with derivative assets and liabilities offset, in other financial liabilities in the consolidated statement of financial position.

2) Foreign Exchange Sensitivity Analysis

The table below shows the impact on income before income taxes of a 1% increase in value of the functional currencies such as the U.S. dollar and the Euro, due to its holdings of financial instruments at the end of each fiscal year, assumed no changes in currencies other than those used.

The impact from the translation of functional currency-denominated financial instruments, assets and liabilities of foreign operations into presentation currency is not included.

Millions of Yen

	Currency	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Impact on income before income taxes	U.S. dollar	(740)	(768)
	Euro	(39)	(229)

(6) Carrying Amount and Fair Value of Financial Instruments

(Borrowings)

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

(Other accounts payable)

The fair value of other accounts payable measured at amortized cost is calculated based on the present value discounted by interest rate reflecting the effect of credit risk.

The fair value of other accounts payable measured at fair value through profit or loss is calculated based on the present value of the expected payment amount. The expected payment amount is calculated based on factors such as share price and discounted by interest rate reflecting the effect of credit risk to find the present value.

(Others)

Financial instruments other than above are settled mainly on a short-term basis, and their fair value approximates their carrying amount.

(7) Fair Value Hierarchy of Financial Instruments

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

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

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

Level 3: Fair value measured by significant unobservable inputs

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

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

There were no transfers of financial instruments between levels during the fiscal years ended March 31, 2025 and 2026.

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

As of March 31, 2025

Millions of Yen

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Current portion of long-term borrowings	74,952	-	74,558	-	74,558
Other non-current accounts payable	638	-	619	-	619
Total financial liabilities	75,590	-	75,177	-	75,177

As of March 31, 2026

Millions of Yen

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Current portion of long-term borrowings	-	-	-	-	-
Other non-current accounts payable	727	-	709	-	709
Total financial liabilities	727	-	709	-	709

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

As of March 31, 2025

Millions of Yen

	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets that are measured at fair value through profit or loss				
Derivatives	-	165	-	165
Financial assets that are measured at fair value through other comprehensive income				
Equity instruments ^(Note 1)	26,698	-	982	27,680
Total financial assets	26,698	165	982	27,845
Financial liabilities that are measured at fair value through profit or loss				
Other current accounts payable	-	231	-	231
Other non-current accounts payable	-	825	-	825
Derivatives	-	2,924	-	2,924
Total financial liabilities	-	3,980	-	3,980

As of March 31, 2026

Millions of Yen

	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets that are measured at fair value through profit or loss				
Derivatives ^(Note 2)	-	17,313	-	17,313
Financial assets that are measured at fair value through other comprehensive income				
Equity instruments ^(Note 1)	66,791	-	1,136	67,927
Total financial assets	66,791	17,313	1,136	85,240
Financial liabilities that are measured at fair value through profit or loss				
Other current accounts payable	-	666	234	900
Other non-current accounts payable	-	725	1,265	1,990
Derivatives	-	1,094	-	1,094
Total financial liabilities	-	2,485	1,499	3,984

(Notes) 1. Advantest holds equity instruments to accomplish expansion of revenue base by maintaining and enforcing relationships with investees. These equity instruments are designated as financial assets measured at fair value through other comprehensive income (hereinafter “FVTOCI”).

2. The derivative assets recorded in the current fiscal year resulted from the fair value measurement of share call options that were acquired as part of strategic investments. The fair value is measured at discounted present value using observable inputs such as market prices.

The breakdown of equity instruments designated as financial assets measured at FVTOCI was as follows:

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Technoprobe S.p.A.	15,247	42,774
PDF Solutions, Inc.	9,449	17,294
Others	2,984	7,859
Total	27,680	67,927

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

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Balance at beginning of year	929	982
Gains or losses		
Other comprehensive income ^(Note)	54	126
Others	(1)	28
Balance at end of year	982	1,136

(Note) Included in "Net change in fair value measurements of equity instruments at FVTOCI" in the Consolidated Statement of Comprehensive Income.

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

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Balance at beginning of year	-	-
Additions	-	554
Changes in fair value ^(Note)	-	874
Others	-	71
Balance at end of year	-	1,499

(8) Derivatives and Hedge Accounting**1) Derivatives Subject to Hedge Accounting**

There were no derivatives designated as hedging instruments as of March 31, 2025 and 2026.

2) Derivatives Not Subject to Hedge Accounting

Details of derivatives are presented below.

Millions of Yen

	Fiscal year ended March 31, 2025			Fiscal year ended March 31, 2026		
	Contract amount	Over one year	Fair value	Contract amount	Over one year	Fair value
Foreign exchange forward contracts	30,785	-	145	64,408	24,622	(1,043)
Currency options	2,536	-	20	3,142	-	(51)
Cross-currency rate swap	19,613	-	(2,924)	-	-	-

31. Related Party Disclosures

Management personnel compensation was as follows:

Millions of Yen

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Base compensation	350	360
Performance-based bonus	254	345
Share-based compensation expense	728	1,014
Others	-	5
Total	1,332	1,724

32. Business Combinations

Fiscal year ended March 31, 2025

(Business Combination through Acquisition)

(1) Overview of Acquired Business

Name of Company: Salland Engineering International B.V.

Business Description of acquired company:

Development and manufacture of embedded measurement systems and small measurement instruments for ATE, and provision of semiconductor testing services

Voting rights ratio after acquisition of shares: 100%

(2) Overview of Business Combination

Advantest Netherlands B.V., a newly established entity of Advantest Europe GmbH, the Company's European subsidiary, acquired all outstanding shares of the Netherlands-based company, Salland Engineering International B.V. ("Salland") on April 2, 2024, and Salland became a wholly owned subsidiary of Advantest Netherlands B.V.

Salland is a developer and manufacturer of embedded measurement systems and small measurement instruments for ATE and a semiconductor test service provider that has an outstanding history of enabling semiconductor manufacturers to improve the efficiency and quality of their testing. By integrating Advantest's test systems with Salland's expertise, Advantest aims to strengthen test engineering services in Europe, enabling Advantest to offer test and measurement solutions to a broader range of customers. Additionally, by providing custom test services to emerging European startups and fabless companies, Advantest can expand its customer base and deliver services to global customers.

(3) Acquisition Date

April 2, 2024

(4) Legal Form of Business Combination

Acquisition of shares

(5) Acquisition-Related Expense

Acquisition-related expenses of ¥566 million are included in selling, general and administrative expenses in the consolidated statement of profit or loss for the fiscal year ended March 31, 2025.

(6) Fair Value of Assets Acquired, Liabilities Assumed and Consideration Paid as of the Acquisition Date

With the purchase price allocation completed during the first half of the fiscal year ended March 31, 2025, the fair value of the assets acquired, liabilities assumed and consideration paid as of the acquisition date were as follows:

Millions of Yen

	Fair Value
Current assets	853
Non-current assets	1,918
Total assets	2,771
Current liabilities	571
Non-current liabilities	386
Total liabilities	957
Goodwill	3,004
Total	4,818
Fair value of consideration paid	
Cash and cash equivalents	3,815
Accounts payable	1,003
Total	4,818

Goodwill generated from this business combination was attributable to the Test System Business segment and was not deductible for tax purposes. Goodwill primarily represented a synergy effect with existing businesses and the excess earning power expected from the acquisition.

Advantest has changed its reportable segments from the fiscal year ended March 31, 2026. Under the previous reportable segments, goodwill generated from this business combination was recorded in “Semiconductor and Component Test System Business.” See Note 6 for details.

(7) Acquisition of Subsidiary

The amount, after deducting the cash and cash equivalents held by Salland from the consideration paid of ¥3,815 million is included in Acquisition of subsidiaries in the consolidated statement of cash flows for the fiscal year ended March 31, 2025.

(8) Impact on the Business Performance

Disclosure of profit or loss information from the acquisition date and pro forma profit or loss information assuming the business combination was conducted at the beginning of the fiscal year ended March 31, 2025 (unaudited information), was omitted because of its immateriality for the consolidated statement of profit or loss.

Fiscal year ended March 31, 2026

Not applicable.

33. Subsequent Events

(The issuance of Zero Coupon Convertible Bonds due 2031)

At a Board of Directors' meeting held on April 1, 2026, the Company resolved to issue Zero Coupon Convertible Bonds due 2031 (the "Bonds with Stock Acquisition Rights"; consisting of bonds (the "Bonds") and stock acquisition rights (the "Stock Acquisition Rights")), and the payment was completed on April 20, 2026. The outline is as follows:

(1) Total Issue Amount

(Y) 100 billion plus the aggregate principal amount of the Bonds represented by any substituted certificates.

(2) Issue Price (paid-in amount)

100.0% of the principal amount of the Bonds. (Principal amount of each of the Bonds: (Y) 10 million).

(3) Issue Price (offer price)

102.5% of the principal amount of the Bonds.

(4) Payment Date and Issue Date

April 20, 2026

(5) Redemption Date

March 28, 2031

(6) Interest Rate

No interest shall be payable on the Bonds.

(7) Type, Details and Number of Shares Subject to the Stock Acquisition Rights

(i) Type and Details: Common shares of the Company (100 shares per unit)

(ii) Number: The number of the Company's common shares to be delivered by the Company upon exercise of the Stock Acquisition Rights shall be the number obtained by dividing the total principal amount of the Bonds subject to the exercise request by the conversion price stated in (9) below. However, any fractional amount of a share resulting from exercise shall be rounded down, and no cash adjustment shall be made.

(8) Total Number of Stock Acquisition Rights to be Issued

10,000 units and the total number obtained by dividing the aggregate principal amount of the Bonds represented by any substituted certificates by (Y) 10,000,000.

(9) Content and Value of Assets to be Contributed upon Exercise of the Stock Acquisition Rights

(i) Upon exercise of each Stock Acquisition Right, the relevant Stock Acquisition Right-attached Bond shall be contributed as property, and the value of such Bond shall be equal to its principal amount.

(ii) The conversion price shall be JPY 36,000.

(iii) The conversion price shall be adjusted in accordance with the formula below if, after the issuance of the Bonds with Stock Acquisition Rights, the Company issues common shares at a payment amount below the market price of its common shares or disposes of common shares held by the Company. In the formula below, "Existing Number of Issued Shares" refers to the total number of the Company's common shares (excluding those held by the Company).

$$\text{Adjusted conversion price} = \frac{\text{Before adjustment conversion price} \times \left(\frac{\text{Existing number of issued shares}}{\text{Existing number of issued shares} + \text{Number of shares issued or disposed of}} + \frac{\text{Number of shares issued or Disposed Shares} \times \text{Paid-in amount per share}}{\text{Market price}} \right)}{\text{Existing number of issued shares} + \text{Number of shares issued or disposed of}}$$

Furthermore, the conversion price shall be adjusted as appropriate in the event of a split or consolidation of the Company's common shares, a dividend distribution exceeding a certain limit, the issuance of stock acquisition rights (including those attached to bonds with stock acquisition rights) that permit the delivery of the Company's common shares at a price below their market price, and other specified events.

(10) Period during which these Stock Acquisition Rights may be exercised

From May 4, 2026 (inclusive) until the close of business on March 14, 2031 (local time at the location where exercise requests are received). However, certain provisions are set out in the issuance terms and conditions.

(11) Conditions for Exercising the Stock Acquisition Rights

Partial exercise of each Stock Acquisition Right shall not be permitted. The Bonds with Stock Acquisition Rights have

two-stage conversion restrictions.

(12) Security or Guarantee for the Bonds

The Bonds are issued without collateral or guarantee.

(13) Use of Proceeds

The net proceeds from the issuance of the Bonds with Stock Acquisition Rights are estimated to amount to approximately 100 billion yen. The Company intends to allocate such net proceeds to the following growth investments:

- (i) Approximately (Y) 50 billion by March 2029 to enhance semiconductor tester supply capacity (for SoC Test Systems, the target capacity of 7,500 systems per year within a couple of years).
- (ii) Approximately (Y) 20 billion by March 2027 to strategically secure inventory in order to flexibly respond to demand for semiconductor testers.
- (iii) Approximately (Y) 30 billion by March 2028 to accelerate the development of next-generation testing solutions.

(Investment in an Investment Fund)

As part of its corporate venture capital activities, Advantest made a capital contribution to an investment fund (Delaware, United States) after the end of the current fiscal year. The total amount contributed was USD 570 million. Advantest participates in the fund as a limited partner.

(2) Others

Semi-annual information for the fiscal year ended March 31, 2026.

	Six months ended September 30, 2025	Fiscal year ended March 31, 2026
Net sales (Millions of Yen)	526,733	1,128,610
Income before income taxes (Millions of Yen)	230,517	516,720
Net income attributable to owners of the parent (Millions of Yen)	169,813	375,353
Basic earnings per share (Yen)	232.19	515.15

2. Non-Consolidated Financial Statements

(1) Financial Statements

1) Non-Consolidated Balance Sheet

Millions of Yen

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	220,553	286,741
Trade notes receivable	0	-
Electronically recorded monetary claims	1,366	4,159
Accounts receivable	*2 143,914	*2 223,989
Merchandise and finished goods	21,752	25,428
Work in progress	40,523	54,908
Raw materials and supplies	102,981	98,430
Other current assets	*2 16,627	*2 21,927
Total current assets	547,716	715,582
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,426	6,065
Land	8,089	8,089
Other property, plant and equipment	7,659	10,978
Total property, plant and equipment	*1 21,174	*1 25,132
Intangible fixed assets		
Patent right	13	-
Other intangible fixed assets	1,547	3,358
Total intangible fixed assets	1,560	3,358
Investments and other assets		
Investment securities	684	1,557
Investment in affiliated companies	165,316	199,012
Long-term loans receivable	*2 37,632	*2 8,044
Deferred tax assets	28,713	36,125
Other non-current assets	7,185	9,348
Total investments and other assets	239,530	254,086
Total non-current assets	262,264	282,576
Total assets	809,980	998,158

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Trade accounts payable	*2 64,180	*2 87,477
Current portion of long-term borrowings	74,952	-
Other accounts payable	*2 12,813	*2 20,580
Accrued expenses	*2 7,420	*2 13,704
Income taxes payable	61,475	101,519
Advance receipts	13,489	19,154
Deposits received	*2 113,413	*2 105,549
Accrued warranty expenses	12,287	15,582
Bonus accrual for directors	277	360
Provision for share-based remuneration	2,537	8,477
Other current liabilities	4,673	10,354
Total current liabilities	367,516	382,756
Non-current liabilities		
Provision for retirement benefits	11,225	11,186
Asset retirement obligations	40	43
Provision for share-based remuneration	4,026	20,088
Other non-current liabilities	488	665
Total non-current liabilities	15,779	31,982
Total liabilities	383,295	414,738
Net assets		
Shareholders' equity		
Common stock	32,363	32,363
Capital surplus		
Capital reserve	32,973	32,973
Other capital surplus	2,665	-
Total capital surplus	35,638	32,973
Retained earnings		
Legal reserve	3,083	3,083
Other retained earnings		
Retained earnings carried forward	459,773	558,613
Total retained earnings	462,856	561,696
Treasury shares	(104,193)	(44,372)
Total shareholders' equity	426,664	582,660
Valuation and translation adjustments		
Valuation difference on available for-sale securities	(101)	760
Total valuation and translation adjustments	(101)	760
Stock acquisition rights	122	-
Total net assets	426,685	583,420
Total liabilities and net assets	809,980	998,158

2) Non-Consolidated Statement of Operations

Millions of yen

	Previous fiscal year (March 31, 2025)	Current fiscal year (March 31, 2026)
Net sales	*2 673,095	*2 988,232
Cost of sales	*2 296,520	*2 371,460
Gross profit	376,575	616,772
Selling, general and administrative expenses	*1, *2 159,147	*1, *2 210,898
Operating income	217,428	405,874
Non-operating income		
Interest and dividends income	*2 16,805	*2 19,375
Foreign exchange gains	-	2,473
Other	*2 579	*2 2,562
Total non-operating income	17,384	24,410
Non-operating expenses		
Interest expenses	*2 5,712	*2 4,256
Foreign exchange losses	1,415	-
Other	*2 734	*2 656
Total non-operating expenses	7,861	4,912
Ordinary income	226,951	425,372
Income before income taxes	226,951	425,372
Income taxes-current	*2 66,047	*2 131,461
Income taxes-deferred	(5,950)	(7,424)
Total income taxes	60,097	124,037
Net income	166,854	301,335

3) Statement of Changes in Net Assets

Fiscal year ended March 31, 2025

Millions of Yen

	Shareholders' equity						
	Common stock	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Capital reserve	Other capital surplus	Legal reserve	Other retained earnings Retained earnings carried forward		
Balance at beginning of year	32,363	32,973	-	3,083	320,258	(56,353)	332,324
Changes in the year							
Dividends from retained earnings					(27,339)		(27,339)
Net income					166,854		166,854
Purchase of treasury shares						(50,005)	(50,005)
Disposal of treasury shares			2,665			2,165	4,830
Changes of items other than shareholders' equity, net							
Total changes in the year	-	-	2,665	-	139,515	(47,840)	94,340
Balance at end of year	32,363	32,973	2,665	3,083	459,773	(104,193)	426,664

	Valuation and translation adjustments	Stock acquisition rights	Total net assets
	Valuation difference on available-for-sale securities		
Balance at beginning of year	66	217	332,607
Changes in the year			
Dividends from retained earnings			(27,339)
Net income			166,854
Purchase of treasury shares			(50,005)
Disposal of treasury shares			4,830
Changes of items other than shareholders' equity, net	(167)	(95)	(262)
Total changes in the year	(167)	(95)	94,078
Balance at end of year	(101)	122	426,685

	Shareholders' equity						
	Common stock	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Capital reserve	Other capital surplus	Legal reserve	Other retained earnings Retained earnings carried forward		
Balance at beginning of year	32,363	32,973	2,665	3,083	459,773	(104,193)	426,664
Changes in the year							
Dividends from retained earnings					(35,769)		(35,769)
Net income					301,335		301,335
Purchase of treasury shares						(114,241)	(114,241)
Disposal of treasury shares			2,715			1,956	4,671
Cancellation of treasury shares			(172,106)			172,106	-
Transfer from retained earnings to capital surplus			166,726		(166,726)		-
Changes of items other than shareholders' equity, net							
Total changes in the year	-	-	(2,665)	-	98,840	59,821	155,996
Balance at end of year	32,363	32,973	-	3,083	558,613	(44,372)	582,660

	Valuation and translation adjustments	Stock acquisition rights	Total net assets
	Valuation difference on available-for-sale securities		
Balance at beginning of year	(101)	122	426,685
Changes in the year			
Dividends from retained earnings			(35,769)
Net income			301,335
Purchase of treasury shares			(114,241)
Disposal of treasury shares			4,671
Cancellation of treasury shares			-
Transfer from retained earnings to capital surplus			-
Changes of items other than shareholders' equity, net	861	(122)	739
Total changes in the year	861	(122)	156,735
Balance at end of year	760	-	583,420

【Notes to Non-Consolidated Financial Statements】

(Significant Accounting Policies)

1. Valuation Criteria and Methods of Assets

(1) Valuation of Securities

Investments in Subsidiaries.....Stated at cost using the moving average method

Other Securities

Securities other than ones without market value.....Stated at fair value based on market prices at the end of the relevant period (evaluation difference is accounted for as a component of stockholders' equity; cost of other securities sold is determined using the moving average method)

Securities without market value.....Stated at cost using the moving average method

(2) Valuation of Inventories

Stated principally at cost using the gross average method (balance sheet value of assets is calculated using a method in which book values are written down in accordance with decreased profitability)

2. Depreciation and Amortization of Non-Current Assets

(1) Property, Plant and Equipment.....Straight-line method

(2) Intangible Fixed Assets.....Straight-line method

However, software for internal use is amortized using the straight-line method over its estimated useful life of 5 years.

3. Allowances/Provisions

(1) Allowance for Doubtful Accounts

To prepare for credit losses on accounts receivable and loans, etc., an allowance equal to the estimated amount of uncollectible receivables is provided for general receivables based on a historical write-off ratio and for bad receivables based on a case-by-case determination of collectability.

(2) Accrued Warranty Expenses

To reasonably account for repair costs covered under product warranty in the respective periods in which they arise, the allowance for a given year is provided in an amount determined based on the ratio of repair costs in that year to net sales in the preceding year.

(3) Bonus Accrual for Directors

In preparation for the payment of bonuses to directors of the total amount expected to be paid, an estimated amount for the fiscal year ended March 31, 2026 is reported.

(4) Provision for Retirement Benefits

To provide for employee retirement benefits, an allowance is provided in an amount determined based on the estimated retirement benefit obligations and pension assets at the end of the fiscal year.

Prior service cost is amortized on a straight-line basis over the average remaining service period of employees.

Any actuarial gains and losses are amortized on a straight-line basis over the average remaining service period of employees, and the amount is recorded in the fiscal year subsequent to its occurrence.

(5) Provision for Share-Based Remuneration

In preparation for share benefit expected to be paid in the future, an estimated amount for the fiscal year ended March 31, 2026 is reported.

4. Revenue Recognition

The Company has adopted Accounting Standard Board of Japan (ASBJ) Statement No. 29 (revised 2020) Accounting Standard for Revenue Recognition (March 31, 2020) and ASBJ Guidance No. 30 (revised 2020) Implementation Guidance on Accounting Standard for Revenue Recognition (March 31, 2020) and recognized revenue of goods or services upon transfer of the control of the promised goods or services to customers.

See Note 3 (14) to the Consolidated Financial Statements for details.

5. Implementation of a Group Tax Sharing System

The Company has implemented a group tax sharing system.

(Significant Accounting Estimates)

1. Valuation of Inventories

(1) Amount Recognized in the Non-Consolidated Financial Statements as of March 31, 2026

	As of March 31, 2025	As of March 31, 2026
Merchandise and finished goods	21,752	25,428
Work in progress	40,523	54,908
Raw materials and supplies	102,981	98,430

(2) Other Information that Deepens the Understanding of Users of the Non-Consolidated Financial Statements Regarding the Content of Accounting Estimates

See Note 4 (1) to the Consolidated Financial Statements for details.

2. Impairment of Property, Plant and Equipment and Intangible Assets

(1) Amount Recognized in the Non-Consolidated Financial Statements as of March 31, 2026

	As of March 31, 2025	As of March 31, 2026
Property, plant and equipment	21,174	25,132
Intangible fixed assets	1,560	3,358

(2) Other Information that Deepens the Understanding of Users of the Non-Consolidated Financial Statements Regarding the Content of Accounting Estimates

See Note 4 (2) to the Consolidated Financial Statements for details.

3. Provision for Retirement Benefits

(1) Amount Recognized in the Non-Consolidated Financial Statements as of March 31, 2026

	As of March 31, 2025	As of March 31, 2026
Provision for retirement benefits	11,225	11,186

(2) Other Information that Deepens the Understanding of Users of the Non-Consolidated Financial Statements Regarding the Content of Accounting Estimates

See Note 4 (3) to the Consolidated Financial Statements for details.

4. Valuation of Deferred Tax Assets

(1) Amount Recognized in the Non-Consolidated Financial Statements as of March 31, 2026

	As of March 31, 2025	As of March 31, 2026
Deferred tax assets	28,713	36,125

(2) Other Information that Deepens the Understanding of Users of the Non-Consolidated Financial Statements Regarding the Content of Accounting Estimates

See Note 4 (4) to the Consolidated Financial Statements for details.

5. Valuation of Investment in Affiliated Companies

(1) Amount Recognized in the Non-Consolidated Financial Statements as of March 31, 2026

	Millions of Yen	
	As of March 31, 2025	As of March 31, 2026
Investment in affiliated company (Advantest America, Inc. shares)	53,526	87,582

(2) Other Information that Deepens the Understanding of Users of the Non-Consolidated Financial Statements Regarding the Content of Accounting Estimates

In valuing Advantest America, Inc. shares, the Company reflects the excess earning power of its subsidiaries, Advantest Test Solutions, Inc., R&D Altanova, Inc. and its indirect subsidiary Shin Puu Technology Co., Ltd. in determining the intrinsic value. Determining whether the excess earning power is declining is based on estimated future cash flows based on a three-year business plan approved by management, growth rate after 3 years and discount rate. The key assumptions are the sales forecast that forms the basis of the three-year business plan and the discount rate. Generally, a reduction rate of capital expenditures of semiconductor manufacturers during downturns in the semiconductor industry, including investments in semiconductor test systems, is much greater than a reduction rate of worldwide semiconductor sales.

These assumptions are based on the best estimates and judgments of management, but they could be affected by variable and uncertain future economic conditions. Any changes in these assumptions may have a material impact on the amount recognized in the non-consolidated financial statements in future periods.

(Balance Sheet)

*1 Accumulated depreciation on property, plant and equipment were as follows:

	Millions of Yen	
	As of March 31, 2025	As of March 31, 2026
Accumulated depreciation on property, plant and equipment	31,939	33,968

*2 Monetary claims from affiliated companies and monetary debt to them were as follows:

	Millions of Yen	
	As of March 31, 2025	As of March 31, 2026
Short-term monetary receivables from affiliated companies	123,813	199,125
Long-term monetary receivables from affiliated companies	37,580	7,994
Short-term monetary payables to affiliated companies	126,891	126,965

3 The Company has entered into committed line of credit and overdraft facility agreements with its financial institutions.

The unused balances under these agreements as of the end of each fiscal year were as follows:

	Millions of Yen	
	As of March 31, 2025	As of March 31, 2026
Total amount of committed line of credit and overdraft facility agreements	60,000	140,000
Balance of borrowings	-	-
Unused committed line of credit	60,000	140,000

(Statement of Operations)

*1. The approximate percentage of selling expenses for the previous fiscal year and the current fiscal year were 27% and 24%, respectively.

The approximate percentage of general and administrative expenses for the previous fiscal year and the current fiscal year were 73% and 76%, respectively.

Major items and amounts of selling, general and administrative expenses are as follows:

	Millions of Yen	
	Previous fiscal year (From April 1, 2024 To March 31, 2025)	Current fiscal year (From April 1, 2025 To March 31, 2026)
R & D expenses	69,186	77,523
Salary	4,619	6,079
Share-based compensation expense	3,667	26,134
Depreciation	547	681
Provision for product warranty	17,516	22,431
Outsourcing expenses	46,137	55,548
Others	17,475	22,502
Total	159,147	210,898

*2. Transactions with affiliated companies are included as follows:

	Millions of Yen	
	Previous fiscal year (From April 1, 2024 To March 31, 2025)	Current fiscal year (From April 1, 2025 To March 31, 2026)
Sales Amount	469,637	697,044
Purchase Amount	149,811	159,867
Transaction Amount other than business transaction	19,269	19,471

(Statement of Changes in Net Assets)

The number of treasury shares was as follows:

	The number of shares as of March 31, 2025	The number of shares as of March 31, 2026
Common shares	32,422,231	6,484,224

(Securities)

Investments in affiliated companies, which amounts recorded on the balance sheet for the fiscal years ended March 31, 2025 and 2026 were ¥165,316 million and ¥199,012 million, respectively, do not state market prices because these are shares with no market value.

(Tax Effect Accounting)

1. The breakdown of deferred tax assets and liabilities was as follows:

	Millions of Yen	
	Previous fiscal year (March 31, 2025)	Current fiscal year (March 31, 2026)
Deferred tax asset		
Inventory valuation losses	8,005	9,797
Provision for retirement benefits	3,496	3,508
Fixed assets	17,923	20,304
Accrued warranty expenses	3,765	4,887
Others	6,400	10,621
Subtotal of deferred tax assets	39,589	49,117
Valuation allowance for deductible temporary differences	(9,261)	(11,030)
Subtotal of valuation allowance	(9,261)	(11,030)
Total of deferred tax assets	30,328	38,087
Deferred tax liabilities		
Prepaid pension costs	(1,615)	(1,950)
Others	-	(12)
Total of deferred tax liabilities	(1,615)	(1,962)
Net deferred tax assets	28,713	36,125

2. Major components of difference between statutory effective tax rate and actual effective tax rate after application of tax effect accounting

	Previous fiscal year (March 31, 2025)	Current fiscal year (March 31, 2026)
Statutory effective tax rate	30.5%	30.5%
(Reconciliation)		
Permanent non-taxable items such as dividends income	(1.8)	(1.1)
Tax credits for research and development expenses	(3.9)	(2.0)
Valuation allowance	1.7	0.5
Items that are not permanently deductible	0.3	1.5
Items that do not use income as a tax base, such as per capita rate of residence tax	0.0	0.0
Increase in deferred tax assets at end of year due to tax rate changes	(0.2)	-
Others	(0.1)	(0.2)
Actual effective tax rate after application of tax effect accounting	26.5	29.2

3. Adjustments to deferred tax assets and liabilities due to the change in corporate income tax rate

The “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted on March 31, 2025. As a result, the “Defense Special Corporate Tax” will be imposed from the fiscal year beginning on or after April 1, 2026. Accordingly, the combined statutory income tax rate used to calculate deferred tax assets and liabilities has been revised from 30.5% to 31.4% for temporary differences expected to be realized or settled after the fiscal year beginning on April 1, 2026. Due to this change, the amount of deferred tax assets (net of deferred tax liabilities) increased by ¥426 million, and Income taxes-deferred decreased by the same amount in the previous fiscal year.

4. The accounting treatment for corporate and local income taxes and tax effect accounting

The Company has adopted the group tax sharing system. Accordingly, the Company conducts accounting treatment and disclosure of corporate and local income taxes and tax effect accounting in accordance with "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021).

(Transactions with related parties)

1. Parent company and major corporate shareholders

Not applicable.

2. Officers and major individual investors

Not applicable.

3. Subsidiaries

Previous fiscal year(From April 1, 2024 To March 31, 2025)

Company name	Address	Common stock	Principal Activities	Percentage of Voting Rights	Description of relationships		Details of transactions	Amount of transactions	Items	Balance at fiscal year end
					Officer of subsidiaries temporarily transferred from the Company	Business relationship				
Advantest America, Inc.	California, U.S.A.	4,059 thousand US Dollars	Development and sales of test systems, etc.	100.0%	Yes	Development and sales of the Company's products	Sales	¥103,706 million	Accounts receivable	¥44,658 million
							Loans	-	Long-term loans receivable	¥37,380 million
							Deposit of funds	-	Deposits received	¥15,902 million
Advantest Europe GmbH	Munich, Germany	10,793 thousand Euro	Development and sales of test systems, etc.	100.0%	Yes	Development and sales of the Company's products	Subcontract cost for R&D etc.	¥40,801 million	Other accounts payable	¥4,041 million
							Deposit of funds	-	Deposits received	¥7,241 million
Advantest Taiwan Inc.	Hsin-Chu Hsien, Taiwan	500,000 thousand New Taiwan Dollars	Sales of test systems, etc.	100.0%	Yes	Sales of the Company's products	Sales	¥255,787 million	Accounts receivable	¥61,921 million
							Deposit of funds	-	Deposits received	¥29,887 million
Advantest (Singapore) Pte. Ltd.	Singapore	15,300 thousand Singapore Dollars	Sales of test systems, etc.	100.0%	Yes	Sales of the Company's products	Deposit of funds	-	Deposits received	¥53,916 million
Advantest Korea Co., Ltd.	Cheonan, South Korea	9,516 million Korean won	Manufacture and sales support for test systems, etc.	100.0%	Yes	Manufacture and sales support for the Company's products	Sales	¥71,695 million	Accounts receivable	¥8,258 million

Current fiscal year(From April 1, 2025 To March 31, 2026)

Company name	Address	Common stock	Principal Activities	Percentage of Voting Rights	Description of relationships		Details of transactions	Amount of transactions	Items	Balance at fiscal year end
					Officer of subsidiaries temporarily transferred from the Company	Business relationship				
Advantest America, Inc.	California, U.S.A.	4,059 thousand US Dollars	Development and sales of test systems, etc.	100.0%	Yes	Development and sales of the Company's products	Sales	¥304,001 million	Accounts receivable	¥121,649 million
							Collection of loans	¥29,857 million	Long-term loans receivable	¥7,994 million
							Loans	¥7,757 million-		
							Deposit of funds	-	Deposits received	¥22,646 million
							Subscription for capital increase	¥34,056 million	-	-
Advantest Europe GmbH	Munich, Germany	10,793 thousand Euro	Development and sales of test systems, etc.	100.0%	Yes	Development and sales of the Company's products	Subcontract cost for R&D etc.	¥47,290 million	Other accounts payable	¥4,795 million
							Deposit of funds	-	Deposits received	¥1,787 million
Advantest Taiwan Inc.	Hsin-Chu Hsien, Taiwan	500,000 thousand New Taiwan Dollars	Sales of test systems, etc.	100.0%	Yes	Sales of the Company's products	Sales	¥287,534 million	Accounts receivable	¥53,982 million
							Deposit of funds	-	Deposits received	¥17,327 million
Advantest (Singapore) Pte. Ltd.	Singapore	15,300 thousand Singapore Dollars	Sales of test systems, etc.	100.0%	Yes	Sales of the Company's products	Deposit of funds	-	Deposits received	¥55,748 million
Advantest Korea Co., Ltd.	Cheonan, South Korea	9,516 million Korean won	Manufacture and sales support for test systems, etc.	100.0%	Yes	Manufacture and sales support for the Company's products	Sales	¥53,210 million	Accounts receivable	¥8,576 million

Terms and conditions of transactions and determination of policies thereof

1. With respect to sales, the price is determined by referring to the market price, among others.
2. With respect to deposits, they arise from the cash management system, and the interest rates are determined by taking into account the market interest rates. As cash transfers are continuous, transaction amounts are not separately disclosed.
3. With respect to subscriptions for capital increases, these comprise those relating to capital increases carried out by subsidiaries, as well as those arising from debt-to-equity swaps.

(Revenue Recognition)

The information that is the basis for understanding the revenue from contracts with customers is omitted since it is described in note 22 in the consolidated financial statements.

(Per Share Information)

	Previous fiscal year (From April 1, 2024 To March 31, 2025)	Current fiscal year (From April 1, 2025 To March 31, 2026)	Yen
Net assets per share	581.37		804.15
Net income per share	226.24		413.29

(Significant Subsequent Events)

(The Issuance of Zero Coupon Convertible Bonds due 2031)

At a Board of Directors meeting held on April 1, 2026, the Company resolved to issue Zero Coupon Convertible Bonds due 2031, and the payment was completed on April 20, 2026.

See Note 33 (The Issuance of Zero Coupon Convertible Bonds due 2031) to the Consolidated Financial Statements for details.

4) Supplementary Schedule

Details of Property, Plant and Equipment and Intangible Fixed Assets (Non-Consolidated)

Current fiscal year (From April 1, 2025 To March 31, 2026)

Millions of Yen

Items	Types of assets	Balance at beginning of year	Increase for this year	Decrease for this year	Depreciation for this year	Balance at end of year	Accumulated depreciation
Property, plant and equipment	Buildings and structures	5,426	1,173	4	530	6,065	12,041
	Land	8,089	-	-	-	8,089	-
	Others	7,659	7,033	322	3,392	10,978	21,927
	Total	21,174	8,206	326	3,922	25,132	33,968
Intangible fixed assets	Patent right	13	-	-	13	-	-
	Others	1,547	2,688	376	501	3,358	781
	Total	1,560	2,688	376	514	3,358	781

(Note) : The primary items of “Increase for this year” were as follows.

Machinery and equipment	Production equipment	¥2,305 million
	Development equipment	¥999 million
Tools, furniture and fixtures	Development equipment	¥1,490 million
	Production equipment	¥737 million

Details of Provisions (Non-Consolidated)

Current fiscal year (From April 1, 2025 To March 31, 2026)

Millions of yen

Items	Balance at beginning of year	Increase for this year	Decrease for this year	Balance at end of year
Accrued warranty expenses	12,287	22,431	19,136	15,582
Bonus accrual for directors	277	360	277	360
Provision for retirement benefits	11,225	405	444	11,186
Short-term provision for share-based remuneration	2,537	6,801	861	8,477
Long-term provision for share-based remuneration	4,026	16,557	495	20,088

(2) Major Assets and Liabilities

The details of major assets and liabilities are stated in the consolidated financial statements.

(3) Others

Not applicable.

Item6. Overview of the Stock Affairs of the Company

Fiscal year	From April 1 to March 31
Ordinary General Meeting of Shareholders	Within three months from the record date
Record date	May 15
Record date for dividends from surplus	September 30 March 31
Number of shares per unit	100 shares
Sales and purchase of shares less than one unit	
Handling office	(Special Account) 1-4-5 Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division
Shareholder registry administrator	(Special Account) 1-4-5 Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation
Agency	-
Sales and purchases fees	Free of charge
Suspension period of acceptance of additional purchase requests	1. The Company shall suspend acceptance of the Request for Sale every year during (i) the period commencing the tenth business day prior to March 31 and ending on March 31, (ii) the period commencing the tenth business day prior to May 15 and ending on May 15, (iii) the period commencing the tenth business day prior to September 30 and ending on September 30, and (iv) the period commencing the tenth business day prior to the shareholder record date and ending on such shareholder record date that are provided by Japan Securities Depository Center. 2. Notwithstanding the immediately preceding paragraph, the Company may establish any other period to suspend acceptance of the Request for Sale whenever the Company deems it necessary.
Method of public notice	Electronic Reporting on the below site. Electric Public-notice (Japanese only) https://www.advantest.com In the event that electronic public notices cannot be provided due to accidents or other unavoidable circumstances, public notice shall be given in the Nihon Keizai Shimbun.
Benefits for shareholders	Not applicable

(Note) According to the Company's Articles of Incorporation, shareholders holding shares of less than one unit do not have any rights other than the rights listed in each item of Article 189, Paragraph 2 of the Companies Act, the right to make a request under Article 166, Paragraph 1 of the Companies Act, the right to receive allotment of offered shares and offered stock acquisition rights in proportion to the number of shares held by shareholders, and the right to request sale of shares less than one unit.

Item 7. Reference Information of the Company

1. Information on the Parent Company of the Company

The Company does not have a parent company.

2. Other Reference Information

The following documents were filed between the beginning of the current fiscal year and the date of filing of the Annual Securities Report and Business Report.

- (1) Annual Securities Report and its attachments, and Confirmation Letter
Fiscal year 83rd Business Term (from April 1, 2024 to March 31, 2025) Filed with the Director-General of the Kanto Local Finance Bureau on June 25, 2025.
- (2) Internal Control Report and its attachments
Filed with the Director-General of the Kanto Local Finance Bureau on June 25, 2025.
- (3) Semi-Annual Securities Report and Confirmation Letter
(The Semi-annual accounting period of the 84th Term) (from April 1, 2025 to September 30, 2025) Filed with the Director-General of the Kanto Local Finance Bureau on November 13, 2025.
- (4) Extraordinary Report
Filed with the Director-General of the Kanto Local Finance Bureau on June 27, 2025.
This is an Extraordinary Report pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs.
- (5) Extraordinary Report
Filed with the Director-General of the Kanto Local Finance Bureau on June 27, 2025.
This is an Extraordinary Report pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 2-2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs.
- (6) Extraordinary Report
Filed with the Director-General of the Kanto Local Finance Bureau on June 27, 2025.
This is an Extraordinary Report pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 2-2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs.
- (7) Securities Registration Statement (Disposal of Treasury Shares as a Restricted Stock Compensation Plan) and its attachments
Filed with the Director-General of the Kanto Local Finance Bureau on June 27, 2025.
- (8) Extraordinary Report
Filed with the Director-General of the Kanto Local Finance Bureau on December 1, 2025.
This is an Extraordinary Report pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 2-2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs.
- (9) Extraordinary Report
Filed with the Director-General of the Kanto Local Finance Bureau on December 1, 2025.
This is an Extraordinary Report pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 2-2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs.
- (10) Extraordinary Report
Filed with the Director-General of the Kanto Local Finance Bureau on December 1, 2025.
This is an Extraordinary Report pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 2-2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs.
- (11) Securities Registration Statement (Disposal of Treasury Shares as a Restricted Stock Compensation Plan) and its attachments
Filed with the Director-General of the Kanto Local Finance Bureau on December 19, 2025.
- (12) Extraordinary Report
Filed with the Director-General of the Kanto Local Finance Bureau on January 19, 2026.
This is an Extraordinary Report pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 2-2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs.
- (13) Extraordinary Report
Filed with the Director-General of the Kanto Local Finance Bureau on March 31, 2026.
This is an Extraordinary Report pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 2-2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs.

- (14) Extraordinary Report
Filed with the Director-General of the Kanto Local Finance Bureau on March 31, 2026.
This is an Extraordinary Report pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 2-2 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs.
- (15) Securities Registration Statement (Disposal of Treasury Shares as a Restricted Stock Compensation Plan) and its attachments
Filed with the Director-General of the Kanto Local Finance Bureau on March 31, 2026.
- (16) Extraordinary Report
Filed with the Director-General of the Kanto Local Finance Bureau on April 1, 2026.
This is an Extraordinary Report pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 1 and Paragraph 2, Item 1 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs.
- (17) Amendment to Extraordinary Report
Filed with the Director-General of the Kanto Local Finance Bureau on April 2, 2026.
This is an amendment report related to (16) above.
- (18) Amendment to Securities Registration Statement
Filed with the Director-General of the Kanto Local Finance Bureau on April 2, 2026.
Filed with the Director-General of the Kanto Local Finance Bureau on April 27, 2026.
This is an amendment statement related to (15) above.
- (19) Status Report of Repurchase of Treasury Shares
Reporting period (from June 1, 2025 to June 30, 2025) Filed with the Director-General of the Kanto Local Finance Bureau on July 15, 2025.
Reporting period (from July 1, 2025 to July 31, 2025) Filed with the Director-General of the Kanto Local Finance Bureau on August 15, 2025.
Reporting period (from August 1, 2025 to August 31, 2025) Filed with the Director-General of the Kanto Local Finance Bureau on September 16, 2025.
Reporting period (from September 1, 2025 to September 30, 2025) Filed with the Director-General of the Kanto Local Finance Bureau on October 15, 2025.
Reporting period (from October 1, 2025 to October 31, 2025) Filed with the Director-General of the Kanto Local Finance Bureau on November 17, 2025.
Reporting period (from November 1, 2025 to November 30, 2025) Filed with the Director-General of the Kanto Local Finance Bureau on December 15, 2025.
Reporting period (from December 1, 2025 to December 31, 2025) Filed with the Director-General of the Kanto Local Finance Bureau on January 15, 2026.
Reporting period (from January 1, 2026 to January 31, 2026) Filed with the Director-General of the Kanto Local Finance Bureau on February 16, 2026.
Reporting period (from February 1, 2026 to February 28, 2026) Filed with the Director-General of the Kanto Local Finance Bureau on March 16, 2026.
Reporting period (from March 1, 2026 to March 31, 2026) Filed with the Director-General of the Kanto Local Finance Bureau on April 15, 2026.
Reporting period (from April 1, 2026 to April 30, 2026) Filed with the Director-General of the Kanto Local Finance Bureau on May 15, 2026.
Reporting period (from May 1, 2026 to May 31, 2026) Filed with the Director-General of the Kanto Local Finance Bureau on June 15, 2026.

Part II. Information on the Guarantee Companies of the Company

Not applicable.

English Translation
Independent Auditor's Reports on the Audit of Consolidated Financial
Statements and the Internal Controls over Financial Reporting

June 23, 2026

The Board of Directors
Advantest Corporation

Ernst & Young ShinNihon LLC
Tokyo, Japan

Keiichi Wakimoto
Designated Engagement Partner
Certified Public Accountant

Minoru Ota
Designated Engagement Partner
Certified Public Accountant

Hiroyuki Nakada
Designated Engagement Partner
Certified Public Accountant

<The Audit of the Consolidated Financial Statements>

Opinion

Pursuant to the provisions of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act and of Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements of Advantest Corporation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of March 31, 2026, and the consolidated statements of profit or loss, comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements. The above consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS), pursuant to the provision of Article 312 of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements and the first sentence of Article 120, paragraph 1 of the Regulation on Corporate Accounting in order to present the financial position, results of operations and cash flows of Advantest Corporation and its consolidated subsidiaries, and have been prepared as a single set of documents comprising the consolidated financial statements to be audited under the Financial Instruments and Exchange Act and the Companies Act.

In our opinion,

- the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS, pursuant to the provision of Article 312 of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements.
- the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with IFRS, pursuant to the provision of the first sentence of Article 120, paragraph 1 of the Regulation on Corporate Accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our

other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters. In our audit of the consolidated financial statements for the fiscal year ended March 31, 2026, we have determined “Valuation of goodwill and intangible assets related to R&D Altanova group” and “Valuation of inventories” as key audit matters.

Valuation of goodwill and intangible assets related to R&D Altanova group
Description of Key Audit Matter
<p>At the end of the fiscal year ended March 31, 2026, the amount of goodwill and intangible assets allocated to R&D Altanova group are ¥29,383 million and ¥8,126 million, respectively. The total of the above assets is ¥37,509 million, which accounts for approximately 3.2% of the total assets.</p> <p>The related amounts, the key assumptions used in the impairment test and the method used in the calculation are disclosed in Note 4 “Significant Accounting Judgments, Estimates and Assumptions” and Note 12 “Goodwill and Intangible Assets” to the consolidated financial statements.</p> <p>As a result of the impairment test, there are no impairment losses recognized for the CGU related to R&D Altanova group.</p> <p>The impairment test is performed by comparing the values in use of each cash-generating unit with the carrying amount of each business. The values in use of each cash-generating unit are determined by discounting estimated future cash flows to present value using pre-tax discount rates that reflect the time value of money and business specific risks based on the capital asset pricing model. The estimated future cash flows are determined based on the three-year business plan approved by management and the growth rates after three years. The key assumptions in estimating the values in use are the sales forecasts on which to base a three-year business plan and the discount rates.</p> <p>R&D Altanova group belongs to the semiconductor industry, which is expected to grow in the long term; however, in the medium term, it is characterized by significant fluctuations in demand due to factors such as investment budgets of semiconductor manufacturers, who are the Group’s customers, and geopolitical risks. Accordingly, there are uncertainties in the sales forecasts which form the basis of the business plan and management’s high degree of judgment is required. The calculation of the discount rates requires a high level of expertise in evaluation in selecting calculation methods and inputs.</p> <p>Therefore, we determined the valuation of goodwill and intangible assets related to R&D Altanova group to be a key audit matter.</p>
Auditor’s Response
<p>We have performed the following audit procedures to consider the valuation of goodwill and intangible assets allocated to R&D Altanova group:</p> <p>(Evaluation of calculation method)</p> <ul style="list-style-type: none"> • We involved the valuation specialists of our network firm to assess the method used to calculate the values in use. <p>(Evaluation of the reasonableness of the business plan)</p> <ul style="list-style-type: none"> • We compared the estimated future cash flows for three years with the business plan approved by management to evaluate their consistency. • We compared the Group’s business plan for prior years with actual results to evaluate the effectiveness of management’s estimation process. • Regarding the sales forecasts which serve as the basis of the business plan, we inquired of management and the responsible officials of the business unit, compared with the sales backlog and publicly available data such as market reports and performed the trend analysis based on the past results. • Regarding the capital investments expected in the estimated future cash flows, we inquired of management and the responsible officials of the business unit and compared with the sales forecasts to evaluate consistency between these figures. Additionally, we visited the site and inquired of the responsible official of business unit about the status of the operation of the production line. • We performed a sensitivity analysis of the business plan reflecting uncertainty in the sales forecasts. <p>(Evaluation of the reasonableness of discount rates)</p> <ul style="list-style-type: none"> • We compared the discount rates with the estimates made by the valuation specialists of our network firm.

Valuation of inventories
Description of Key Audit Matter
<p>At the end of the fiscal year ended March 31, 2026, the Group has recognized inventories of ¥231,718 million, which accounts for approximately 20% of the total assets. The Group undertakes initiatives, including maintaining strategic inventory buffers and steadily expanding production capacity to enhance its supply responsiveness in the event of a sharp increase in demand for its products and based on medium-to-long-term demand growth outlooks.</p> <p>The related amounts, the estimation method, and the assumptions in valuation of inventories are disclosed in Note 4 “Significant Accounting Judgments, Estimates and Assumptions” to the consolidated financial statements. Additionally, as described in Note 9 “Inventories” to the consolidated financial statements, inventory valuation losses of ¥16,006 million have been recorded for the year ended March 31, 2026.</p> <p>The Group measures inventories at the lower of cost or net realizable value after initial recognition. If the net realizable value is less than the cost, an impairment loss in the amount of the difference is recognized. In addition, the Group analyzes whether there is an excess inventory balance and considers the necessity of recording an impairment loss based on the demand forecast by item.</p> <p>In the valuation of inventories, the demand forecasts by item involve uncertainty and require a high level of managerial judgment. Therefore, we determined the valuation of inventories to be a key audit matter.</p>
Auditor’s Response
<p>We have performed the following audit procedures, among others to consider the valuation of inventories:</p> <p>(1) Assessment of the Group’s internal controls</p> <ul style="list-style-type: none"> • We assessed the effectiveness of the design and operation of the Group’s internal controls relating to the valuation of inventories. <p>(2) Evaluation of the reasonableness of the valuation of inventories</p> <ul style="list-style-type: none"> • We inquired of management regarding their judgments on the valuation of inventories. • We performed the following procedures for the demand forecasts by item: <ul style="list-style-type: none"> • We examined the consistency between the demand forecasts by item used for valuation of inventories and the estimated sales quantities by product model, as well as the consistency between the estimated sales quantities by product model and the Group’s business plan. We also inquired of management about the demand forecasts for each business that underlie the business plan and compared them with available external data. • We compared the estimated sales quantities by product model for prior years with actual sales results to evaluate the effectiveness of management’s estimation process. • Regarding the reasonableness of the future sales quantities by product model, we inquired of the responsible officials of business units and examined their consistency with recent sales results. • We inquired of the responsible officials of business units whether inventories that require a long period to be sold off, are considered excess inventory, and examined the reasonableness of their judgments. • We performed analytical procedures on the inventory balance and the inventory valuation losses by product model. • We verified the consistency of the allowance for inventory valuation by item with the supporting evidence.

Other Information

The other information comprises the information included in the Annual Securities Report and Business Report that contains audited consolidated and non-consolidated financial statements but does not include the consolidated and non-consolidated financial statements and our audit reports thereon. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Group’s reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS pursuant to the provision of Article 312 of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements and the first sentence of Article 120, paragraph 1 of the Regulation on Corporate Accounting, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by IFRS pursuant to the provision of Article 312 of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements and the first sentence of Article 120, paragraph 1 of the Regulation on Corporate Accounting matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with IFRS pursuant to the provision of Article 312 of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements and the first sentence of Article 120, paragraph 1 of the Regulation on Corporate Accounting.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<The Audit of the Internal Control over Financial Reporting>

Opinion

Pursuant to Article 193-2, paragraph 2 of the Financial Instruments and Exchange Act, we also have audited the accompanying management's report on internal control over financial reporting of Advantest Corporation and its subsidiaries (the Group) as of March 31, 2026.

In our opinion, the accompanying management's report on internal control over financial reporting, which states that the internal control over financial reporting was effective as of March 31, 2026, present fairly, in all material respects, its assessment of the internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our audit of the internal control over financial reporting in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Internal Control over Financial Reporting section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, the Audit and Supervisory Committee for the Management's Report on the Internal Control over Financial Reporting

Management is responsible for the design and operation of internal control over financial reporting and the preparation and fair presentation of the management's report on the internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing and examining the design and operation of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect financial statement misstatements.

Auditor's Responsibilities for the Audit of the Internal Control over Financial Reporting

Our objectives are to obtain reasonable assurance about whether the management's report on internal control over financial reporting is free from material misstatement based on our audit of the internal control over financial reporting and to issue an auditor's report that includes our opinion.

As part of an audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence about the results of the assessments of internal control over financial reporting in the management's report on the internal control over financial reporting. The audit procedures for the audit of the internal control over financial reporting are selected and performed, depending on the auditor's judgment, based on significance of effect on the reliability of financial reporting.
- Evaluate the overall presentation of the management's report on the internal control over financial reporting, including the appropriateness of the scope, procedures and results of the assessments that management presents.
- Plan and perform the audit of the internal control over financial reporting to obtain sufficient appropriate audit evidence regarding the results of the assessments of internal control over financial reporting in the management's report on the internal control over financial reporting. We are responsible for the direction, supervision and review of the audit of the management's report on the internal control over financial reporting. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit of the internal control over financial reporting, the results of the audit of the internal control over financial reporting, any material weaknesses, the remedial actions taken, and any other matters required by the auditing standards for internal control over financial reporting.

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

<Fee-related Information>

The fees for the audits of the financial statements of Advantest Corporation and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2026 are presented in paragraph 3, titled “Status of Auditing” in Section 4, “Corporate Governance” included in Item 4 “Status of the Company” in Part 1 of the Annual Securities Report and Business Report for the year ended March 31, 2026 of the Group.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor’s Reports:

This is an English translation of the Independent Auditor’s Reports as required by the Financial Instruments and Exchange Act and the Companies Act for the convenience of the reader.

English Translation
Independent Auditor's Report

June 23, 2026

The Board of Directors
Advantest Corporation

Ernst & Young ShinNihon LLC
Tokyo, Japan

Keiichi Wakimoto
Designated Engagement Partner
Certified Public Accountant

Minoru Ota
Designated Engagement Partner
Certified Public Accountant

Hiroyuki Nakada
Designated Engagement Partner
Certified Public Accountant

<The Audit of the Non-Consolidated Financial Statements>

Opinion

Pursuant to the provisions of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act and Article 436, paragraph 2 (i) of the Companies Act, we have audited the accompanying non-consolidated financial statements of Advantest Corporation (the Company), which comprise the non-consolidated balance sheet, the statements of operations and changes in net assets, notes to the financial statements and supplementary schedule applicable to the 84th fiscal year from April 1, 2025 to March 31, 2026. The above non-consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Japan, pursuant to the Financial Instruments and Exchange Act and the Companies Act in order to present the financial position and financial performance of the Company, and have been prepared as a single set of documents comprising the non-consolidated financial statements to be audited under the Financial Instruments and Exchange Act and the Companies Act.

In our opinion,

- the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan pursuant to the Financial Instruments and Exchange Act.
- the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan pursuant to the Companies Act.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements of the current period. These matters were addressed in the context of the audit of the non-consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

In our audit of the non-consolidated financial statements for the fiscal year ended March 31, 2026, we have determined "Valuation of inventories" as a key audit matter.

Valuation of inventories
<p>In the non-consolidated financial statements for the fiscal year ended March 31, 2026, the Company recorded ¥25,428 million of merchandise and finished goods, ¥54,908 million of work in progress, and ¥98,430 million of raw materials and supplies. The related disclosures are included in "Significant Accounting Policies" and "Significant Accounting Estimates" of the Notes to the non-consolidated financial statements.</p> <p>The reasons why we determined the matter to be of key audit consideration and the audit response are the same as the key audit matter (valuation of inventories) described in the independent auditor's report of the consolidated financial statements, therefore the description has been omitted.</p>

Other Information

The other information comprises the information included in the Annual Securities Report and Business Report that contains audited consolidated and non-consolidated financial statements but does not include the consolidated and non-consolidated financial statements and our audit reports thereon. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit and Supervisory Committee for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in Japan pursuant to the Financial Instruments and Exchange Act and the Companies Act, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan pursuant to the Financial Instruments and Exchange Act and the Companies Act, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the non-consolidated financial statements in Japan, to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the non-consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-related Information>

Fee-related information is presented in the independent auditor's report on the audit of consolidated financial statements.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report:

This is an English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act and the Companies Act for the convenience of the reader.

Audit Report

The Audit and Supervisory Committee of Advantest Corporation (the “Company”) has audited the directors’ performance of their duties for the 84th fiscal year (from April 1, 2025 to March 31, 2026) and reports as follows in regard to the method and results of those audits.

1. Method and Contents of Audit

In regard to the content of the resolutions of the Board of Directors regarding the matters stated in Article 399-13, Paragraph (1), items (i)(b) and (i)(c) of the Companies Act as well as the systems developed pursuant to those resolutions (i.e. internal control systems), the Audit and Supervisory Committee periodically received reports from directors, executive officers, and employees regarding the status of the establishment and operation of those systems and as necessary, requested explanations and expressed opinions in regard thereto, in addition to which, the Audit and Supervisory Committee conducted audits using the following methods:

- i) In accordance with the Auditing and Supervising Standards established by the Audit and Supervisory Committee, pursuant to the audit policies and audit plans (including key audit areas) and in cooperation with the Auditing Group (internal audit), the Audit and Supervisory Committee members conducted the audits. The members of Audit and Supervisory Committee, in accordance with predetermined division of duties, attended important meetings such as Executive Management Committee, Business Plan Meetings, Internal Control Committee Meetings, received reports from directors, executive officers and employees regarding the matters related to the performance of their duties, requested explanations as necessary, reviewed important decision-making documents and inspected the status of operations and assets at the head office and main business locations. In regard to subsidiaries, the Audit and Supervisory Committee communicated and exchanged information through interviews with their directors and opinion exchange meetings with their corporate auditors. Additionally, the Audit and Supervisory Committee received reports on operations from the main consolidated subsidiaries, and conducted on-site audits (holding face

to face meetings in principle, with web conferences as appropriate), and reviewed their status of operations and assets.

As a result of these inspection and audit activities, the Audit and Supervisory Committee provided opinions to directors, executive officers, or unit leaders regarding the matters recognized as a need for feedback.

- ii) The Audit and Supervisory Committee oversaw and verified whether the Independent Auditor maintained an independent position and conducted an appropriate audit, received reports from the Independent Auditor on the status of performance of its duties, including audit plan, group audit status, quarterly status including interim review results, and year-end audit results, and requested explanations as necessary. In regard to the priority audit items (including key audit matters (KAM)), the Audit and Supervisory Committee discussed with the Independent Auditor from interim periods and strived to maintain two-way communication. Additionally, the Audit and Supervisory Committee received notification from the Independent Auditor that, in accordance with the “Quality Control Standards for Audits” (Business Accounting Council) and their detailed standards, it had developed quality management systems in order to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary.
- iii) In regard to the Annual Securities Report and Business Report, which has been prepared as a single document starting with the 84th fiscal year, the Audit and Supervisory Committee reviewed the status of preparation process from interim periods, and paid particular attention to the completeness of information required by the Companies Act of Japan to be disclosed in the Business Report and its supplementary schedules, non-consolidated financial statements and their supplementary schedules and consolidated financial statements.

Using the methods above, the Audit and Supervisory Committee examined the portions of business report

and its supplementary schedules, non-consolidated financial statements (i.e., non-consolidated balance sheet, non-consolidated statement of operations, non-consolidated statement of changes in net assets, significant accounting policies and other notes to the non-consolidated financial statements, the supplementary schedules), and the consolidated financial statements (i.e., consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to consolidated financial statements), which are contained in the Annual Securities Report and Business Report for the 84th fiscal year.

2. Audit Results

(1) Results of audit of the business report and its supplementary schedules

- (i) We find that the Annual Securities Report and Business Report contained all the items required to be included in the business report and its supplementary schedules and accurately present the status of the company in accordance with laws, regulations, and the articles of incorporation of the Company.
- (ii) We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the articles of incorporation of the Company in relation to the directors' performance of their duties.
- (iii) We find the content of the resolutions of the Board of Directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in Annual Securities Report and Business Report or the directors' performance of their duties relating to the internal control systems.

(2) Results of audit of non-consolidated financial statements

We find the methods and results of the audit by the Independent Auditor, Ernst & Young Shin Nihon LLC, to be reasonable.

(3) Results of audit of consolidated financial statements

We find the methods and results of the audit by the Independent Auditor, Ernst & Young Shin Nihon

LLC, to be reasonable.

June 23, 2026

Audit and Supervisory Committee of Advantest Corporation

Yuichi Kurita

Standing Audit and Supervisory Committee Member

Sayaka Sumida

Audit and Supervisory Committee Member

Tomoko Nakada

Audit and Supervisory Committee Member

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

[Cover]

[Document Filed]	Confirmation Letter
[Applicable Law]	Article 24-4-2, Paragraph 1 of the Financial Instruments and Exchange Act
[Filed with]	Director, Kanto Local Finance Bureau
[Filing Date]	June 26, 2026
[Company Name]	Kabushiki Kaisha Advantest
[Company Name in English]	ADVANTEST CORPORATION
[Title and Name of Representative]	Koichi Tsukui, Representative Director, Senior Executive Officer and President, Group COO
[Title and Name of CFO]	Hisako Takada, Senior Executive Officer, CFO
[Address of Registered Office]	1-6-2, Marunouchi, Chiyoda-ku, Tokyo
[Place for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi, Kabuto-cho, Chuo-ku, Tokyo)

1. Matters Concerning the Appropriateness of Statements Contained in the Annual Securities Report

Koichi Tsukui, Representative Director, Senior Executive Officer and President, Group COO and Hisako Takada, Senior Executive Officer, CFO of Advantest Corporation, confirmed that statements contained in the Annual Securities Report for the 84th Business Term (from April 1, 2025 to March 31, 2026) are appropriately stated in accordance with the Financial Instruments and Exchange Act.

2. Special Notes

None.

[Cover]

[Document Filed]	Internal Control Report
[Applicable Law]	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act
[Filed with]	Director, Kanto Local Finance Bureau
[Filing Date]	June 26, 2026
[Company Name]	Kabushiki Kaisha Advantest
[Company Name in English]	ADVANTEST CORPORATION
[Title and Name of Representative]	Koichi Tsukui, Representative Director, Senior Executive Officer and President, Group COO
[Title and Name of CFO]	Hisako Takada, Senior Executive Officer, CFO
[Address of Registered Office]	1-6-2, Marunouchi, Chiyoda-ku, Tokyo
[Place for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi, Kabuto-cho, Chuo-ku, Tokyo)

1. Matters Related to Basic Framework of Internal Control over Financial Reporting

Koichi Tsukui, Representative Director, Senior Executive Officer and President, Group COO and Hisako Takada, Senior Executive Officer, CFO of Advantest Corporation (the “Company”), are responsible for designing and operating internal control over financial reporting of the Company and its consolidated subsidiaries (“Advantest Group”), and have designed and operated internal control over financial reporting in accordance with the basic framework for internal control set forth in “On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)” published by the Business Accounting Council.

The internal control over financial reporting is designed to achieve its objective to a reasonable extent through the effective function and combination of its basic elements. Therefore, there is a possibility that internal control over financial reporting may not completely prevent or detect misstatements.

2. Matters Related to Scope of Assessment, Assessment Date, and Assessment Procedure

We assessed the effectiveness of our internal control over financial reporting on the assessment date as of March 31, 2026. We made this assessment in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In making this assessment, we assessed internal controls which may have a material impact on the entire financial reporting on a consolidated basis (“company-level controls”) and based on the results of this assessment, we appropriately selected business processes to be evaluated, analyzed these selected business processes, identified key controls that may have a material impact on the reliability of our financial reporting, and assessed the design and operation of these key controls. These procedures have allowed us to assess the effectiveness of our internal controls.

We determined the scope of assessment of internal control over financial reporting for the Company, as well as its subsidiaries, from the perspective of materiality that may affect the reliability of their financial reporting. The materiality of the impact on the financial reporting is determined by taking into account the degree of quantitative and qualitative impact and the likelihood of occurrence on the financial reporting. We confirmed that we had reasonably determined the scope of assessment of internal controls over business processes based on the results of assessment of company-level controls conducted for the Company and its consolidated subsidiaries.

Advantest Group's core business is the sale of semiconductor testers and test peripherals developed and manufactured by the Company through the Company and its consolidated subsidiaries. Therefore, we have determined that net sales after elimination of inter-company transactions is appropriate as an indicator to determine the significance of business units.

Regarding the assessment of company-level controls, the Company and its principal 9 consolidated subsidiaries, which are responsible for development, manufacturing and sales of the products within Advantest Group, were in the scope of assessment. As a result, our assessment covered approximately 99% of consolidated net sales after elimination of intercompany transactions in the current fiscal year. We did not include the other 30 consolidated subsidiaries in the scope of assessment of company-level controls, as we concluded that their quantitative and qualitative impact and the likelihood of occurrence on the financial reporting were immaterial.

Regarding the scope of assessment of internal controls over business processes, as the results of the assessment of company-level controls were judged to be effective, we selected business units in descending order of net sales after elimination of intercompany transactions for the previous fiscal year, and those 3 business units (the Company and 2 consolidated subsidiaries) whose combined amount of net sales reaches approximately two-thirds of total net sales on a consolidated basis after elimination of intercompany transactions were selected as significant business units. As a result, our assessment covered approximately 83% of consolidated net sales after elimination of intercompany transactions in the current fiscal year.

For the selected significant business units, since manufacturing and sales of semiconductor testers and test peripherals are the main revenue-generating activities for Advantest Group, we assessed the business processes related to accounts such as net sales, accounts receivable, and inventories, which are significantly related to the Company's business objectives. In those business processes, we have designed and operated the same internal controls by using a common core system and providing shared services to each regional business unit from the global functional units in charge of sales and supply chain functions. Therefore, in the assessment of those business processes, we have comprehensively assessed by including other business units (19 consolidated

subsidiaries) that have designed and operated the same internal controls in the scope of test of controls.

Further, for all the business units including those other than significant business units, we added the business processes related to valuation of goodwill and intangible assets, valuation of inventories, income tax calculation, and provision for retirement benefits to the scope of assessment as significant business processes in consideration of impact on financial reporting. These business processes were individually added to the scope of assessment due to their relatively high likelihood of occurrence of material misstatement, as these business processes involve estimates and forecasts, and are highly complex. The selected business processes are assessed at the business units where the related accounts represent a significant proportion of whole Advantest Group.

We also considered whether there is a need to include in the scope of assessment certain business units or business processes that have been excluded from the scope of assessment for a long period of time, but no business units or business processes were added to the scope of assessment.

3. Matters Related to Results of Assessment

As a result of the assessments above, we concluded that our internal control over financial reporting was effective as of March 31, 2026.

4. Supplementary Matters

None.

5. Special Notes

None.