

April 26, 2018

**ADVANTEST CORPORATION**

Yoshiaki Yoshida

Representative Director, President and CEO  
(Stock Code Number: 6857, TSE first section)

**CONTACT:**

Atsushi Fujita  
Managing Executive Officer  
Executive Vice President, Corporate Administration Group  
Phone: +81-(0)3-3214-7500

**Notice Concerning the Introduction of Stock Grant System as Incentive Plan for Group Executives**

Tokyo – April 26, 2018 – Advantest Corporation (the “Company”) hereby announces that the Board of Directors resolved today to introduce the incentive plan (the “Plan”) for executive officers and executive employees (hereinafter referred to as “Eligible Employees”) of the Company and its major group subsidiaries (hereinafter referred to as “Eligible Subsidiaries”; the Company and the Eligible Subsidiaries collectively referred to as “Eligible Companies”).

**1. Introduction of the Plan**

- (1) The Company introduces the Plan for the purpose of enhancing the welfare system for the Eligible Employees and raising awareness of contribution to improved business performance and enhanced corporate value of our group in the medium to long term by fostering a sense of belonging to our group and inspiring the awareness of participation in the corporate management through the Plan commonly applied throughout our group.
- (2) The Company adopts a system called the Employee Stock Ownership Plan (ESOP) trust (hereinafter referred to as “ESOP Trust”). The ESOP Trust represents an incentive plan under which the common shares of the Company (the “Company Shares”) acquired by the ESOP Trust is granted pursuant to the Share Grant Rules prescribed in advance to the Eligible Employees who meet certain requirements. Furthermore, no burden is imposed on the Eligible Employees since the purchase costs of the Company Shares acquired by the ESOP Trust is totally contributed and borne by respective Eligible Companies.
- (3) The Company expects the Plan will facilitate business operations with the awareness of the stock price and increase work motivation since the Eligible Employees can, through the introduction of the Plan, receive economic returns brought by the increased stock price of the Company Shares.



(Reference)

[Outline of trust agreement]

- |        |                               |   |
|--------|-------------------------------|---|
| (i)    | Type of trust                 | Cash trust other than a specified cash trust for separate investment (third party benefit trust)  |
| (ii)   | Purpose of trust              | To give incentives to Eligible Employees  |
| (iii)  | Trustor                       | The Company   |
| (iv)   | Trustee                       | Mitsubishi UFJ Trust and Banking Corporation (planned)<br>(Co-trustee: The Master Trust Bank of Japan, Ltd.) (planned)  |
| (v)    | Beneficiaries                 | Eligible Employees who meet beneficiary requirements  |
| (vi)   | Trust administrator           | A third party who has no conflict of interest with Eligible Companies (certified public accountant)   |
| (vii)  | Date of trust agreement       | August 1, 2018 (planned)  |
| (viii) | Trust period                  | From August 1, 2018 (planned) to the end of September 2021 (planned)  |
| (ix)   | Commencement date of the Plan | August 1, 2018 (planned)  |
| (x)    | Exercise of voting rights     | Points to be granted on June 1, 2021 (planned)<br>The Trustee shall exercise voting rights related to the Company Shares pursuant to the instructions of the Trust Administrator which reflect the status of voting rights exercised by the candidates for beneficiaries. |
| (xi)   | Type of shares to be acquired | Common shares of the Company  |
| (xii)  | Amount of trust cash          | ¥600 million (planned) (including trust fees and trust expenses)  |
| (xiii) | Time to acquire shares        | From August 2, 2018 (planned) to August 31, 2018 (planned)  |
| (xiv)  | Method to acquire shares      | To be acquired from the stock market  |
| (xv)   | Vested rights holder          | The Company   |
| (xvi)  | Residual properties           | Residual properties to be received by the Company, as holder of vested rights, shall be limited to the extent of the allowances for trust expenses remaining after the fund for stock purchase is deducted from the trust cash.   |

[Administrative affairs related to trust and shares]

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|------|--|---|
| (i)  | Administrative affairs related to trust  | Mitsubishi UFJ Trust and Banking Corporation will serve as the Trustee of the ESOP Trust and be engaged in administrative affairs related to the ESOP Trust.                                |
| (ii) | Administrative affairs related to shares | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will be engaged in administrative affairs related to the grant of the Company Shares to beneficiaries based on the outsourcing contract. |

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