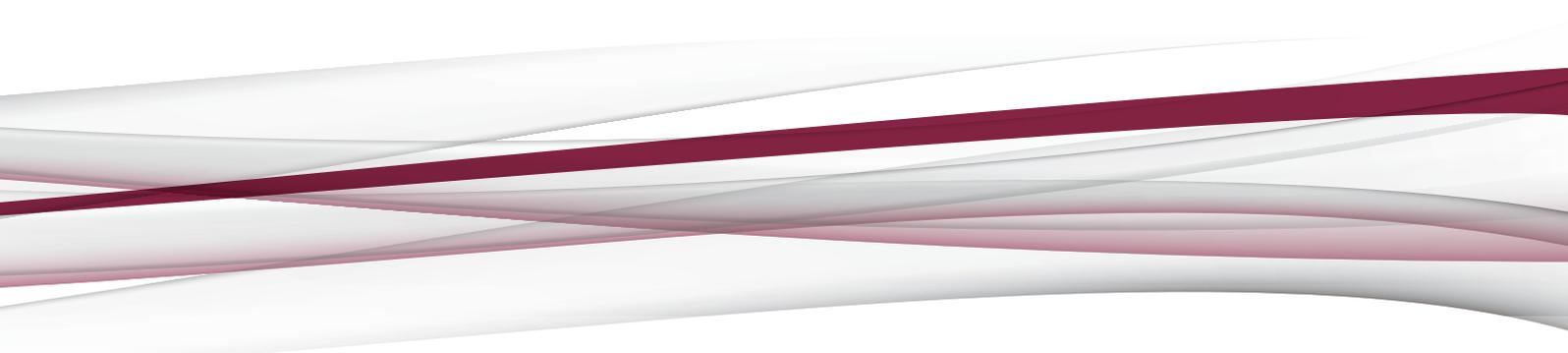


Technology Support on the Leading Edge



ADVANTEST®

CSR Report 2014

Editorial Note

The Advantest Group has been issuing its Environmental Report since fiscal 2000, its Social and Environmental Report since fiscal 2006, and its CSR Report since fiscal 2007.

We have been releasing such reports in PDF format since fiscal 2011 in order to help curb use of paper resources. Moreover, we have been showcasing our activities through the company's online CSR Report since fiscal 2012, with respective sections arranged in accordance with the seven core subjects of social responsibility defined in the ISO 26000 guidelines.

Scope of Report and Period Covered

This report covers activities pursued by Advantest and its major affiliates in Japan and overseas throughout fiscal 2013 (April 1, 2013 to March 31, 2014).

* Some activities before and after fiscal 2012 are also featured in the report with the aim of facilitating reader understanding.

Guidelines Referenced

- GRI, "Sustainability Reporting Guidelines (G3)"
- Ministry of the Environment, "Environmental Reporting Guidelines 2007"
- Ministry of the Environment, "Environmental Accounting Guidelines 2005"
- Japanese Standards Association, "ISO 26000: 2010, Guidance on Social Responsibility"

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Message from CEO

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Through measurement technology,
we contribute to safety and security



Representative Director, President & CEO
Shinichiro Kuroe

Advantest's measurement technology supports Industrial and social development

In the 60 years since Advantest was founded, measurement technology has been the cornerstone of our business. We entered the semiconductor test market in the 1970s, and are now the world's leading company in this arena. Advantest's semiconductor test systems are used to test the semiconductors in smartphones, computers, and automobiles, among other products. They ensure quality standards and prevent defective products from reaching the marketplace. Advantest's measurement technology is closely linked to the safety and security of the people who use these end products — which is to say, almost all of us.

In the last 60 years, industrial technology and the relationship between society and technology have undergone a stunning evolution. Based on our management philosophy of "Technology support on the leading edge," we look forward to contributing to industrial and social development through measurement technology for another 60 years, and more.

Building on our technological heritage to offer new measurement solutions

The first principle in Advantest's Code of Conduct is that of "courageous challenge." When we take the challenge of advancing into a new market, we aim to become the leading company in that market. Making use of our amassed technologies in the field of measurement, we now produce systems not only for semiconductor testing, but also other manufacturing processes, and we are presently taking on fresh challenges in other fields.

For example, our non-destructive terahertz analysis systems are starting to be used in applications including pharmaceutical testing, biotechnology, and material development. In April 2014, we established an independent business unit to pursue and expand these business opportunities. Now we are working towards the launch of new businesses in other fields, such as module level test solutions for solid state drives (SSDs), ; system level test software for smartphones and tablet computers; and a revolutionary on-demand testing service known as CloudTesting™ Service.

Using the technology we have amassed over the years to deliver innovative solutions, we plan to further expand our activities into the growth fields of healthcare and energy, among others.

Business and CSR Synergies

Advantest clearly states our "master the essentials" management philosophy and Code of Conduct as well as its basic plan for CSR in The ADVANTEST Way. These elements form a single ethical framework that shapes our business. We emphasize respect for stakeholders and social harmony, and actively contribute to the goal of a sustainable society. Environmental issues occupy a prominent place in our CSR. Under the Advantest Group's Sixth Environmental Action Plan, Group companies throughout the world share a vision and direction that propel their activities. Not only have major overseas subsidiaries acquired ISO14001 certification, but we have also purchased renewable electricity certificates in the United States, increased use of renewable energy by installing solar power panels at our Cheonan Factory in South Korea, and reduced electricity use and waste output at various facilities. Our certified green products use less electricity and are easily recycled.

In 2013, we also responded to the issue of conflict minerals by surveying our suppliers on these minerals in tandem with an industry association and disclosing the results.

We have adopted the concept behind ISO26000, the international standard on CSR. By launching products and services keyed to social issues as well as technological needs, we realize synergies between our business activities and CSR.

Advantest plans for the long term. We believe that we can only enhance our corporate value by growing hand-in-hand with society in the broad sense.

We look forward to the continued support of our shareholders and other stakeholders in this ongoing endeavor.

Corporate Governance

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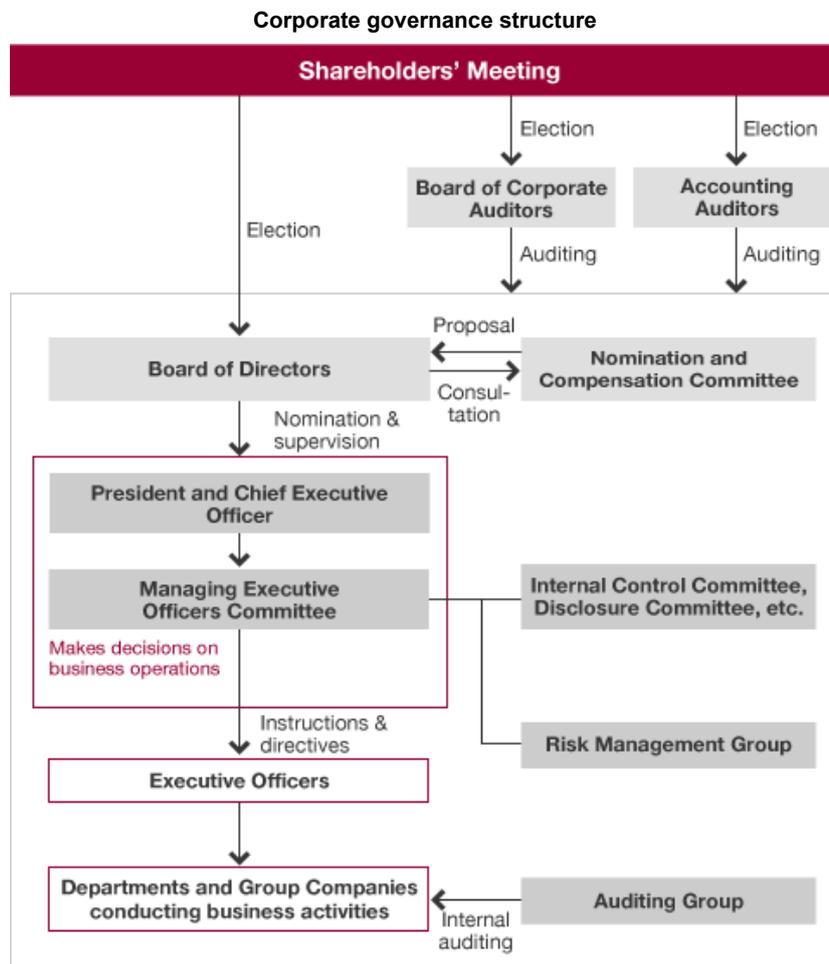
Our approach to corporate governance

We aim to increase operational transparency, achieve sustainable growth, and increase our corporate value in line with the basic principles of management set out in The ADVANTEST Way and Code of Conduct, a set of rules and standards of behavior that all executives and employees must observe. We clearly separate decision making and supervising functions from executive functions, enhancing management efficiency and transparency.

Management structure

The global business environment is changing more rapidly than ever before. To continuously increase our corporate value and competitiveness in today's world, we emphasize speedy decision-making and execution. We also place an emphasis on sound, highly transparent business operations in compliance with laws and regulations. In order to meet these challenges, we draw clear lines of authority within our organization and set responsibilities in accordance with each management function, assigning each role to the best person for the job.

Advantest utilizes a corporate audit system built around the Board of Directors and Board of Corporate Auditors. Since 2003, we have also introduced an executive officer system in order to improve our response times and enhance corporate governance.



Board of Directors

The Board of Directors makes decisions on management policy, strategy, and other critical matters for the Group. It also monitors and supervises the company’s executive officers to ensure business is conducted swiftly and efficiently. Effective June 2006, we shortened the directors’ term of office from two years to one, to clarify their management responsibilities and build a management structure capable of rapidly responding to changes in our business environment. The Board of Directors currently consists of seven directors*, of whom five are internal directors. Two are external directors.

In 2005, we also established the Nomination and Compensation Committee to discuss matters concerning the nomination and compensation of officers in consultation with the Board of Directors, and propose the results to the Board of Directors.

* As of April 1, 2012

Executive Officer System

Advantest has introduced an Executive Officer system to separate decision-making functions from executive functions, in order to boost management efficiency.

Executive Officers are selected by the Board of Directors as senior management dedicated to the execution of operations. They have the responsibility of swiftly and efficiently implementing management policies and strategies determined by the Board of Directors. The term of each Executive Officer is limited to one year to clarify their accountability.

There are a total of 17 Executive Officers*, some of whom are based in Japan while others are assigned to locations in North America, Europe, and Asia to enhance integration of the company’s global operations.

* As of April 1, 2012

Executive compensation

The Nomination and Compensation Committee discusses executive compensation in consultation with the Board of Directors and proposes the results to the Board of Directors. Director compensation is determined by the Board of Directors based on the above proposal, while auditor compensation is determined with the cooperation of the auditors after the above proposal is presented to the Board of Corporate Auditors by the Board of Directors.

Executive compensation at Advantest for fiscal 2011 was as follows.

Classification	Number of employees	Compensation amount
Directors	9	501 million yen
Corporate Auditors	6	76 million yen
Total	15	577 million yen

Notes

1. The above compensation amount includes stock-option related compensation and the fixed compensation for two Directors and two Corporate Auditors (including one External Corporate Auditor) who resigned at the conclusion of the 69th Ordinary General Meeting of Shareholders held on June 24, 2011.
2. The above compensation amount includes 39 million yen in compensation for two External Directors and three External Corporate Auditors.

Internal controls

We created an internal controls system compliant with the US Sarbanes Oxley (SOX) Act, enacted in July 2002. The system has since been upgraded to meet the compliance requirements of Japan's Companies Act, which came into effect in May 2006, as well as the Financial Instruments and Exchange Act (April 2008). In June 2011, our Internal Controls Committee assessed the efficacy of our fiscal 2010 internal controls, and met again in February 2012 to confirm the progress of assessment in fiscal 2011.

As part of an internal system of control, we carefully identify and classify potential risks that may be latent in our management environment, business activities, and company properties. We analyze the seriousness and probability of these risks, and formulate policies and procedures to properly manage them.

Furthermore, in the interests of consolidated group management where focus is placed more on consolidated financial performance than on separate aspects of financial performance, we ensure that the same high quality internal control systems are maintained and operated throughout Advantest Corporation and its affiliates. The internal control systems employed within Advantest's worldwide affiliate companies are operated regionally in accordance with the group wide, uniform policy formulated by the Internal Control Committee. Important matters concerning internal controls that occur within the Group are reported to the Board of Directors by the Internal Control Committee.

Audit system

The Auditors audit the Directors, Executive Officers and other executive bodies of the company in accordance with the audit policy and audit plan created by the Board of Corporate Auditors. They carry out their duties by attending the meetings of the Board of Directors and other important meetings, and conducting detailed reviews of Advantest's operations and assets. The Board of Corporate Auditors has four auditors, two of them full-time. Two are internal auditors and two external*. We have also established an Auditing Group as an internal audit organization. The Auditing Group monitors the status of Advantest's internal controls on a daily basis, and identifies problems and recommends improvements wherever needed.

* As of April 1, 2012

Internal auditing

Advantest's Auditing Group annually conducts an internal audit of risk and operational control of each Group company to ensure compliance with relevant laws and regulations.

As a listed company on the New York Stock Exchange, Advantest is required to comply with the US Sarbanes Oxley (SOX) Act. We therefore utilize the COSO framework* and the control self assessment (CSA)** technique to ensure that the operational processes of each division exceed the standards required. In recognition of the indispensability of these efforts in boosting the transparency of our business activities and building a positive corporate culture, we work hard to address each and every problem discovered during an internal audit.

* COSO framework:

A framework for internal control proposed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 1992. In order to ensure- largely for the benefit of shareholders - that internal control is performed systematically over the activities of the manager and all other personnel, internal control is defined as having three objectives: (1) effectiveness and efficiency of operations, (2) reliability of financial reporting, (3) compliance with applicable laws and regulations, and consisting of five components: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, (5) monitoring. These components are considered to be the standard elements by which to measure the effectiveness of internal control.

** Control self-assessment (CSA):

An internal control method that allows executives and managers directly involved in businesses of the entity to assess the effectiveness of the entity's control processes and risk management. With this technique, it is expected that risks can be identified, and control activities can be assessed and improved effectively and efficiently.

Compliance

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Compliance policy

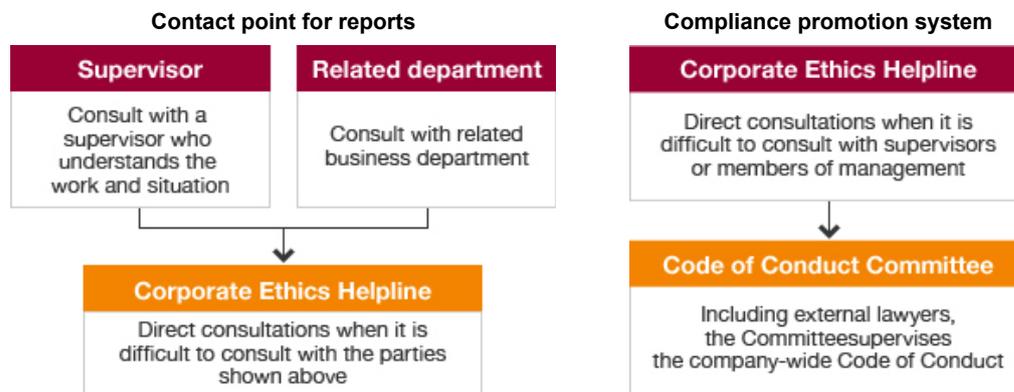
Overview of policy

Companies aiming for sustainable growth need employees who fulfill their social responsibilities and who carry a strong sense of ethics. They also need to earn the trust of stakeholders. Based on this belief, Advantest has established The ADVANTEST Way — the fundamental handbook which lays out our management direction and policy, and which comprises our Corporate Mission (“Technology Support on the Leading Edge”), Corporate Mantra (“Quest for the Essence”) and CSR Policy — as well as The Advantest Code of Conduct, which provides specific guidelines for employees to enhance their ethical awareness.

▶ [The ADVANTEST Way & Code of Conduct](#)

Compliance system

If there is any violation of — or any act that employees think unacceptable under — The ADVANTEST Way & Code of Conduct, employees are advised to first report this to their supervisors and, if necessary, to the managers of any other departments involved. However, with the understanding that in some cases employees may feel uncomfortable reporting to their supervisors, in 2006 Advantest opened a Corporate Ethics Helpline, which employees can use to discuss or report any compliance issues. Since the Corporate Ethics Helpline was set up seven years ago, it has received various reports, and, while respecting the privacy of reporting employees, has notified the Corporate Ethics Committee, which works with senior management and outside lawyers to address such problems. We will continue to deal earnestly with every employee report to ensure sound Group operations. Moreover, our global team of auditors posted in locations worldwide conduct periodic compliance audits to ensure that we, as a member of the international community, abide by different laws and regulations of respective nations and conduct business properly.



Compliance training

We have distributed The Advantest Way & Code of Conduct booklet to all Group company employees, and have also elicited their agreement to abide the principles set forth in that document. Still, the increasingly global nature of our development and manufacturing operations, particularly in the wake of our full integration of Verigy Ltd. in April 2012 and the launch of overseas manufacturing centers, has prompted an ever greater need for us to remind employees group-wide of the importance of compliance based on their understanding of varying laws and regulations of respective nations, while at the same time making certain that the company abides by laws and regulations worldwide.

Against that backdrop, Advantest provided employees of Verigy Ltd., ahead of the integration, with The Advantest Way & Code of Conduct booklet in February 2012, while also giving them instruction in that regard and eliciting agreement of all employees to abide by principles set forth in the document. Additionally, we have been taking steps since fiscal 2012 to build on our efforts to heighten awareness of laws and regulations in respective countries, through collaborative initiatives between the legal division and our global team of auditors posted in various regions. In line with that, we began offering periodic e-learning sessions covering The Advantest Way & Code of Conduct to all Group employees, who in turn pledge to abide by the principles set forth in that document.

Risk Management

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Risk management basic policy and structure

The Advantest Group will conduct measures to minimize damage should any of the following events occur:

1. If damage is caused to buildings or facilities, or if networks and systems stop functioning making it difficult to continue our business operations, or if there is the possibility of this type of situation occurring due to a disaster or accident;
2. If there is the danger of one of our executives or employees being killed or injured or their life or physical health is put at risk due to a disaster or accident;
3. If there is an occurrence of scandal or incident that has the potential to become a social concern; or,
4. If any event other than those described above were to occur that could cause a significant impact on the business of the Group or its affiliates due to a disaster or accident.

Organizational structure for promoting risk management

In December 2001, Advantest established a Risk Management Group with the Company's president as its head. The Risk Management Group will convene when any of the above events occur, and will consolidate information flows, evaluate the problem, direct the initial response, and formulate recovery plans. The Group will remain in operation until recovery is complete.

Business Continuity Plan

Advantest Corporation established the following basic policy during fiscal 2007 in preparation for large-scale natural disasters. We have devised our business continuity plan based on this policy.

Business Continuity Plan (BCP) — basic policies

- We will place top priority on ensuring human safety should a major disaster strike.
- We will fulfill our responsibility to our stakeholders by ensuring that any impairment to our operations has a minimal adverse impact on our suppliers and other stakeholders.
- We will cooperate with local bodies in regular disaster prevention measures, and if a disaster should strike near any of our locations, we will contribute to local recovery.

After the Great East Japan Earthquake in March 2011, we began reviewing our disaster prevention arrangements. In fiscal 2012, we revised our Business Continuity Plan (BCP) to take into account an earthquake directly under Tokyo and flooding along the Tone River, and to ensure the integrity of our supply system even in such disasters. Within the BCP, the following measures are stipulated in line with the basic policy.

Basic Policy	Specific Measures
1. Ensuring human safety	In addition to continuing with regular disaster prevention drills and safety confirmation drills, we will strengthen crisis management and business continuity systems, making human safety the top priority.
2. Fulfillment of supply responsibilities	When an earthquake occurs, supply systems at our manufacturing plants (Gunma Factory, Gunma Factory 2) will continue. In case of a flood, it is assumed that supply systems will be maintained at alternative manufacturing sites.
	In preparation for cases where workplace attendance is temporarily impractical because of damage to offices or infrastructure, we will establish an environment allowing high-priority work to be done from home.
3. Regional & social contributions	Our Gunma R&D Center has been designated by the town of Meiwa as an evacuation shelter in case of flooding, and we contribute to the area by keeping the site ready for flood evacuees.

Fiscal 2013 projects

Based on the revised BCP, we promoted disaster prevention and amelioration measures in fiscal 2013. Response manuals were prepared for related divisions, and coordination drills were carried out among the Company's main offices.

In future, we will expand education and training efforts with specific disasters in mind. As we entrench the BCP in our corporate culture, we will devise a Business Continuity Management System (BCMS), which will include periodic inspections and improvements of the BCP.

Advantest's CSR

CSR Report 2014

The ADVANTEST Way and the Code of Conduct

The ADVANTEST Way and the Code of Conduct provides a set of rules and standards of behavior that all executives and employees must observe when carrying out the Group's global corporate activities. At Advantest, we take a global perspective when implementing our company management and our social and environmental activities so that we may use our cutting-edge 'measurement and testing technologies' to fulfill the expectations that our customers and all of our stakeholders throughout the world hold for us.



▶ [The ADVANTEST Way and the Code of Conduct](#)

CSR Organization and Policy

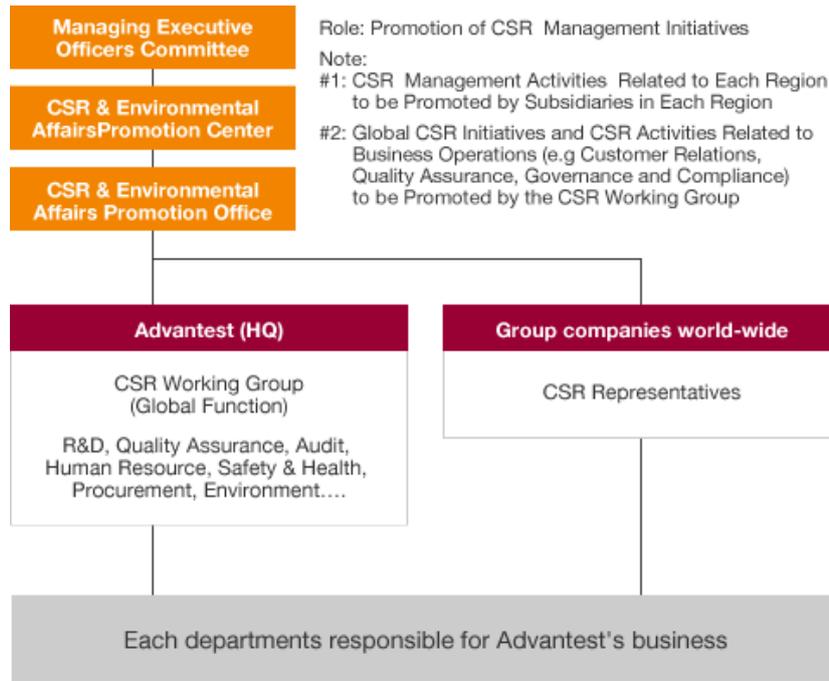
Based on the Advantest Group's corporate mission of delivering "Technology Support on the Leading Edge," our purpose as a Group is to use our 'measurement and testing technologies' to support the development of society and to help to ensure that people throughout the world can live safely and securely. We provide our customers in many countries with a range of products and services and we are contributing to society through our business activities in our core competence field of 'measurement and testing technologies.' In addition, we are using our business activities to meet the needs of our stakeholders and of society and to fulfill our social responsibilities as a group with a presence throughout the world.

Organization for Promoting CSR

We established the CSR & Environmental Affairs Promotion Center, which is headed by the President and CEO, in order to clarify the objectives and responsibilities of the executives within the Advantest Group. The Center is responsible for the overall promotion of our CSR initiatives and affairs. Beneath this organization we have positioned the CSR & Environmental Affairs Promotion Office, which is responsible for implementing our social contribution activities. In addition, all divisions and departments within the Company exchange CSR-related information and conduct CSR activities on a daily basis; this in turn supports our compliance with ISO26000 standards.

Moreover, we established the CSR Working Group to promote CSR initiatives horizontally across the entire Group. The Working Group is staffed by members of the various departments that are responsible for the Group's CSR and it is developing and coordinating activities on a global scale.

Advantest's Organization for Promoting CSR



Initiatives Related to the Protection and Respect of Human Rights

CSR Report 2014

Basic Concept of Personnel Management

We treat our employees — each one an important asset — with respect and fairness. We also support our employees' diverse lifestyles and individual development and are committed to having them grow along with the Company. To protect these valuable assets and increase their value, we drafted our Basic Concept of Personnel Management in September 2000. This document supports proactive human resource development with consideration for fairness and soundness.

Advantest's human resources basic philosophy

At Advantest, we consider our employees to be indispensable business assets. We have established the following philosophy that underpins our personnel-related policies, and we are constantly working towards the achievement of this philosophy.

1. Focusing on results

We promote a human resources system that highly regards and fairly handles employees that exhibit a can-do spirit with which they overcome challenges and achieve outstanding results.

2. Taking into consideration fairness and soundness

We take constant care to ensure that all of our policies and systems are extremely objective, fair, and sound so that we can achieve the biggest and best results with our employees as a result.

3. Pro-actively supporting human resources development

We actively support personnel that face self-development through persistent hard work in order to acquire advanced specialist knowledge and a broader education.

Reporting and consultation framework for human rights issues

We have set up a Corporate Ethics Helpline to address human rights issues and concerns not readily resolvable in the workplace, designed so that those facing such issues can draw on the support of our Corporate Ethics Office and Corporate Ethics Committee. Reports and consultations are handled mainly by the Corporate Ethics Office, and every precaution is taken to prevent employees seeking help from suffering any disadvantage or retribution, for example, by protecting their anonymity. This helpline can also be used from overseas.

Through this activity, Advantest aims to foster a stress-free environment where employees respect one another's human rights.

Creating a workplace that respects human rights

The ADVANTEST Way and The Code of Conduct pledge that we will respect human rights without discriminating on the basis of age, gender, nationality, religion or other factors.

In addition, every year since April 2006 we have included education on human rights themes such as prevention of sexual and power harassment in training for new employees and new managers.

In fiscal 2013, we launched an e-learning program on The ADVANTEST Way & Code of Conduct for all Group employees.

Harassment prevention

To prevent sexual harassment and power harassment, in July 1999, we created a manual and placed it on the intranet for easy reference.

The key points are as follows.

1. Definition of sexual and power harassment

2. Sexual and power harassment in the workplace

3. Impact of sexual and power harassment

4. Sexual and power harassment prevention measures

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

Relations with labor unions

Labor unions currently representing our employees include company union JEIU, in which over 99% of our labor union membership is enrolled, and industrial union JMIU. Advantest negotiates in good faith with each of these labor unions.

■ Considering human rights throughout the supply chain

In order to fulfill our social responsibility and that of our suppliers throughout the supply chain, the Advantest Procurement Policy is disclosed on our website and suppliers are requested to comply with the relevant laws, regulations, and social codes to ensure that human rights are considered across supply channels. In addition, we administer a questionnaire to our major suppliers each year so we can better understand current realities. The fiscal 2013 questionnaire, administered in March 2014, elicited responses from suppliers indicating that human rights and labor issues were included in company policies and codes of conduct as a form of corporate social responsibility. We plan to conduct a similar questionnaire in fiscal 2014 to confirm the response of suppliers to our procurement policy.

▶ [Advantest Procurement Policy](#)

Maintaining and Creating Employment

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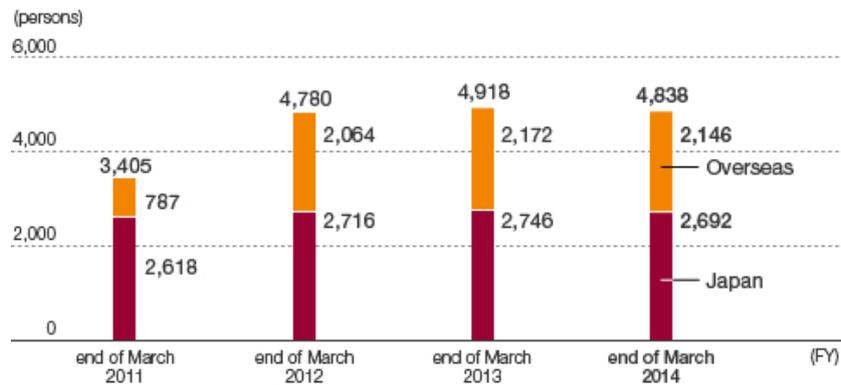
Status of employment

The Advantest Group pledges in its basic policy to respect the human rights of every employee and eliminate all forms of discrimination on the grounds of race, creed, gender, nationality, religion, physical disability, etc. Moreover, we are eliminating discrimination from recruitment and employee compensation practices, and striving to hire, cultivate, and promote personnel who will shine on the global stage.

The number of employees is shown below.

The integration of Verigy into Advantest operations in July 2011 greatly increased the number of foreign employees.

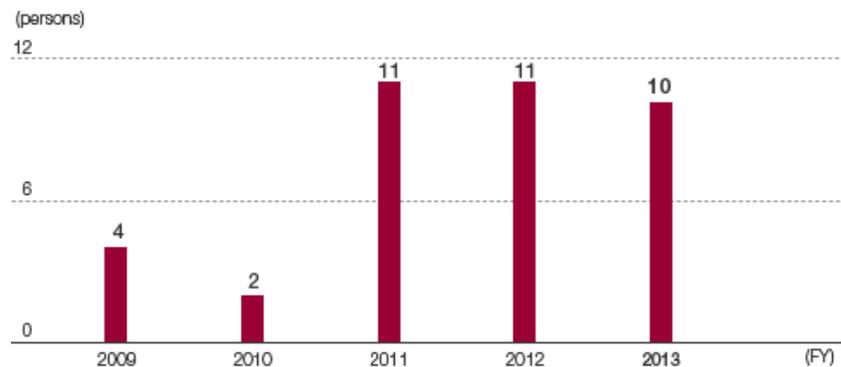
Status of employment



Active use of older employees

Since April 2006, when the age at which national pensions are awarded was raised, it has been mandatory to take steps toward employing older workers up to the age of 65. Accompanying this change, Advantest has revised its re-employment system for older individuals and is responding flexibly to such people desiring employment. Our re-employment activities entail deciding on employment packages and job postings most suitable for actively taking advantage of the skills and know-how possessed by older adults.

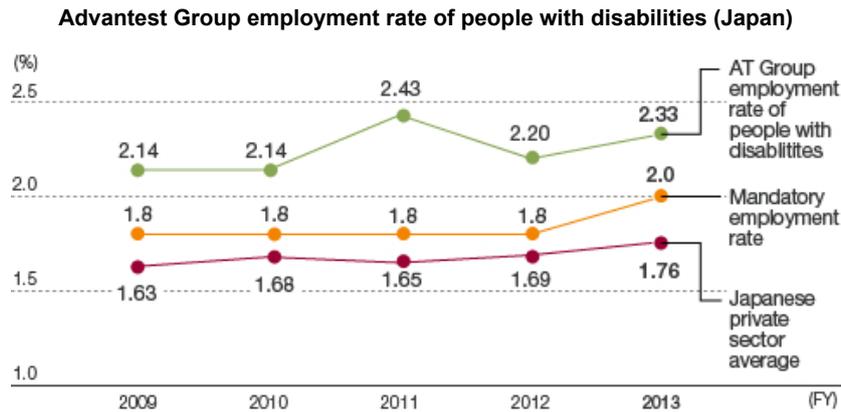
Users of the re-employment system (Advantest Corporation)



Employment of people with disabilities

Advantest Green Corporation (AGC) was established in September 2004 as a special subsidiary of Advantest for the purpose of promoting the employment of people with disabilities. Since then, AGC has been striving to offer job opportunities for and continuous employment of people with disabilities under the slogan, "Support employee independence and achieve social growth in partnership with the local community." We provide AGC employees with a pleasant working environment in operations such as landscaping, cleaning, reception duties, selling bread, deliveries, and the management of dormitories. Advantest also actively takes part in various activities in partnership with local communities and relevant organizations to create workplaces where all employees, regardless of their disability status, can work comfortably.

To expand employment opportunities for the disabled, we are taking steps to make the workplace environment more conducive to their needs by, for example, standardizing work procedures, introducing equipment replenishment systems, and taking other initiatives to streamline tasks. We are also considering moves into new job categories, bringing vocational trainees on board, holding on-site workshops, and otherwise pursuing initiatives that will carry over to new employment.



Fair Evaluation and Treatment

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The Advantest Resource Management System (ARMS)

At present, our overseas sales ratio is over 90%, and among our approximately 5,000 employees, more than 40% (2,100) are overseas, making Advantest a global company. Given this structure, we introduced the Advantest Resource Management System (ARMS), a unified human resources system, in April 2012. ARMS promotes cooperation among multiple bases around the world, as well as smooth personnel exchanges and transfers.

Global Human Resource System



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

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

Global Job Level and Title

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

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

We are in the process of constructing a global personnel database, which we plan to use in forming global project teams and to facilitate smooth personnel transfers.

Moreover, we are setting up human resource development schemes with a worldwide reach, promoting employee diversity through active efforts to hire and promote employees with differing backgrounds, and taking decisive steps toward forging an employee recruitment strategy that accords with the business strategies of our operations in diverse countries.

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

Pension system

Domestically, Advantest employs a point system to determine retirement benefits. We have also introduced a prefunded company pension system with defined benefits. Management of pension assets is entrusted to the Advantest Corporate Pension Fund. Retirement benefits are divided into lump-sum payments, which are paid by the Company, and the pension fund portion, which can be paid out according to years of service. In both cases, Advantest shoulders 100% of the cost.

Human Resources Development

CSR Report 2014

Our approach to employee development

To enhance corporate value, we need to ensure that employees clearly understand their role and take the effort to develop their capabilities. We expect our employees to show initiative toward refining their skills, and at the same time encourage them to effectively leverage their respective strengths in the global business arena as part of our team.

Moreover, exceptional management ability to harness combined group capabilities plays a crucial role in our turning innovative ideas into products and delivering them to the market.

Our human resources development efforts are based on the three policies outlined in the illustration below in line with the Advantest Human Resource Development Policy established in April 2003.

Focusing on the three policies of developing an adventurous spirit among our workers, providing our workers with a cosmopolitan outlook, and improving the quality of management, we conduct human resources development to produce a professional workforce capable of navigating the global business environment. Through this policy, Advantest actively supports employees who work consistently to refine their skills, acquire greater expertise, and broaden their knowledge.



■ Status and implementation of education and training system

The Advantest makes training programs available to all employees, covering everything from the basics of specific jobs to the latest technological trends. We persistently look for ways to further improve these programs to ensure that they are better geared toward shifts in the business environment.

Furthermore, during fiscal 2011 we identified the qualities required of employees to meet the needs of our business strategy in response to the rapidly changing business environment and our own globalization, and have created a training system that will help develop such qualities. To make this training even more effective, we are forging and implementing new programs, including the expansion of our global training program. New programs will be delivered by specialists to make them more effective, and we will selectively use in-house or external lecturers depending on the program content.

We plan to restructure our education system by factoring in opinions from overseas as well as those from Japan, thus giving it a more global perspective.

Status and implementation of education and training system

Program	Objective	For	No. of times implemented	No. of trainees
Subordinate Development Training	Enhance management skills	Managers	1	24
Career Development Program	Enhance management skills	General employees	1	14
Evaluator Training	Enhance management skills	Managers	1	24
Problem-Solving Training	Enhance marketing skills	Managers	1	24
TM Method, Problem-Solving Training (Introductory)	Enhance marketing skills	General employees	2	49
Technology & Marketing Training	Enhance marketing skills	Managers	1	25
Global Mindset Training	Enhance communication skills	Managers	2	43
Cross-Cultural Understanding Training	Enhance communication skills	General employees	3	124
Third-Year Training	Enhance communication skills	Third-year employees	1	31
Approaches to Learning English	Enhance language skills	General employees	1	107
Idea Hacks! Creative Thinking Workshop	Develop ability to generate ideas	General employees	1	19
New Employee Training	Develop basic skills	New employees	1	59
Senior Life Plan Design and Pension System Seminar	Acquire knowledge	General employees	2	23
Technology Seminar	Acquire knowledge about the latest technologies	Engineers	61	1,317

Development of engineers

We place particular emphasis on educating engineers with the aim of ensuring that our products continue to underpin leading-edge technologies.

We have created a training program accessible to every employee of the Group and covering a wide range of subjects, from basic knowledge to the latest technologies.

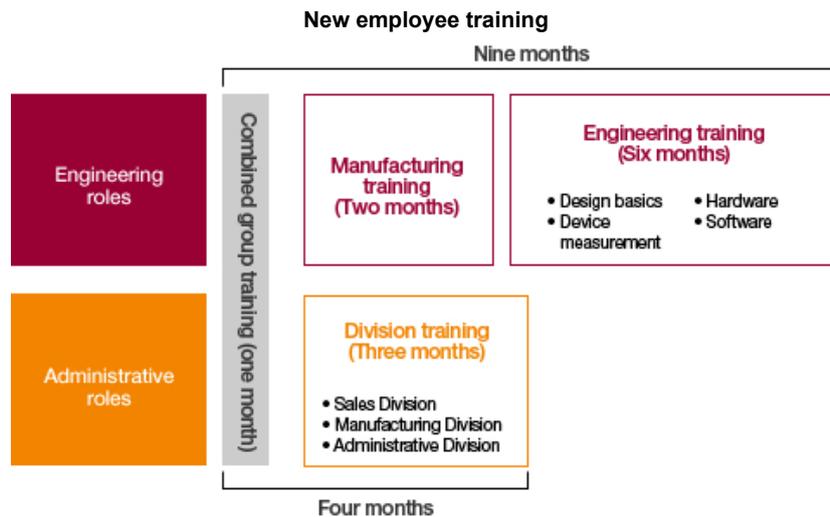
In fiscal 2013, about 60 technology seminars were provided, with approximately 1,300 engineers participating. The program now includes seminars hosted by Advantest's senior engineers. Meanwhile, one of the seminars features a lecture on design quality by an employee in charge of design, thereby shedding light on the basic technologies required to maintain and improve product quality based on the speaker's first-hand experiences. The program acts as a means of imparting not only technical knowledge but also Advantest's DNA to successive generations.

New employee education and training

Advantest's training program for new employees starts with a month-long, combined-group segment covering the basics of working life. After that, the new recruits are put into one of two occupation-specific training regimes, depending on whether they have been hired for engineering or administrative job assignments.

The new crop of engineers start off learning design basics, followed by conduct device measurement training using actual testers, hardware training that involves hands-on hardware development, software training during which they learn about programming, and training in production methods constituting the foundation of manufacturing industries. In this way, they learn the skills required of Advantest engineers. New administrative employees do training in the three fields of sales, production, and management to get an overview of the Group's business and how the divisions are interrelated.

By having new employees experience various areas of company operations in this way, we are able to ensure that they will clearly understand their own roles, and value teamwork with other divisions. Our training period for new recruits acts as a key formative phase in their professional development as Advantest employees.



Accepting the Diversity

CSR Report 2014

Diversity Management

Leveraging diversity in human resources management

Advantest accepts the diversity of its workforce and strives to create a workplace where every employee can achieve their potential and participate to the fullest. As stipulated in the Advantest Code of Conduct, we respect human rights and are determined to eliminate discrimination on the basis of race, creed, gender, nationality, religion, or physical disabilities.

Recruitment and use of global human resources

Advantest's business has become more global in recent years, and securing personnel who understand other cultures, have high-level communication skills, and can see business through on the global stage has become imperative for us. As the business environment becomes more borderless, we find it increasingly necessary to use personnel exchanges with overseas affiliates to promote globalism in our human resources development and corporate structure.

We are putting more effort into hiring foreign students both overseas and in Japan in order to secure employees who can fulfill missions on the global stage. We continue to conduct personnel exchanges with overseas affiliates as a way of giving employees business experience in a global environment. Through everyday business and training in both organizations, technology and knowhow are shared, allowing each employee to learn more advanced technology plus adaptive skills for a diverse business environment.

In 2013, planning to expand employment of foreign students, we participated in recruitment events aimed especially at such students at multiple locations in Japan and overseas (Singapore). Since most countries use a different school year from Japan's, we took a flexible approach to starting dates for foreign employees, thus easing one big stumbling block.

The human resources exchanges with overseas affiliates are implemented frequently at each division regardless of type of job. Under this program, which is specifically designed to promote interaction among personnel in Japan and abroad, employees participate in the exchange either on a short-term or long-term basis.

These activities enabled us to recruit students in overseas countries and foreign students studying in Japan. We now plan to extend the global reach of our recruitment activities going forward through further participation in similar job fairs, both overseas and in Japan. Although new employee training is generally geared toward new graduates who join the company in April, we are modifying this to allow all new graduates to take part in the training irrespective of when they start work.

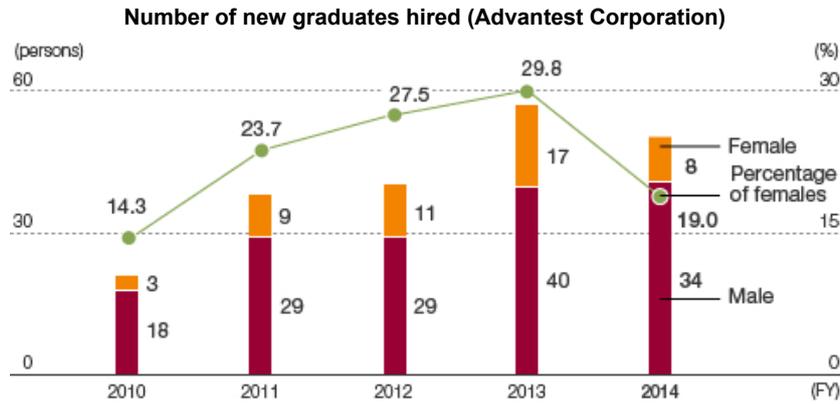
As of March 2014, Advantest Corporation counted employees from 10 countries in its workforce, and six of the Company's 21 executive officers were non-Japanese. We will continue to provide equal opportunities to all promising individuals regardless of nationality while underscoring the need to develop global personnel and global organizations through borderless promotion and personnel exchange.

Appointment and use of female employees

We accept diverse values at all times, and we believe in the need for a corporate culture where employees can flourish regardless of their gender, age, or nationality. As of March 2014, however, women accounted for 13.6% of all Advantest employees and 1.7% of all managers, so we recognize a need to increase the recruitment of women.

Advantest hires a lot of new graduates in technical fields where male students are traditionally in a large majority. Conventional recruitment activity has not given women sufficient motivation to take our employment test. Mindful of this situation, we have stepped up our participation in a job fair for women and planned and held company tours to raise awareness of Advantest among prospective female recruits, specifically engineering students. At the job fair for women, we have met with a large number of students and explained Advantest's workplace environment, possible career paths, and various programs, highlighting the areas in which female employees currently excel.

As a result of these efforts, women accounted for 19% of new recruits in fiscal 2014. We will continue our efforts to increase this figure.



Supporting a Better Work-Life Balance

Ensuring a good work-life balance

The Advantest supports its employees in their pursuit of a good work-life balance based on Japan's Act on Advancement of Measures to Support Raising Next-Generation Children. We believe that the work-life balance concept will help make the company a comfortable place to work for all employees and ultimately contribute to increasing our corporate value. Therefore, we are taking measures to reduce overtime hours and create a work environment that facilitates a good work-life balance, allowing our employees to actively pursue outside interests and become well-rounded individuals.

The most important issue regarding work-life balance is the reduction of overtime hours. To address this issue, we set the goals specified below and then focused on increasing operational efficiency, encouraging a change in employee mindsets, and making the most of available work arrangements such as flextime and shift work.

Our overtime reduction goals are:

1. Number of employees with monthly overtime of 80 hours or more: zero
2. Average monthly overtime hours: 36 or fewer

We have also made start and finish times more flexible and introduced half-day leave slots to make it easier for employees with working spouses to adjust their work schedules so that they can better share household chores and responsibilities.

In fiscal 2013, the Company reduced maximum working hours under Japan's "Article 36 Agreement," pledged to deal seriously with overtime reduction for all employees, and reminded supervisors of their responsibility to ensure that employees do not work excessive hours. Since fiscal 2011, we have made announcements via the public address system urging employees to leave the office on time on Wednesday, and we have been notifying the immediate supervisors of employees found to be working excessive overtime (15 or more hours of overtime already clocked by the 15th of the month, or 70 or more hours by the 20th and 25th of the month, or three days of holiday worked already by the 20th and 25th). In the second half of fiscal 2013, we began issuing notices to supervisors when employees clocked five or more hours of overtime by the 10th of the month, or 10 or more hours by the 20th of the month, in an effort to further reduce overtime hours.

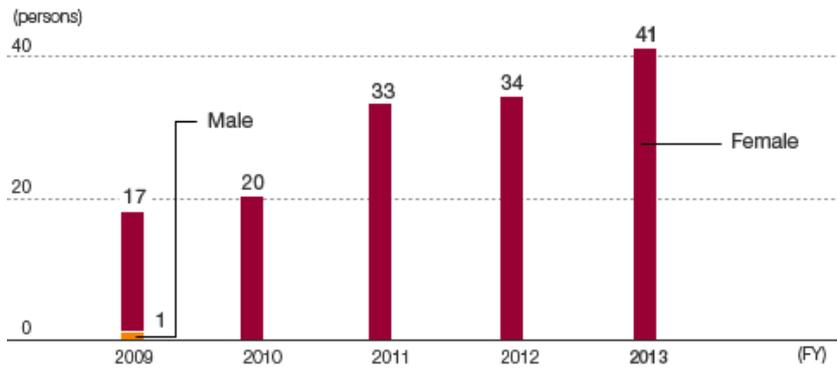
Although we were able to achieve our goal of fewer than 36 average monthly overtime hours as a result of these initiatives, we were not able to achieve our goal of zero employees working 80 or more monthly overtime hours. The reason was that we had to deal with unexpected problems and meet short lead times. Countermeasures to prevent recurrence were discussed at leader meetings.

We plan to work towards achieving the same goal in fiscal 2014.

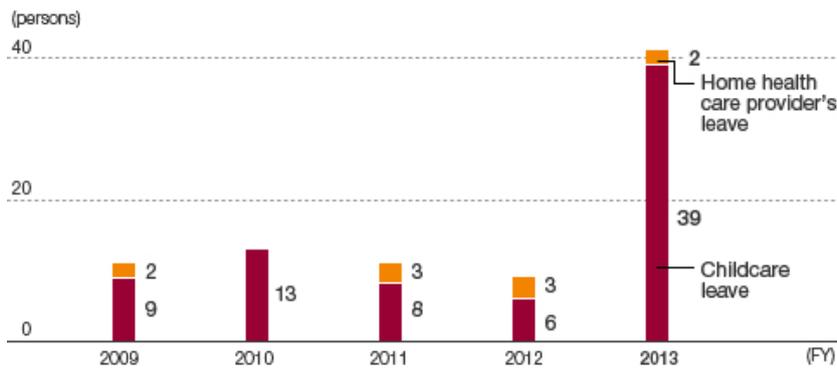
We have completed some improvements with regard to the work-life balance issue, and will ensure that all employees are well aware of the new systems and work to improve them while monitoring how they are utilized.

In light of the recent nursing care situation, beginning in April 2013 we extended home healthcare leave and the period of reduced working hours for home healthcare from one year to three years.

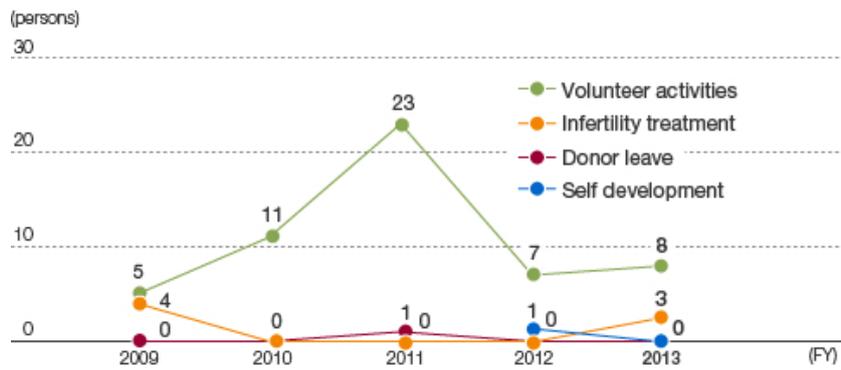
No. of employees to whom childcare flexible start time arrangements applied



No. of employees taking home healthcare leave



No. of employees who took cumulative paid leave



Supporting a better work-life balance

The Advantest Group supports the achievement of a good work-life balance by its employees based on Japan's Next Generation Education and Support Promotion Act. Advantest carries out various measures aimed at helping our employees to balance work with child-rearing while achieving their full individual potential.

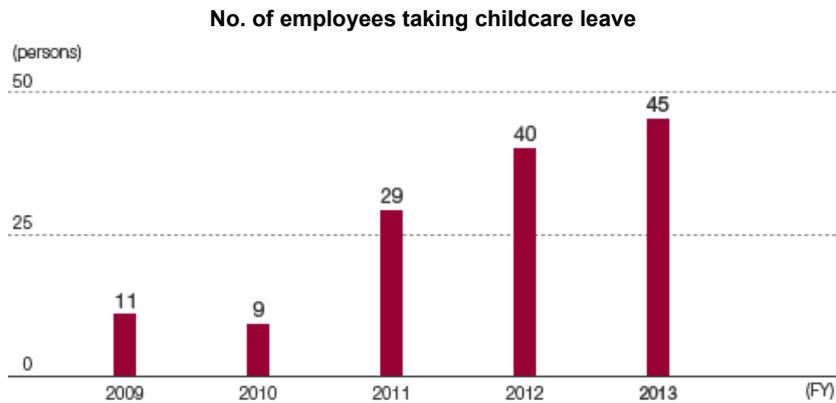
Expectant mothers are eligible for paid leave to see their doctor or paid time off in case of a difficult pregnancy (both programs introduced in April 2007,) while employees with young children are entitled to childcare leave of up to two years (introduced in April 2001). Shortened working hours are also available for employees with children up to the third grade.



Work-Life Balance Support Guide

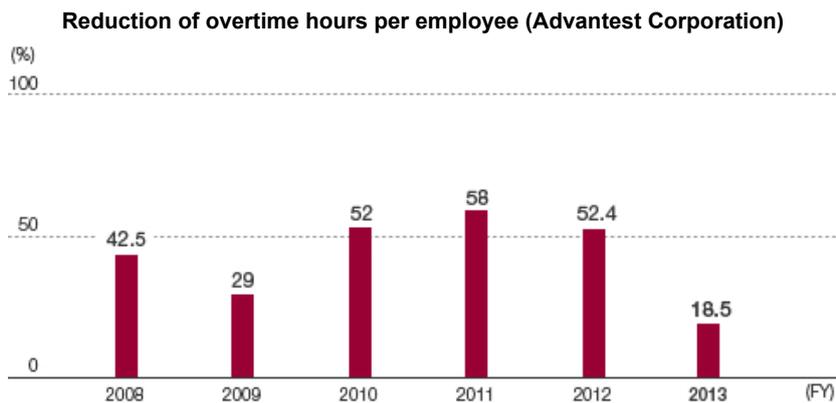
In 2007, we placed the Work-Life Balance Support Guide on the intranet to gain broader recognition of the various programs Advantest provides and encourage take-up. The guide also offers information on related services provided by local governments.

The number of employees on maternity leave as of the end of fiscal 2013 was 30.



Reducing overtime hours

In November 2006 Advantest established the Working Hours Improvement Committee composed of company employees and labor union members for the purpose of reducing overtime hours. In addition, subcommittees set up in each division have studied the causes of overtime work and continued to conduct measures aimed at reducing overtime hours. As a result, the number of monthly overtime hours per employee did not exceed 20 hours in fiscal 2013.



Occupational Health and Safety

CSR Report 2014

Advantest Group Health and Safety Policy

Advantest Group recognizes that Health and Safety (H&S) is one of the important aspects of our business operation. This policy is set forth to ensure every Advantest employee's Health and Safety.

1. Health and Safety First

We will make H&S as the first priority for employees in all Advantest operation groups.

2. Compliance with Laws and Regulations

Aim to achieve compliance with legal requirements through good occupational health and safety performance.

3. Regular Review of Health and Safety Compliance

To support this policy we will provide employees with an annual activity plan which will address every business location's H&S regulations through management support.

4. Education and Training

Ensure that employees receive appropriate training, and are competent to carry out their designated responsibilities.

5. Disclosure of Health and Safety

To raise awareness, we will announce our H&S information to all employees publicly.

Promoting occupational health and safety activities

In fiscal 2013, we put the annual plans drafted by each occupational Safety and Health Committee into practice. We also took the safety measure of adding three special subjects to the new employee training curriculum: one for operators of industrial robots and one each on how to handle low- and high-voltage electricity.

In fiscal 2014, we plan to expand the coverage of workplace leader training for safety in cooperative operations based on the theme of "zero accident injuries." By taking safety measures in response to a reassessment of in-factory risks, we aim to wipe out serious accident-caused injuries. Returning to basics, we will thoroughly consider where danger arises and implement basic education on injury avoidance. We want to foster an in-house culture of safety.

Mental Health

At Advantest we believe that vigorous employees make for a vigorous workplace. Accordingly, our Health Promotion Office supports efforts to ensure both the mental and physical health of our employees so that we can provide a safe and comfortable workplace environment for them.

In fiscal 2012, we shifted our focus to prevention-oriented wellness and introduced testing of stress levels. By quantifying stress (thus making it visible), we promote stress awareness among all employees, which is useful in self-care. The fiscal 2013 stress diagnosis test, which was accessible through the corporate intranet, drew an 89.0% response rate (+4.6ppt YoY). The 5% of employees with the highest diagnosed stress level were invited to attend counseling (and 14% did). With the introduction of an e-learning program, we reinforced self-care (88% participation).

A course on high-stress work environments for managers (48 participants) raised awareness of the need to improve high-stress workplaces. In this way, we made progress towards workplace formation that will reduce the incidence of mental health issues. Since fiscal 2012, comprehensive health risks have improved by five points in the Company. We will continue to analyze surveys and support mental wellbeing.

Health care

Health examination results for fiscal 2012 revealed that high rates of blood lipids were a problem in our workforce. To improve the situation, we launched a three-year plan to address lipid abnormalities, with a special focus on hyper-LDL cholesterolemia. A survey administered in the second year of the plan (fiscal 2013) showed that 60% of respondents were unsure why a high level of LDL cholesterol was bad and did not know what to do about it. Therefore, as a post-exam measure we explained this condition to 394 employees via easily comprehensible visuals (models and pamphlets) and offered guidance on how to combat the problem through exercise and diet.

The incidence of hyper-LDL cholesterolemia is seen to rise sharply from people in their 20s to those in their 30s, and it corresponds with the upturn in rate of obesity. To educate the younger generation, we have introduced the subject of healthy eating into new employee training.

In fiscal 2014, we will wait for an assessment of fiscal 2013 guidance results and then promote health and wellbeing through new measures.

Fair Trade

CSR Report 2014

Policy on procurement (The Advantest Procurement Policy and CSR Procurement Policy)

The Advantest Group's CSR Policy pledges respect for our suppliers, places value on open communication with our suppliers, and maintains fair business relationships in accordance with relevant laws and regulations. We are also committed to sharing values and building collaborative relationships with our suppliers, toward our goal of achieving mutual growth.

▶ [Advantest Procurement Policy](#)

Framework and system for managing fair trade (CSR procurement)

To promote and maintain fair trade practices, the Advantest Group has established the Procurement Administrative Department independent of the Purchasing Division. The department administers a CSR questionnaire to suppliers once a year and also conducts an evaluation of supplier QCD* on a quarterly basis. We provide feedback to suppliers on the results, a process which helps us to grow together with our suppliers.

An audit is conducted by our corporate auditors on transactions with suppliers twice a year to confirm that there are no issues or deviations from standard commercial practices. In addition, an internal control audit by an external body is conducted once a year. This audit confirmed that there were no issues during fiscal 2013.

Furthermore, we manage total order balances through checks at the end of each month to ensure there are no omissions in acceptance inspections. For items for which there is a long delay from the order date to the acceptance inspection, the reason and planned acceptance inspection are clarified and a report is made to the corporate auditor.

If Advantest or its employees do not appear to be living up to our Code of Conduct, trade contracts, or laws in dealings with suppliers, we encourage suppliers to report the incident in the "[contact](#)" window of our website.

A report will not adversely affect the person making the report or his / her company. We will investigate, and if necessary, stop the relevant conduct and take measures to prevent a recurrence.

* Note: QCD is an acronym of Quality, Cost, and Delivery time.

Training on conducting fair trade

In fiscal 2013, Advantest conducted seminars on the Subcontractors Act not only for purchasing staff, but also for and other employees. We plan to provide ongoing training on fair trade practices going forward.



Seminar on the Subcontractors Act

Conflict minerals

In response to the Dodd Frank Wall Street Reform and Consumer Protection Act, Section 1502 (the conflict mineral section), Advantest participates in the JEITA* Responsible Minerals Trade Working Group and is addressing the problem of conflict minerals in tandem with this industry association.

In 2013, we conducted a survey among our suppliers using the EICC/GeSI reporting template on conflict minerals, and have disclosed the results.

* Note: JEITA is the Japan Electronics and Information Technology Industries Association.

▶ [The fiscal 2013 survey results](#) (Form SD, English, PDF: 77.7KB)

Building a win-win relationship with suppliers

At Advantest, we hold a New Year's party, meeting, and reception for suppliers once a year, giving participants an opportunity to exchange opinions with Advantest executives.



New Year's party

Information Security

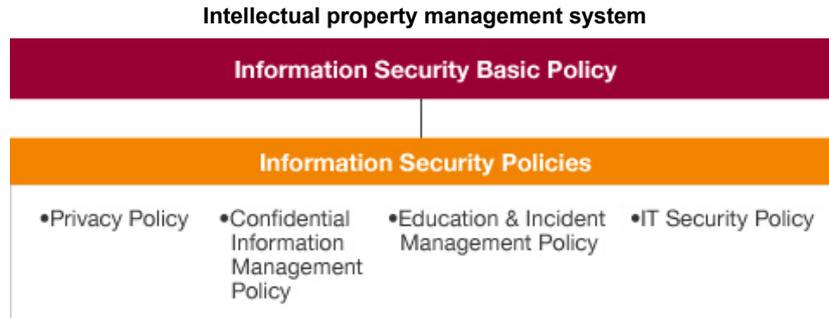
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Information security management policy

Advantest is fully aware that information we receive from suppliers and that pertaining to our technical and sales operations are considered important assets, and to effectively manage this information we pursue information security practices that include developing regulations, constructing control systems and providing employee training.

Policies and rules relating to information security

Advantest has established an Information Security Basic Policy. Rules are specified in four policies: our Privacy Policy, Confidential Information Management Policy, Education & Incident Management Policy, and IT Security Policy.



Information security management system

Advantest regards implementation of information security controls as a key management issue, and has accordingly assigned the Senior Executive Officer to act as Information Security Officer responsible for such systems on a global basis.

Moreover, we have set up a system that enables our offices in respective countries to autonomously address information security issues. Under that system, Regional Information Security Officers posted in respective countries bring a variety of viewpoints to the table in the course of deliberating on potential information security measures to be applied on a group-wide basis, and also when considering which policies and rules should be adopted, or otherwise revised or abolished.

Specifically, the head of each Group company's administration division has been assigned to the position of Regional Information Security Officer, responsible for security management in their respective regions. Meanwhile, members from related divisions in respective countries have been tasked with implementing information security measures.



Information security training

Based on our belief that people are the last line of defense in information security, we work to ensure that employees are familiar with the Company's information security policy and associated rules. We administer information security training on each policy — Privacy, Confidential Information Management, Education & Incident Management, and IT Security — to all employees in Japan and overseas.

Going forward, we intend to continue developing more practical content and offering more pragmatic training through learning activities that entail repeated exposure to information security rules and content covering key topics in that regard.

Initiatives for strengthening information security

In fiscal 2011, we adopted a system whereby internal audit divisions perform information security audits, which enables us to conduct more objective rules-based checks and provide feedback to divisions that have been audited.

In updating our rules governing access to computer equipment, we dropped requirement stipulating that employees must use encrypted PCs only, and now allow them to use thin client computer platforms through which they can perform work in secure environments without the prospect of leaving traces of data behind after use. Also, we made sure that our uniform Group-wide guidelines for business-related use of smartphones enable our employees to draw on such devices effectively in a business context, and in a manner that facilitates better customer service.

At some point we are going to gauge the effectiveness of our information security measures and will consider objective criteria based on which we can evaluate our information security system and pinpoint its strengths and weaknesses.

Confidential information protection

Our Information Security Basic Policy defines confidential information as that which has been disclosed by clients under contract along with that which is important to the company, and moreover the policy stipulates that such information be handled in accordance with relevant regulations.

Accordingly, we are committed to ensuring that confidential information is not divulged outside the company by ensuring that it is protected through use of adequate controls governing its storage, disclosure and handling otherwise.

Personal information protection

We consider the privacy of personal information entrusted to us to be very important, and accordingly take steps to ensure that it is properly protected and managed.

▶ [Advantest Privacy Policy](#)

Our commitment to safeguarding personal information entails posting personal information managers in divisions handling such duties, and furthermore ensuring that those managers properly carry out their duties in regard to overseeing such information. Furthermore, we perform regular audits of personal information control and use practices in respective divisions, and make improvements whenever deficiencies are discovered.

In Group companies outside of Japan, Regional Information Security Officers work to protect and manage personal information in accordance with the laws, regulations, and demands of each respective country or region.

Intellectual Property Protection

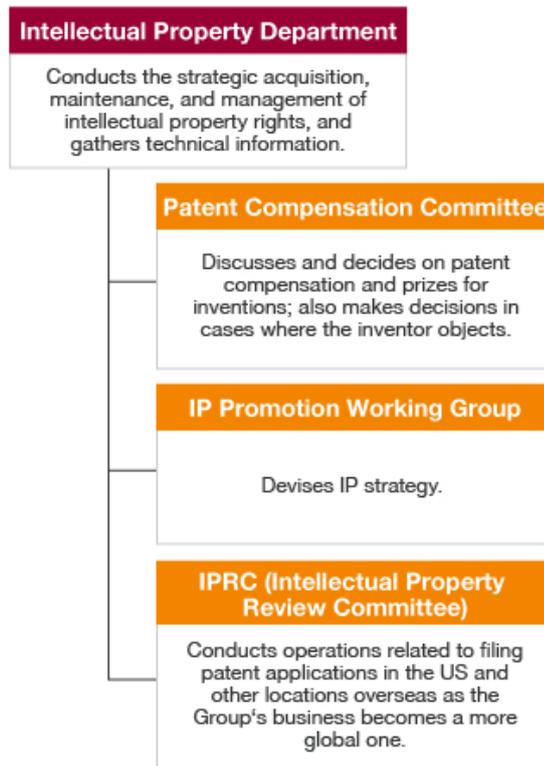
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Intellectual property management system

In relation to intellectual property, Advantest's overarching policy is to observe all laws and regulations and to respect the intellectual property rights of third parties. The system illustrated below was developed to ensure that intellectual property is managed appropriately on a global basis.

In fiscal 2014, we will construct a unified patent portfolio to optimize the Advantest Group's number and quality of patents.

Intellectual property management system



Employee training related to intellectual property

To heighten awareness of each and every one of our employees towards intellectual property, Advantest is moving to base training content around continuous service milestones, while ensuring that it more closely pertains to the work of respective individuals.

During fiscal 2013, we trained all new employees in basic intellectual property literacy. We also created an educational program utilizing the e-learning system and incorporated it into training.

Beginning in fiscal 2014, we are going to provide regular training to all employees. A more specialized program will be developed for personnel engaged in operations requiring detailed knowledge of intellectual property rights, and we will continue our activities to instill a greater depth of knowledge about intellectual property issues in the Company.

Litigation and disputes relating to intellectual property

Not applicable as of March 31, 2014.

Improving Customer Satisfaction

CSR Report 2014

Overarching policy for improving customer satisfaction

Customer satisfaction is the most fundamental of principles underpinning Advantest's business. Our product quality policy — "Offer the timely, high-quality products our customers expect, by designing for quality and by optimizing the production and engineering process globally" — characterizes our portfolio of products that offer not only superior performance, but also superior environmental friendliness and safety. We are committed to keeping our customers satisfied at every stage, from design and manufacturing to sales and service, via guaranteed quality, top-notch service, and support on a global scale.

Sales and marketing practices that support customer satisfaction gains

Fiscal 2013 initiatives

The mobile device market, consisting mainly of tablets and smartphones, has been the leading source of demand for semiconductors in recent years, and demand shifts in this market are growing larger. It is imperative for Advantest to respond to these shifts by strengthening its product supply system through parts procurement readiness, shortening of manufacturing processes, and reduction of production costs. When Advantest Korea Co., Ltd. completed and started operations at its new plant in Cheonon, South Korea, in May 2013, it marked a step towards this goal.

South Korea is a global center of semiconductor production, and Advantest Korea has thus far produced device interfaces such as test handlers and probe cards for testing semiconductors. The new plant will make it possible to manufacture closer to customer bases and more in tune with customer needs. Going forward, we are continuing our efforts to expand our product supply system and further improve customer satisfaction.

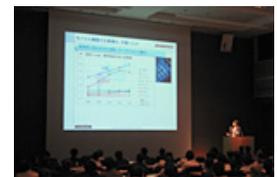
Customer satisfaction improvement activities in sales and marketing

In recent years, Japanese semiconductor manufacturers have been rapidly shifting from vertically-integrated strategies to fabless and fab-lite business models where they no longer have their own equipment. Accordingly, Advantest is venturing beyond the business of offering test solutions to pursue consulting activities whereby we extend to our customers know-how we have gained through an extensive install base in the outsourced semiconductor assembly and test (OSAT) industry overseas, while serving them with our wealth of business experience with the OSAT business.

As part of these efforts, we launched the Supply Chain Management (SCM) Forum in fiscal 2012, where we host seminars showcasing SCM methods and introduce the latest trends in testing technology.

Prior to the second SCM Forum, held in June 2013, participants were asked about their particular interest, and companies in the OSAT industry prepared and set up individual workshops and other sessions accordingly. As a result, we were able to provide a forum for lively business talks.

In October 2013, we held Technical Seminar 2013 in Tokyo's Shinagawa Ward. This seminar introduced the latest test application information with the goal of giving customers some insight into Advantest's strengths and providing them with a forum for lively technological exchange. The keynote speaker at Technical Seminar 2013, the first of its kind in the six years since the 2007 seminar, the first of its kind in six years, was Akira Minamikawa representing IHS Global Inc. After explaining our product roadmap, we introduced each product in terms of Test Cost and Test Technology and held seminar sessions on upcoming solutions.



Speech at Technical Seminar 2013

In fiscal 2014 and beyond, we will arrange or more sessions geared towards customer needs, and will continue to heighten customer satisfaction.

Promoting customer support

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

Our basic policy can be outlined as follows.

Basic policy for customer support

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

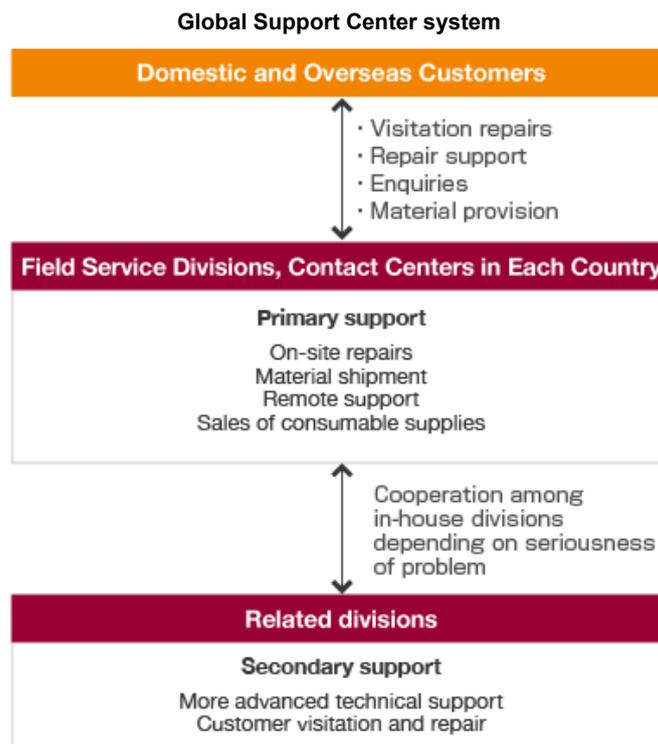
Better customer support with a global focus

Advantest is forging a global support framework capable of responding to service support requests and other inquiries from customers. While responding to everyday service support requests via contact centers in each country, as well as by telephone and mail, we are also implementing primary support consisting of technical service and onsite repairs by field engineers.

We station expert support teams in product development bases to carry out secondary support, allowing us to respond appropriately to the content and difficulty of service requests.

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

We continue to run an engineer exchange program between overseas subsidiaries and our secondary support division, which helps engineers improve their professional skills and raises the quality of our support. The two- to three-year program aims to sharpen engineers' technical skills, develop cross-cultural competencies, and raise foreign language and communication proficiencies. In the mass production facilities of customers, we offer on-request expert consulting and solutions regarding productivity issues. Also, we offer device measurement training to our customers, and provide professional advice in that regard.



Recipient of 10 BEST customer satisfaction award for 26th consecutive year, on basis of VLSI Research survey

Advantest aims for a clear grasp of customer needs and strives to provide them with high performance, premium-quality total test solutions in a timely manner.

At Advantest, we gain a better understanding of our customers' needs through information we acquire from our daily business activities, and also through yearly participation in the customer satisfaction survey conducted by VLSI Research, a company well-renowned for semiconductor market research. Based on this year's survey, we received the 10 BEST award granted to the top-ten ranking companies, for the 26th year in a row.



VLSI Research : 10 BEST

Moreover, our Sales and Marketing Division, System Engineer Division and Field Service Division jointly conduct an independent Advantest customer satisfaction survey once every two years. On the basis of such initiatives, we remain committed to delivering even better customer satisfaction going forward by listening to the voices of our many customers and providing them with solutions that best suit their needs.

Quality Management

CSR Report 2014

Quality management system

In keeping with our product quality plan, which calls for improvement in customer satisfaction, we have designed our quality management system to comply with international quality assurance standard ISO9001 throughout the Company.

We have established an organizational framework, led by the Senior Vice President of the Quality Assurance Group the Quality Assurance Manager under the supervision of executive management, which maintains and improves quality systems, with the goal of raising customer satisfaction. We have also constructed our own internal audit framework, and through regular internal audits we maintain and improve our systems.

Securing product safety and quality

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

To achieve the above, we enacted our Product Safety Promotion Regulations and established a companywide committee as an organization to promote advances in product safety. From May 1995 to the present, this committee has been continually active in product safety improvements.

Through these activities, Advantest has maintained a record of zero quality accidents for five years.

Initiatives aimed at improving software quality

Advantest continues to take initiatives aimed at improving software quality.

Software for testers, handlers and other such devices shipped by Advantest first goes through a process that involves quality verification by the Quality Assurance Division. The specification sheet, a parallel product of development, is examined by the Quality Assurance Division in real time and feedback is given, which helps to ensure quality at upstream stages of development. The examination is implemented by the time development is complete, and after fulfillment of quality standards is confirmed, products are shipped.

Beginning in 2012, process improvement activity using the "Toyota development process"^{**} was implemented with the cooperation of the R&D Division. This activity improves the level of the design review process, and high-quality design enables high-quality and high-throughput product development. These initiatives bring about the timely delivery of even better products.

* Source: The Toyota Product Development System, James M. Morgan, Jeffrey K. Liker, 2006.

Availability

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

*1 MTBF: mean time between failure

*2 MTTR: mean time to repair

Design review system aimed at improving quality

Persistently stringent customer demands for functionality, performance and quality call for Advantest products equipped with increasingly large-scale and progressively more complex circuitry. Meanwhile, we are also responding to demands for shorter development lead times, a challenge we feel is best addressed by instilling quality at the upstream design phase so that we can detect potential issues early on. Accordingly, we introduced a new design review system in fiscal 2008 as a framework for achieving these goals.

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

Many positive results have been achieved through these activities. For instance, the rate of defect detection during the design phase has recently improved, leading to a decrease in setbacks and fewer defects finding their way into later processes, thereby minimizing development delays. The new design review system has resulted in improvements in design quality and a reduction in development lead times. However, it has also revealed many cases in which problems that should have been detected by the designer ultimately found their way into the design review or later processes.

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

SQE activities

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

Our SQE initiatives involve the following three practices.

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

Social Contribution Activities

CSR Report 2014

Promoting social contribution activities

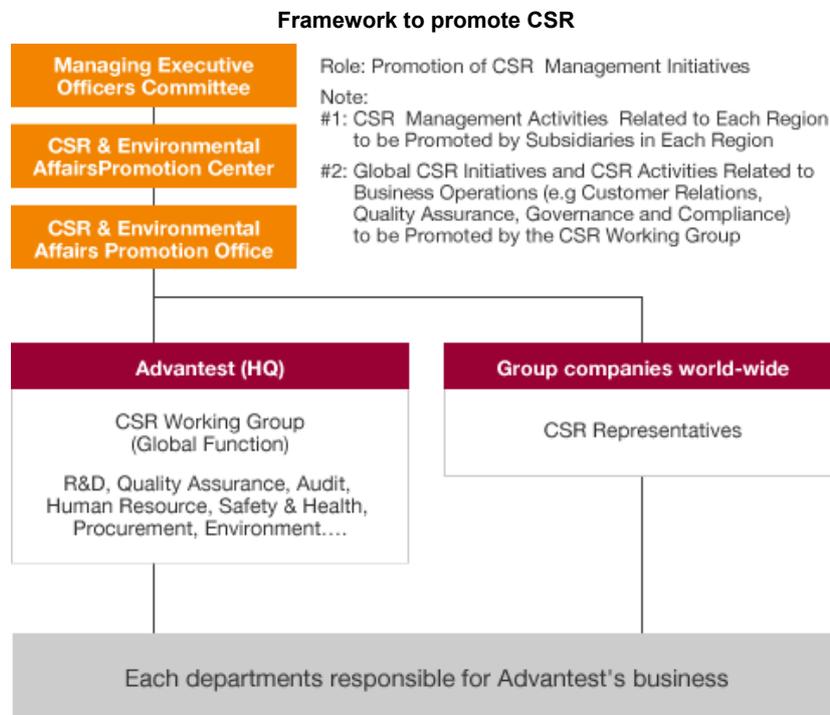
Stance towards social contribution activities

Advantest's Corporate Social Responsibility (CSR) Policy was stipulated as follows in April 2008: "Advantest respects each of its stakeholders and strives to maintain harmony with society in all its operations while contributing to the goal of a sustainable society." Based on this stance, Advantest conducts social contribution activities focused on the areas of preserving the global environment, developing the next generation, and contributing to local communities.

Advantest seeks to respond to the needs of its stakeholders and the community in order to contribute to the development of an affluent society through its social contribution activities to fulfill its corporate social responsibility as a global company.

Framework to promote CSR

Advantest has a track record of promoting CSR and environmental initiatives in every country and region it operates in, especially Japan. However, it has been increasingly important to conduct more global CSR and environmental initiatives through its supply chain as a company that contributes to a broader range of society. We would like to continue contributing to regional society through our CSR and environmental initiatives.



Examples of fiscal 2013 CSR activities

Contributing to the community through food donations

On July 20, 2013, volunteers from Advantest (Singapore) Pte. Ltd. (ASP) donated food to underprivileged families in the Yishun area where the Company's office is located. This was done in cooperation with a local NPO called Singapore Children's Society Family Service Center.

When the call for help was issued within ASP, employees donated US\$5,300, which was enough to buy food for 100 families. Food was procured and donated to the people of Yishun.



AEG donates computers

Advantest Europe GmbH (AEG) contributed notebook computers that were no longer being used in business to a number of charitable organizations and welfare facilities. The computers went not only to facilities in Germany, but to 29 locations around the world, where they are now being put to good use.

One destination was the Theodor-Heus Realschule* in the municipality of Gärtringen, located not far from our Böblingen office. On September 30, 2013, AEG donated 10 computers to a school-support group. The school plans to have the students use these computers in classes.

* Note: Realschule is a type of German secondary school with a vocational orientation.



Home renovation by volunteers

On October 26, 2013, Advantest America, Inc. (AAI) carried out a CSR activity involving home renovation by volunteers. A total of 21 AAI employees and family members participated in environmentally upgrading the home of an elderly female resident of Silicon Valley. They painted outside walls, installed a wood deck, repaired the fence, and cleaned and repaired eaves troughs.

The work went smoothly under a clear autumn sky, and it was completed on time and within budget. The house's appearance was greatly improved, and the owner was extremely grateful. This project also benefitted the participants, giving them a better understanding of one another.



Special science class in Ishinomaki City

On February 25, 2014, Advantest conducted a special science class for 28 fifth graders at Kitakami Elementary School in Ishinomaki City, Miyagi Prefecture. Including volunteers, seven Advantest employees served as teachers, and they showed the children how to make an electromagnetic speaker. Everyone was delighted when the speakers worked and produced audible sounds.

The tsunami triggered by the Great East Japan Earthquake of 2011 swept up the Kitakami River and did tremendous damage to the surrounding area. Kitakami Elementary School opened in fiscal 2013 to take the place of three former schools that were so badly damaged that no recovery was in sight. Despite going through such trying experiences, the students participated in this class with genuine smiles, and sometimes very earnest expressions.

By conducting further special science classes, we hope to give the children of Ishinomaki more reasons to smile.

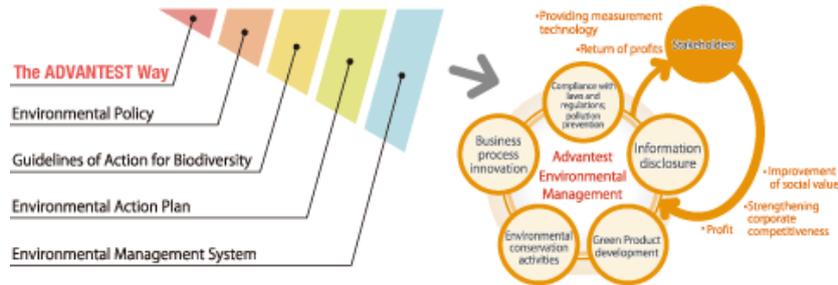


Environmental Management

CSR Report 2014

Basic Policy

The Advantest Group contributes to the development of a sustainable society through its business activities. Based on our basic attitude of "Caring for Our Planet," we are actively engaged as a trusted corporate citizen in getting all of our employees involved in environmental conservation initiatives.



Advantest Group Environmental Policy

1. Promoting Environmental Management

By establishing our environmental management system, we promote global environmental conservation efforts that achieve a balance between business activities and environmental concerns. Individual Advantest employees strive to protect the environment while carrying out their daily work and their responsibilities.

2. Provision of Environmentally-Friendly Products

We strive to provide environmentally friendly products throughout their life cycle — from procurement of material to waste disposal, through energy conservation, improved recyclability, and the elimination of hazardous substances.

3. Reduction of Customers' Environmental Burden

Through our sales of products and services, we contribute to our customers' reduction of their environmental burden.

4. Better Workplace Procedures

We constantly strive to reevaluate and reform work procedures to help preserve the environment.

5. Conservation of Biodiversity

By being alert to the impact of our business activities on biodiversity, we strive for the conservation of biodiversity and the sustainable use of biological resources.

6. Complying with Environmental Laws and Regulations and Preventing Pollution

Upholding all environmental laws and regulations and voluntary standards, we protect nature and shield our neighbors from environmental pollution and health hazards.

7. Disclosing information related to environment

Advantest's environmental policy is made freely available to all employees, stakeholders, and other concerned parties. We strive to disclose our environmental activities and openly communicate with society.

The Advantest Group's Guidelines of Action for Biodiversity

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

1. Understanding Environmental Impact

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

2. Understanding Biodiversity

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

3. Reduction of Environmental Impact

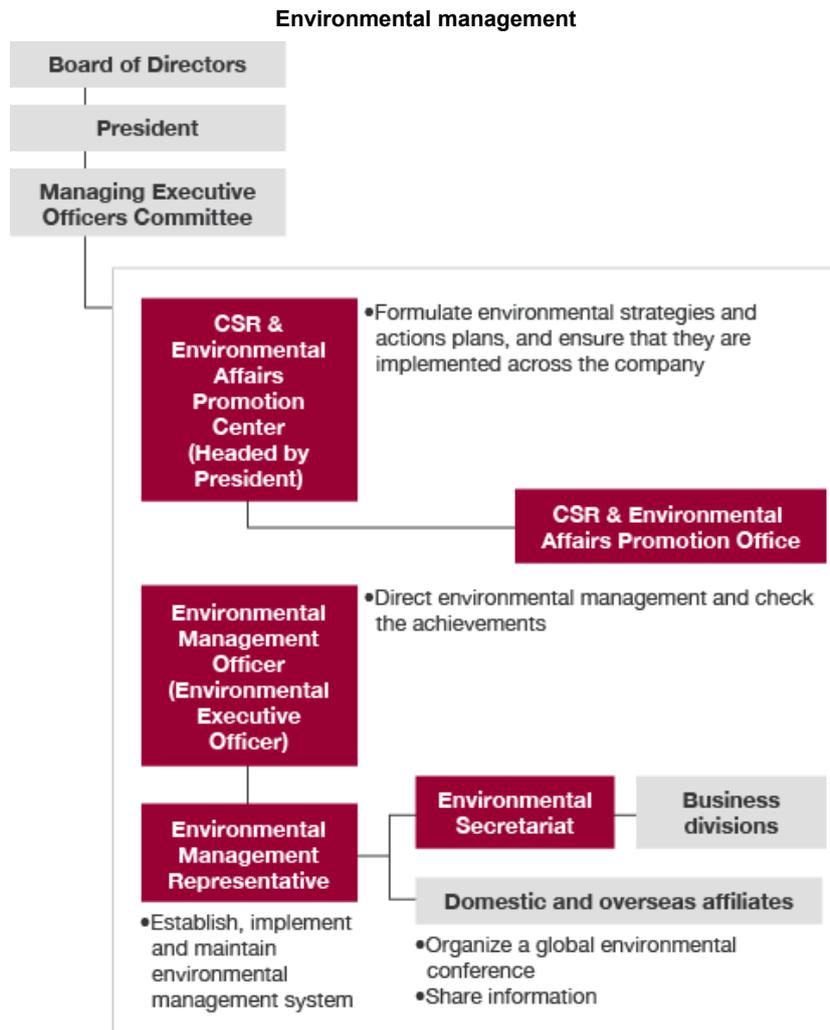
By seeking highly effective measures, and by carrying them out continuously, we reduce the impact of our business activities on biodiversity.

4. Cooperation with Stakeholders

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

Framework to promote environmental management

The Advantest Group is building a framework to better promote our global environmental initiatives.



Acquisition of ISO14001 certification

The Advantest Group has acquired Integrated ISO14001 certification for its offices, as well as its research, development, and production facilities in Japan. In addition, the Group has acquired ISO14001 certification for its environmental management system, which is based on legal regulations in each country where it operates. Under the uniform standards provided by ISO14001, we are reducing energy use, holding down waste production, developing and providing environmentally friendly products (green products), and reducing the environmental impact of our business activities.

Acquisition of ISO14001 certification



As of March 31, 2014

Company	(Location)	Certification acquired	Proof of certification (Photo)
ADVANTEST CORPORATION*1		2000/8 (Integrated certification)	
	Head Office	(2009/11)	
	Western Japan Office	(2010/12)	
	Advantest Laboratories Ltd.	(2000/2)	
	Gunma R&D Center	(2002/4)	
	Saitama R&D Center	(2003/10)	
	Kitakyushu R&D Center	(2003/3)	
	Gunma Factory	(1998/4)	
	Gunma Factory 2	(1998/12)	
*1 Affiliates at same location included in certification			
Advantest America, Inc.		2008/10	
	San Jose, U.S.A.		
Advantest Europe GmbH		2008/4	
	Munich, Germany		
	Amerang, Germany		
	Boeblingen, Germany		

Company	(Location)	Certification acquired	Proof of certification (Photo)
Advantest (Singapore) Pte. Ltd.		2008/6	
Advantest (M) Sdn. Bhd. (Penang - Malaysia)		2008/9	
Advantest Korea Co., Ltd.		2008/7	
Advantest Taiwan Inc.		2006/12	
Advantest (China) Co., Ltd.*2		2008/5	
	Advantest (Suzhou) Co., Ltd.		
	Advantest Technology (Shanghai) Co., Ltd.		
*2 Above affiliates included in certification			

Internal environmental audit

The Advantest Group confirms that its environmental management system complies with internal and external regulations at each business site, and it conducts regular internal audits as one way of lessening the environmental impact of its activities. The fiscal 2013 internal audit confirmed the effect of our efforts to reduce emissions of CO2, a byproduct with a big impact on the global environment. Our audit found no instances of non-compliance in fiscal 2013. We remain committed to improving our environmental performance and will continue to reform our environmental management system.

Environmental Action Plan

CSR Report 2014

The Sixth Advantest Group Environmental Action Plan (2013-2014)

In the past, business activity at the Advantest Group's bases in Japan accounted for almost all of the Company's environmental footprint. In recent years, however, the impact of overseas bases has grown as overseas production has expanded. This prompted us to draft an Environmental Action Plan that encompasses the Group's overseas bases.

Our Sixth Environmental Action Plan (2013-2014) carries on the three main themes of the Fifth Action Plan: environmental management, product-related environmental measures, and more efficient business activities. It contains responsible initiatives aimed at bringing about a recycling-oriented, low-carbon society. We are working towards climate change countermeasure goals to be reached by 2020 and have devised global goals for the two-year span of the Action Plan.

1. Environmental management: promote environmental management that leads to improvement of society and earnings.
2. Product-related environmental measures: contribute to reducing our customers' environmental footprint in our core business and tester peripheral business.
3. Business activities: promote responsible initiatives in climate change countermeasures, biodiversity preservation, and environmental stewardship.

Scope

1. **Scope of initiatives: The Advantest Group's eight business locations in Japan and seven business locations overseas (including affiliates)**
2. **Time period: Fiscal 2013 to fiscal 2014 (two years)**

Main results in fiscal 2013

In fiscal 2013, execution of the Environmental Action Plan produced the following main results.

In environmental management, we completed the ISO14001 re-certification that became necessary with the integration and relocation of an overseas base. We also engaged in numerous social and environmental contributions in Japan and overseas, such as forest conservation initiatives and special science lectures.

In product-related environmental measures, we subjected all products to an environmental assessment, and eleven product lines were recognized as green.

In business-related environmental measures, we introduced a Green Certificate (known as a Renewable Energy Certificate in the USA) and installed solar power panels at our South Korean facilities. Within Japan, we stepped up energy-saving measures and raised production efficiency, thus reducing our environmental footprint.

The sixth Advantest Group Environmental Action Plan (FY2013)

Results of in-house assessment in fiscal 2012

○ = Progress ratio 100%

△ = Progress ratio 70% or more

× = Progress ratio less than 70% or target date set back

Category	Objective	In-house Assessment	Key Results
Environmental management			
Target: Prepare for a low-carbon future, and help society and build earnings through environmental management.			
Environmental management	environmental management system to all facilities worldwide and enhance environmental management. (Reacquire ISO14001 certification by the end of fiscal 2013 at overseas bases that were relocated upon integration.)	○	Domestic: ISO14001 certification maintained. Overseas: Reacquisition of certification completed at six bases. ASP (May 2012), AAI (Jan. 2013), AEG (Apr. 2013), ATI (Jun. 2013), ATC (Aug. 2013), ATK (Oct. 2013)

Environmental contributions	Continue to implement environmental contribution programs with the objectives of environmental contribution and ecosystem preservation.	○	<p>Domestic:</p> <ul style="list-style-type: none"> Two forest conservation initiatives implemented, with a total of 29 participants. Conservation of the Kusatsu Yasuragi forest (Kusatsu, Gunma Prefecture, in September) Shokuju-kai embarked on Birdsong Green Course project (Kitakyushu City, in March) Special science class given at Kitakami Elementary School (Ishimaki City, in February) Special science class given at Meiwa-Nishi Elementary School (Meiwa Town, in February) <p>Overseas:</p> <ul style="list-style-type: none"> Food donated (Singapore) Residential repairs done by volunteers (USA)
<p>Product-related environmental measures Target: Help customers to reduce their environmental footprint by expanding Advantest's lineup of products that conform to stringent environmental standards.</p>			
Green products	<p>Energy reduction</p> <p>Reduce energy consumption of target products by 20% or more per individual DUT measurement relative to comparable products.</p> <p>Using fewer resources and parts</p> <p>Reduce energy consumption of target products by 50% or more per unit function compared with comparable products.</p> <p>Make target products at least 30% smaller than comparable models.</p>	<p>○</p> <p>—</p> <p>○</p>	<ul style="list-style-type: none"> Memory test system T5503HS cut energy consumption per DUT measurement unit by more than 50% relative to conventional products. The T2000 8G WGD module cut energy consumption per DUT measurement performance by more than 70% relative to conventional products. Electronic beam exposure device F7000 used 30% less electricity than conventional products under average operating conditions. <p>A device interface is now being designed.</p> <p>The floor area needed to install electronic beam exposure device F7000 is 50% smaller than for conventional products.</p>
<p>Business activities Target: Improve efficiency for a smaller environmental footprint.</p>			
Global warming prevention	<p>Formulate quantitative benchmarks for 2020 for:</p> <ul style="list-style-type: none"> Total volume of CO2 emissions resulting from energy consumption at current business locations Amounts of renewable energy consumed at business locations in Japan and elsewhere <p>Reduce energy consumption by at least 66kℓper year crude oil equivalency in fiscal 2012 (96 tons of CO2)</p>	<p>○</p> <p>○</p>	<p>2020 benchmarks now being devised.</p> <ul style="list-style-type: none"> AAI: A Green Certificate (known as a Renewable Energy Certificate in the USA) by wind power generation was purchased for an amount of electricity equivalent to annual use (approx. 12,000 MWh/year). ATK: Solar panels were installed on the roof of a new plant (generating capacity: approx. 1,325 MWh/year). <p>Energy-saving measures were strengthened and high-efficiency transformers were installed at the Gunma Plant, cutting energy consumption by about 16 kℓ/year of crude oil equivalency.</p>

Manufacturing	<p>Improve manufacturing efficiency for a smaller environmental footprint in the manufacturing process. (Improve board production efficiency, reduce lead times for tester production processes, and improve yield etc.)</p> <ul style="list-style-type: none"> • Reduce by 25% number of man hours for mounting device set-up for new production boards (ASPEN1, etc.) and reduce by 30% the amount of energy required for production on a single-unit basis. • By the end of fiscal 2014, achieve 40% less energy use during production relative to initial production machine system performance, by shortening adjustment lead times. • Shorten production power-on hours of primary production equipment system by 30% compared to fiscal 2012 levels. • Achieve energy-efficient operation of clean rooms (2% less energy compared to fiscal 2012). • Reduce number of varieties of organic solvents in use (cut by 30% compared to fiscal 2012). 	○	<ul style="list-style-type: none"> • Reduced the number of preparatory steps (=set-ups) for the modular mounter and reconsidered machine types eligible for the mass-production line. Gains in capacity usage reduced mounting machinery electricity consumption by 36% from fiscal 2012. • Shortened the production process, reducing the period of continuous electricity use by 23% (fiscal 2013 goal was -20%). (T2000 ISS: from 18 days to 14 days, T6373: from 11 days to 8 days, TAS7500: from 32 days to 16 days) • Promoted energy conservation in the Sendai Building A clean room, reducing electricity consumption by 5% from fiscal 2012. • Promotion of an acetone-free washing process reduced acetone use by 49% from fiscal 2012.
	<p>Reduce use of reinforced carton (corrugated board) for packaging by 4,000 kg compared to fiscal 2011 level. (Fiscal 2013 objective is 2,000 kg reduction)</p>	○	<p>Reviews of packaging material, size, and structure led to a reduction of 2,210 kg from fiscal 2011.</p>
Biodiversity	<p>Promote awareness of initiatives for conservation of biodiversity and reduction of environmental loads across Advantest's entire supply chain by conducting surveys of environmental activities of our suppliers.</p>	○	<p>Items related to biodiversity conservation were added to assessments on our supplier check sheet, and suppliers were asked to comply. A questionnaire was administered to 57 suppliers.</p>
Conflict minerals	<p>Conduct investigations regarding conflict materials to help ensure that items procured are free of such materials.</p>	○	<ul style="list-style-type: none"> • An explanatory meeting was given for suppliers (June). • We surveyed suppliers and checked on conflict-free procurement (July to January).
Resource recycling	<p>Recycle 85% or more of the waste generated at our overseas locations by the end of fiscal 2014. (Waste recycled at overseas locations: 75%; Maintain a rate of at least 99% at Japan-based operations)</p>	✕	<p>Domestic: Maintained recycle rate of 99%. Overseas: Recycle rate of 61%.</p>
Environmental risk management	<p>Reinforce monitoring to ensure strict observation of environmental laws and regulations and related facilities to prevent accidents.</p>	○	<p>Zero accidents, zero complaints.</p>
Chemical substance management	<p>Improve penetration and efficiency of chemical substance management. Construct a global management system.</p>	○	<p>Domestic</p> <ul style="list-style-type: none"> • Conducted ongoing inventory checks of chemical substances. • Administered general and specialized training through the chemical substance education system. <p>Overseas</p> <ul style="list-style-type: none"> • Implemented responses to new legal regulations of chemical substances.

Environmental Contribution Activities / Environmental Communication

CSR Report 2014

Basic stance

The survival and growth of companies is supported by resources such as energy and water generated by our Earth. At Advantest we believe that protecting and nurturing the global environment that we benefit greatly from is a very important issue for environmental management, and we conduct our environmental contribution activities based on this belief. A wide variety of living beings inhabit our earth and enrich the global environment. It is essential for companies to efficiently use the resources the Earth has blessed us with so that sustainable development is achieved, and it is necessary for companies to fulfill their corporate social responsibility by helping preserve the diversity of the Earth's living things. We have clearly defined a stance of treating biodiversity conservation activities as a business goal and are conducting initiatives to this end.

Biodiversity conservation in the biotope

Since 2005, Advantest has been holding nature observation events for elementary schools near its Gunma R&D Center, using the biotope as a venue for communicating with surrounding communities. Participants in these events learn what kinds of plants and animals live in the biotope by conducting a search. They also fish for crayfish to reduce the numbers of this introduced species, which prompts them to consider the importance of biodiversity. In fiscal 2013, 200 children and guardians from three neighboring schools took part in our nature observation event. We plan to continue this activity, making it a centerpiece of cooperation with the community.

▶ [Biotope](#)

▶ [Birdpia](#)

Basic policy for disclosure of environmental information

The Group's business activities have affected the environment in various ways.

To achieve sincere and sustainable development, it is necessary for companies to candidly disclose this information to stakeholders so that their honest opinions and assessments can be properly reflected in environmental management. The Advantest Group discloses information related to its environmental footprint and environmental activities through methods including its CSR Report, its corporate website, and various events and exhibitions. In addition, the Group works to achieve interactive communication with its stakeholders by creating opportunities for dialog through activities such as requesting cooperation with surveys and organizing factory tours.

Environmental information disclosure

▶ [Issuing a CSR Report](#)

▶ [Applications for factory tour](#)

If you have any questions or comments related to Advantest's corporate social responsibility and environmental activities, please contact:

CSR & Environmental Affairs Promotion Center, CSR & Environmental Affairs Promotion Office

● Let us know what you think by email
environment-inquiry@jp.advantest.com 

● Or by fax
+81-276-84-1156

Environmental Education

CSR Report 2014

Basic stance

To advance environment conservation initiatives, it is essential for each and every employee to always remain aware that environmental issues are actual, immediate problems and consider what they can and should do in their business and home life, and that this awareness translates to action. Based on this stance, the Advantest Group conducts environmental education aimed at fostering an awareness of the environment and more practical approaches to the environment.

List of environmental education programs

- Training for new employees
- Environmental internal auditor training
- Training on chemical substances
- Solicitation of environmental value engineering (VE) proposals
- Forest conservation activities

Adoption of e-learning solutions

The Advantest Group has introduced e-learning to give employees a general education on the ISO14001 standard and chemical substances. People taking these courses are bound by neither time nor place, and they can repeat lesson modules until they gain a full understanding. The courses can therefore be administered more efficiently and are understood better.



Environment lecture

Green Products

CSR Report 2014

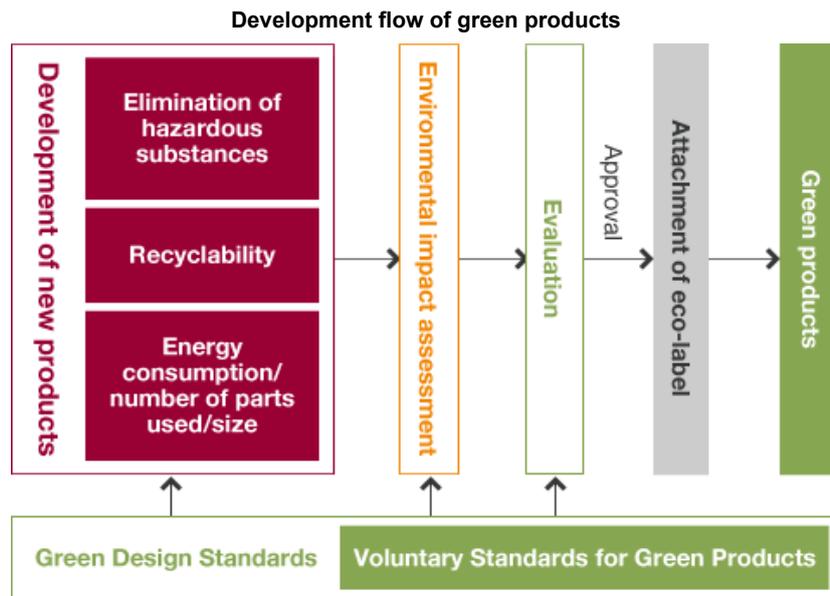
Basic stance

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

Development flow of green products

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

During the environmental assessment, products are assessed from various aspects, including energy savings, the number of parts used, product size, recyclable design, and elimination of hazardous substances. Products that meet the Voluntary Standards for Green Products are certified as green products and are awarded with an Eco Label (type II).



Advantest Group Eco Label

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

Energy and Resource Conservation

Voluntary Standards

- Energy-saving design
- Reduced-material design
- Miniaturized design



Recyclable Design

Voluntary Standards

- Design with renewable resin materials
- Design for ease of disassembly
- Release of information on disposal

Elimination of Hazardous Substances (Green Procurement)

Voluntary Standards

- Improved rates of green procurement
- Elimination of banned substances

Energy and resource conservation

We aim to reduce the environmental footprint of our products through system designs that offer energy efficiency, feature ecologically-sound components and materials, and result in units that are smaller in size.

Recyclable design

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

Elimination of hazardous substances (green procurement)

To eliminate hazardous substances from our products, we have established Group standards on banned substances based on the IEC 62474 standard, and we conduct surveys of hazardous substances contained in parts and materials used in our products.

Green products certified during fiscal 2013

We supply the following products, which were certified as "green products" in fiscal 2013.

- T5831
- T5831ES
- T2000 ISS LSMF + IS46TH
- CX0050
- TAS7400
- Six types of T2000 module products, etc.

Introducing our Green Products

CloudTesting™ Station CX0050

The CloudTesting™ Service developed by the Advantest Group is the industry's first on-demand testing service. This product represents a new concept in semiconductor testing, giving semiconductor manufacturers, design houses, and educational and research institutions an on-demand testing environment.



CX0050

The Advantest Group turned its attention to educational institutions as a new market for this service and began developing hardware that would allow such institutions to provide the latest equipment and teaching materials within a tight budget to train the next generation of technicians. The result is our desktop testing device, CloudTesting™ Station CX0050, released in December 2013. Aiming to produce an extremely simple, all-purpose tester, we optimized functions and reduced manufacturing costs, concentrating the essence of our know-how in the CX0050.

Until this product appeared, semiconductor testers were too bulky, too heavy, and too noisy to be considered truly portable. We attacked all three problems simultaneously. Thanks to striking advances in miniaturization, the CX0050 is small and light enough to be carried easily in a business bag, and noise has been reduced by half.

As a result, the CX0050 is RoHS compatible and has been certified as a green product for its superior environmental features.

Aiming to develop environmentally-sound products / CX0050

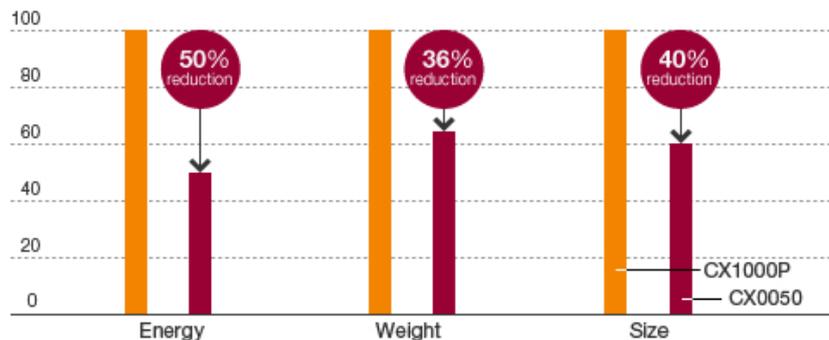
We started developing the CX0050 with the goal of making it familiar and simple even for customers who had never used a semiconductor testing device before. The product concept was "desktop usable," and from the start we reviewed specifications and designed for environmental friendliness. As a result, superfluous features have been reduced as much as possible, electricity consumption has been cut, and parts have been lightened. In addition, all harmful substances designated in the RoHS Directive have been eliminated from parts and the circuitry layout process used in producing the CX0050.



Cloud Testing Service, Inc.
Noritaka Tsuchida

The Advantest Group will continue to develop products that contribute to the good of our customers while contributing to a more environmentally friendly society.

Performance Comparison



■ Advantest's statement on the RoHS Directive

In complying with environmental laws and regulations, the Advantest Group is working toward eliminating use of hazardous materials while also pursuing environmental conservation efforts that entail reducing consumption of energy and resources. More specifically, we have been working with our suppliers since September 2003 on initiatives to investigate and eliminate use of restricted hazardous materials.

We are in compliance with the European RoHS Directive*.

Advantest's semiconductor testers and handlers are classified as Large-Scale Stationary Industrial Tools (LSSIT) and as such are exempt from the EU-RoHS Directive. Nevertheless, on the basis of our commitment to environmental conservation we continue working toward further elimination of hazardous substances from these product lines.

* Certain exemptions aside, the European Union Directive 2011/65/EU on the restriction of the use of certain hazardous substances (RoHS) in electrical and electronic equipment and respective revisions currently restrict the use of six substances in such products:

- Lead (Pb)
- Hexavalent chromium (Cr VI)
- Mercury (Hg)
- Polybrominated biphenyl (PBB)
- Cadmium (Cd)
- Polybrominated diphenyl ether (PBDE)

Product Recycling

CSR Report 2014

Basic stance

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

Recycling policy

1. Realize 100% collection of recyclables through manual disassembly.
2. Make clear to whom recycling is to be commissioned, and secure traceability.
3. Promote the conservation of the global environment in collaboration with customers.
4. Properly dispose of harmful substances

Fiscal 2013 results

During fiscal 2013, the Group recycled 10 retired products for a total of 55 tons of recycled resources, achieving 100% collection of recyclables. In addition, the Group has established recycling traceability for each system. This was made possible through the cooperation of customers, intermediaries, and waste disposal businesses across the country. We will further improve work efficiency, reduce the burden on customers, and encourage environmental preservation.

Product recycling flow



Global Warming Prevention

CSR Report 2014

Basic Policy

The Advantest Group regards its efforts toward putting a stop to global warming as part of the corporate mission, and as such works vigorously to reduce greenhouse gas emissions by offering green products and introducing innovative business processes.

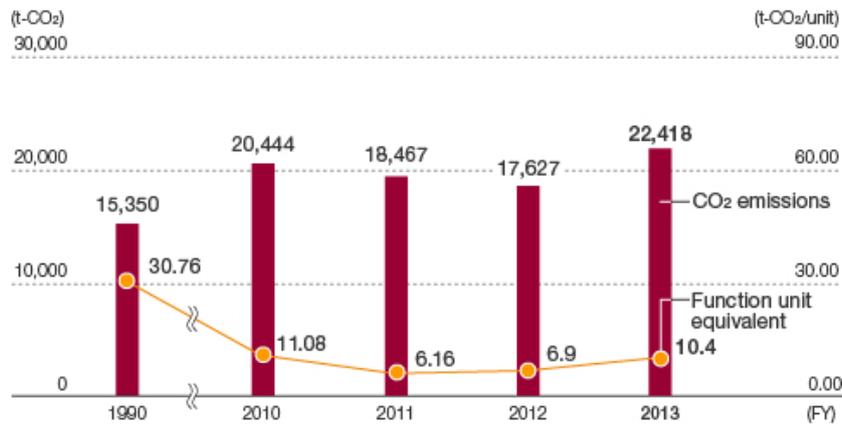
The Advantest Group is pursuing medium- to long-range energy conservation measures in alignment with the Japanese government's medium-term goal of reducing greenhouse gas emissions by 25% of 1990 levels by 2020. More urgently, the Group is forging a system to address Japan's revised Act on the Rational Use of Energy and related ordinances, and accordingly implement energy conservation measures.

Fiscal 2013 results

Advantest is working to simultaneously achieve both energy savings and cost reduction through more efficient production and elimination of waste. In our buildings, we are optimizing air-conditioning and other systems and replacing superannuated equipment with more efficient models, as well as implementing appropriate lighting levels and switching to LED illumination. Our major initiatives in fiscal 2013 were to introduce high-efficiency transformers and optimize air-conditioning, for annual savings of approximately 62 MWh. Nevertheless, due to an increase in the CO2 conversion coefficient for electricity, Advantest's domestic CO2 emissions actually increased.

From the viewpoint of eliminating waste, we will continue our efforts to reduce CO2 emissions and thereby achieve both energy savings and cost reduction.

CO2 emission and CO2 emissions per unit of production



Low-energy operations in clean rooms

Air-conditioning of clean rooms (CR) accounts for about 70% of all electricity use at Advantest Component, Inc. (ACI). Since fiscal 2010, we have implemented various power conservation measures, but electricity price hikes necessitated additional efforts on our part.

In fiscal 2013, we adopted the slogan of "power conservation without capex" and began considering, experimenting, and verifying conservation measures at team meetings based on ACT2014 activities. New policies emerged and were implemented. One was to set the CR temperature at 25 degrees C in the Jul-Sep period to achieve summer power savings. In winter, we optimized the air-conditioning chiller* and implemented draft-exhaust volume restriction on non-business days*, thus achieving year-round savings. Energy awareness has risen within ACI, and when further energy saving ideas were solicited from employees, about 60 proposals were submitted, which have given rise to further savings.

As a result of these efforts, ACI has reduced its electricity consumption by 1,050 MWh compared to fiscal 2009 (16%).

Our employees will continue their energy conservation efforts and make new proposals in the future, allowing us to cut energy consumption even more.

*** Note 1: Optimization of air-conditioning chiller**

In winter, ACI's clean rooms require warm water for temperature and humidity adjustments. Setting the water temperature, volume, and pressure at the lowest practicable levels reduced the need for chiller and pump use, and thus reduced electricity consumption. In fact, all settings cannot be controlled automatically, so while monitoring changes in the ambient dew point and heat emission in the clean room, employees finely adjusted the preheat temperature for air intake each day, saving electricity that way.

*** Note 2: Draft-exhaust volume restriction on non-business days**

By closing the front door of the draft* used in chemical processing, exhaust volume is reduced to the lowest practicable volume, which in turn reduces electricity use for air-conditioning. Since air intake declines along with exhaust volume, electricity for temperature and humidity adjustment of the air intake, as well as for the air-supply and exhaust fans, is also reduced. However, it takes time to open and close the front door of the draft without causing fluctuations in clean room pressure, so this method is applied only on non-business days.

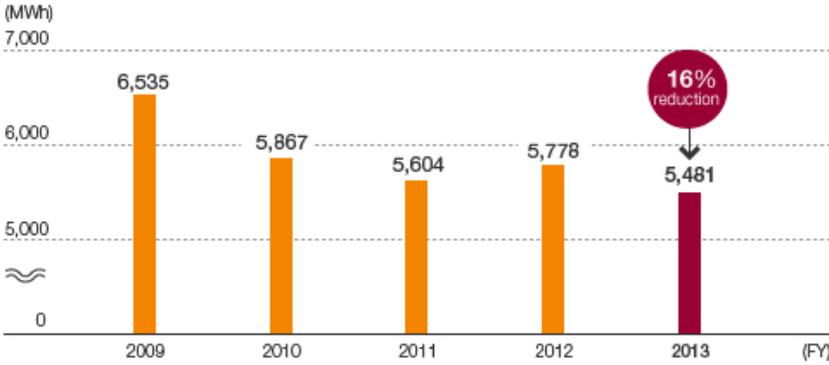
*** Note 3:**

A working surface equipped with a disposal function. It is used in clean rooms to absorb and expel noxious gasses, chemical dust, and other dust that could affect human health.

Key Measures and Results

Main Policies	Electricity Reduction Achieved (MWh)
Continuation of past energy conservation measures	520
Green room set to 25°C (normally 23°C)	320
Cool-water secondary pump pressure reduced	
Winter setting of chiller optimized	130
Clean room airflow set to minimum for New Year's holidays	20
Draft exhaust flow restricted on non-business days (from February)	20
Compressed air pressure lowered	10
Others	30
Total electricity reduction	1,050
Change from fiscal 2009 (target 13%)	16%

Electricity Consumption Sendai Factory A Building



Lower CO2 emissions through air conditioning upgrades

At the Gunma R&D Center, we have upgraded our meeting room heating equipment by applying inverter technology to existing pumps while adding heat exchangers designed to draw on steam for heat generation. As a result, the entire facility's heating systems now operate more efficiently by steadily raising water temperatures and reducing power consumption.

Furthermore, we uncovered inefficiencies in some freeze prevention control systems of outdoor air conditioning units, and consequently reduced cold water and hot water heat source loads by adjusting hot water valve openings down to 10%, from 50% previously.

These improvements overall have enabled us to slash the facility's annual power consumption by an equivalent of more than 50 kiloliters of oil, while cutting yearly CO2 emissions by more than 135 tons.

Green electricity initiatives at overseas bases

Purchase of wind-generated green electricity

Advantest America, Inc. (AAI) is committed to the use of renewable energy. To reduce the environmental impact of its electricity consumption, AAI makes do with 100% wind-generated electricity at its facilities. The EPA* presented AAI with a Green Power Award 2013 for this initiative, which began in November 2013.

* EPA: United States Environmental Protection Agency

Certification



Installation of large-scale solar power panels

Advantest Korea Co., Ltd. (ATK) has proceeded with various environmental activities. It has installed solar power panels on the spacious roofs of its head office and factory, generating approximately 1,325 MWh annually, filling about 20% of ATK's electricity needs. In other initiatives, ATK divides waste materials into narrowly defined categories for recycling, and the Company is promoting a "clean your plate" campaign to eliminate leftovers in the cafeteria.

solar power panels



Recycling Resources

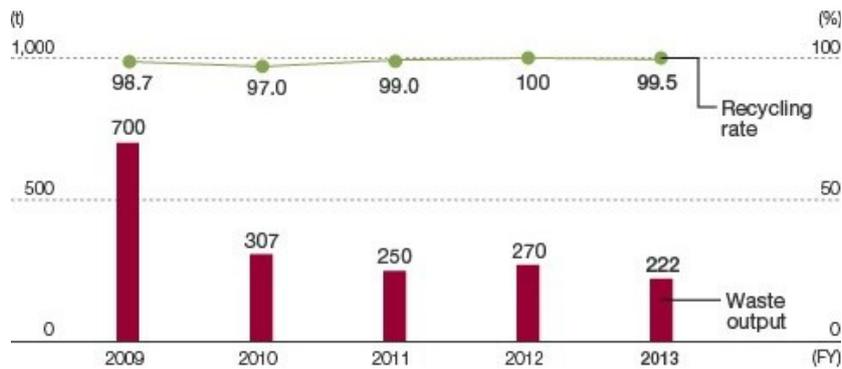
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Basic policy

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

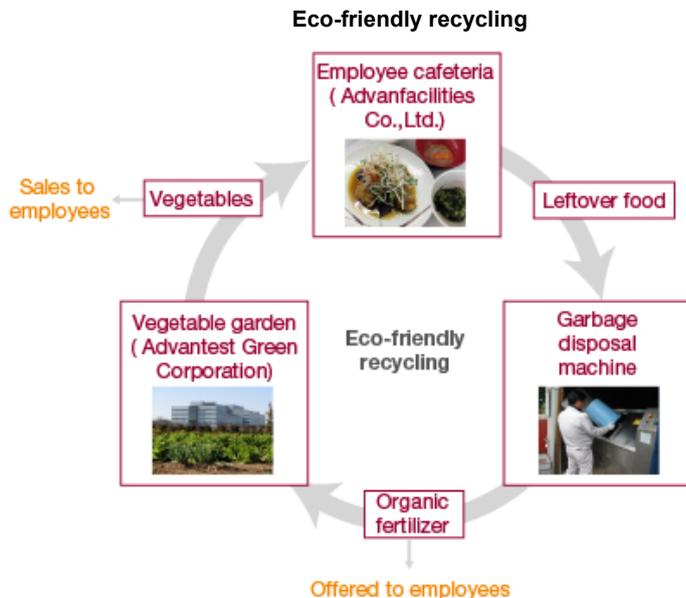
In addition, the Group is building up its parts separation initiatives initially launched in fiscal 2009, pursuing efforts to recover valuable materials from waste in a manner that fully complies with all relevant laws and regulations, and conducting proper management and disposal of waste generated in the course of business operations.

Waste output and recycling rate



Eco-friendly recycling in employee cafeteria

We recycle the leftover food generated by the Advantest Gunma R&D Center's employee cafeteria. The leftovers are processed into compost. Some of the compost is then used to fertilize an onsite vegetable garden, and some is distributed to employees at no cost. Produce from the garden is used in meal preparation at the cafeteria. Also, used cooking oil goes to a recycling business, where it is processed into biodiesel fuel for reuse.



Memorandum of Understanding (MOUs) entered into with waste disposal service providers stipulating exclusion of anti-social forces

Companies have been imposing written obligations stipulating that contractual relationships may be terminated if the counterparty is found to be involved in business dealings with an anti-social organization. This is premised on ordinances established by the Tokyo Metropolitan Government and other municipalities calling for the elimination of crime syndicates.

Moreover, the Japan Business Federation (Keidanren) in calling on companies to overhaul their corporate behavior is recommending that they conclude such written agreements as one means of ridding society of anti-social forces.

In accordance with ordinances calling for the exclusion of criminal elements and in line with recommendations of Keidanren in that regard, the Advantest Group's compliance initiatives entail concluding Memoranda of Understanding with all waste disposal service providers involved in our business dealings, stipulating that contractual relations may be terminated if it is discovered that a business partner acts as an anti-social organization.

Reducing waste through better shipment packaging

The Advantest Group purchases some of the cable used in products from overseas sources. Due to quality assurance concerns, we used to take delivery of cable packaged in cartons (corrugated boxes) in 300 unit lots. However, ample amounts of cushioning materials in those boxes meant that extra space remained for more items. Accordingly, we realized that if we could ship more cables in each box, we would reduce our consumption of packaging material, while at the same time we would be cutting shipping expenses and using less storage space.

As such, to improve packaging practices we worked with our suppliers in conducting stack testing and drop testing of boxes containing more cables, and made sure that no implications would arise in terms of product durability and quality retention.

In November 2011, after having looked into the matter, we opted to increase the number of cables shipped in a single box, from 300 units to 500. We also reduced usage of cellophane tape (Scotch tape) for securing packing material, from eight taping points to two, thereby reducing the number of boxes used.



Packing material (before improvements)

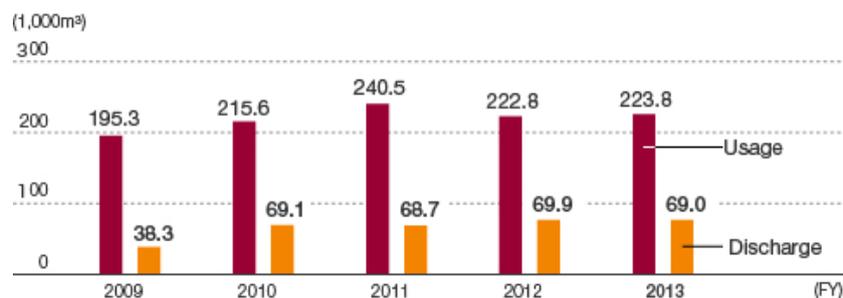


Packing material (after improvements)

Effective use of water resources

The Group's production processes consist mainly of assembly, adjustment, and inspection operations, and do not require as much water as typical manufacturing processes. Most of the company's water consumption is accounted for by air conditioner operations, kitchen and washroom use, and drinking water. In washrooms in our main offices, we continue to use industrial water for flushing toilets. During the summer months, when electricity conservation measures are in effect, we use rooftop sprinklers to discharge water over buildings and grounds, thus lowering temperatures. We continue to urge each employee to conserve water as we pursue efficient use of our water resources.

Water consumption and discharge



Environmental Risk and Chemical Substance Management

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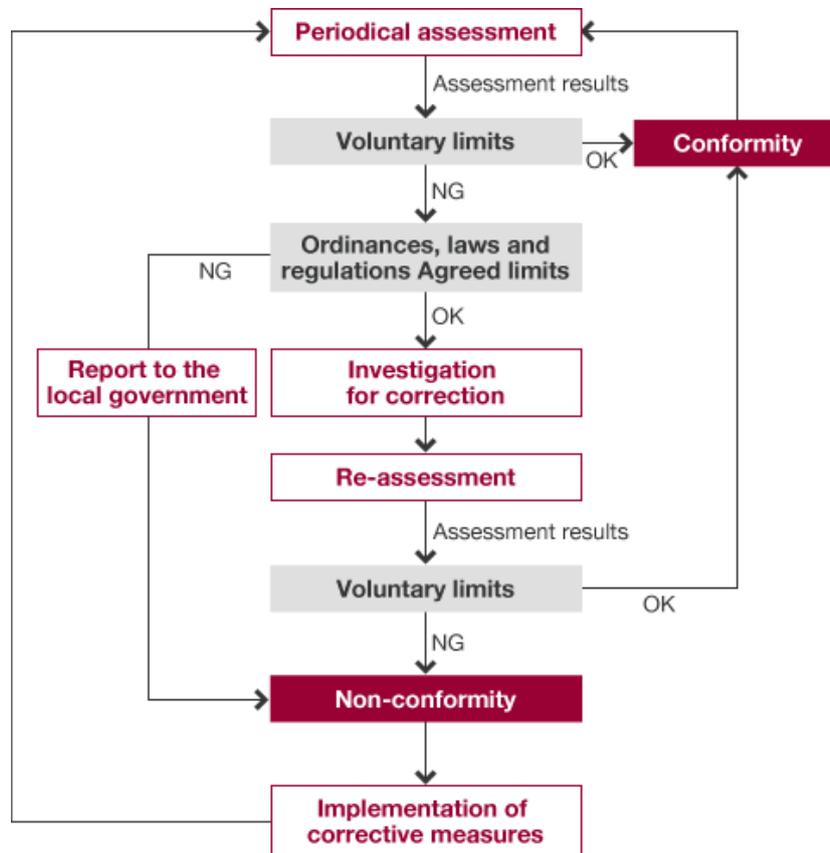
Basic policy for environmental risk management

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

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

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

Business location compliance management



Basic policy for chemical substance management

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

To this end, we have adopted a chemical substance management system. Based on this system, chemical substances are registered, safety reviews are conducted, design that supports input/output control and laws and regulations is adopted, and the material safety data sheets (MSDS) that are necessary for the safe handling of chemical substance have been made available for inspection at any time.

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

Furthermore, we plan to build up our global management system as we aim to achieve the same level of risk management overseas as in Japan.

Ramping up chemical substance controls Pursuing higher control precision

In implementing its systems for ensuring proper management of chemical substances, the Advantest Group applies container-level controls on chemical elements handled in the course of operations. Moreover, we pursue flexible practices in this regard through a process that involves first assigning substances to different control rankings on the basis of control levels required for respective substances under the Pollutant Release and Transfer Registers (PRTR Act), the Poisonous and Deleterious Substances Control Act, the Industrial Safety and Health Act, and other such laws and regulations, and then establishing different control methods for each respective ranking.



Stringent chemical controls



Controls applied to each and every container

Adopting chemical control methods more precisely aligned with potential risks

In fiscal 2012, the Advantest Group implemented general training on chemicals for all employees to ensure that knowledge about chemical handling and related cautionary points would spread throughout the Company. On confirming this result in fiscal 2013, we simplified control methods for chemicals deemed to pose little risk. For low-risk chemicals used in small amounts, as well as commercially available sprays and glues, we introduced a new Rank 0, which allows each employee to manage the substances as they see fit.

Chemical substance control rankings

Rank	Conditions for application	Locked storage	Dispensary control	Inventory checks
4	Chemical is extremely toxic or has a profound social impact; registration with national or other government is necessary. Examples: narcotics, stimulants, etc.	Yes	Yes	As required by law
3	Chemical is highly toxic; any loss must be reported. Examples: poisons, strong drugs, etc.	Yes	Yes	Monthly
2	Chemical is inflammable, corrosive, or poisonous with prolonged exposure. Examples: organic solvents, acids, alkalis, etc.	Yes	Yes	Twice annually
1	Chemical is not very harmful, but due to the large amounts used, control is necessary. Examples: solder paste, Fluorinert, etc.	No	Yes	Twice annually
0	Chemical is not very harmful and does not warrant special control. Examples: some adhesives, grease, lubricants, paint, lead-free solder, wire solder, bar solder, sprays (spray oil, cooling spray), etc.	No	No	No

General and specialized education on chemical substances by e-learning

In addition to the general training on chemical substances that we began administering in fiscal 2012, the specialized training for employees who handle chemicals on a daily basis was moved from the classroom to e-learning in fiscal 2013.

General training on chemical substances aims to impart to all employees the knowledge that even familiar chemicals can, if handled improperly, cause unforeseen accidents or pollute the environment, and how to reduce those risks. On the other hand, specialized training is aimed at employees who use chemicals on a daily basis. They get practical instruction in the risks posed by some chemicals and how to handle those chemicals safely. Administration of this program via e-learning widened participation and made it possible for all supervisory personnel to take part.



Materials used in training on chemical substances

The specialized training on chemical substances deals with the main chemicals subject to legal regulation, such as strong poisons and medications, organic solvents, specified chemical substances, and designated hazardous materials under the Fire Defense Law. Examples of accidents are given and explained in a straightforward way.

Content

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

Initiatives With Business Partners

CSR Report 2014

Green procurement/Initiatives related to regulations for chemical substances contained in products

At the Advantest Group, our intention is to reduce environmental impact at all stages of production, including those caused by suppliers and assembly and processing companies, in our quest to develop green products. We engage in communication with our business partners, and formulated the Advantest Green Procurement Guidelines in fiscal 2002 to facilitate this process. We operate according to these guidelines in order to give consideration to the environmental aspects in addition to quality, cost, and delivery throughout the whole process of production, including the purchasing of the components and materials that are used for our products.

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

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

The Basic Principles of Green Procurement



Component Registration in Green Procurement

Regarding component registration, we are conducting environmental studies of the procured components, with the cooperation of our suppliers. We investigate the components to find out if they contain chemical substances that can burden the environment, and promote green procurement initiatives to reduce environmental impact.

Banned and Restricted Substances

Advantest specifies the chemical substances that are prohibited from inclusion in our products or otherwise subject to restriction based on the IEC 62474 standard.

The hazardous substance survey for suppliers

With the July 2011 revision of the RoHS Directive and the addition of electrical and electronic products-related regulations, Advantest revised its hazardous substance questionnaire. To help our suppliers submit accurate and quick responses to the questionnaire, we have held regular meetings to explain its content and how to fill it in.



Hazardous substance questionnaire meeting

Environmental Accounting Results

CSR Report 2014

Japan

Scope: All business locations in Japan; period: April 2013 to March 2014

Unit: ¥1,000

Category	Major activities	Capital investment		Costs		
		FY2012	FY2013	FY2012	FY2013	
Environmental conservation costs	1) Business area costs					
	(1) Pollution prevention costs	Installation, repair, environmental assessment, and maintenance of pollution prevention facilities	0	680	51,194	24,651
	(2) Global environmental conservation costs	Installation of energy-efficient equipment and facilities	22,022	9,854	9,355	4,842
	(3) Resource circulation costs	Disposal and recycling of waste; construction of water supply facilities	0	0	68,632	6,901
	2) Upstream / downstream costs	Green procurement and purchasing; introduction and development of recycled packaging materials	0	0	0	0
	3) Administrative costs	Operation of Environmental Management System; management of the biotope; disclosure of environmental information	0	0	182,414	49,583
	4) R&D costs	R&D of environmentally friendly products and production technologies	0	0	3,670	535
	5) Social activity costs	Tree-planting in the surrounding areas	0	0	4,583	940
	6) Environmental remediation costs	Environmental remediation; penalties or litigations concerning environmental conservation	0	0	0	0
Total		22,022	10,534	319,848	87,452	
Category	Major activities	FY2012		FY2013		
Environmental conservation benefits	1) Economic benefits					
	Benefit amount					
	(1) Energy cost savings	Installation of energy-efficient equipment and facilities; implementation of energy-saving measures	3,050		0	
	(2) Revenue from sale of recycled materials	Sale of recovered metals, etc.	69,440		8,488	
	(3) Waste disposal cost savings due to reduced waste volumes	Reduction of wastewater disposal costs through the use of wastewater treatment facilities	48,204		28,098	
(4) Publicity benefits from media coverage	Coverage by newspapers	4,050		4,050		

Category	Major activities	Capital investment		Costs	
		FY2012	FY2013	FY2012	FY2013
	Total	124,744		40,636	
Environmental conservation benefits	2) Physical benefits	Volume reduced / effectively used			
	(1) Power consumption reduction	Installation of energy-efficient equipment and facilities		52.2 (MWh)	62.2 (MWh)
	(2) Energy consumption reduction	Installation of energy-efficient equipment and facilities		2,475 (GJ)	620.1 (GJ)
	(3) CO2 emission reduction	Installation of energy-efficient equipment and facilities		156 (t-CO2)	28.9 (t-CO2)
	(4) Effective utilization of resources	The total quantity of metals, paper, waste plastics, and other resources recycled		394 (t)	361 (t)
	(5) Effective utilization of waste	The percentage of waste recycled to the total volume of waste generated at sites		100 (%)	99 (%)

Overseas

Scope: 10 overseas affiliates; period: April 2013 to March 2014

Unit: ¥1,000

Category	Major activities	Costs		
		FY2013		
Environmental conservation costs	Global environmental conservation	Installation of energy-efficient equipment and facilities; improvement of facilities		15,353
	Resource recycling costs	Disposal of waste		4,528
	Administrative costs	Operating environmental management; environment-related seminars		3,443
	Social activity costs	Clean-up activities in the surrounding areas; donations to civil society organizations		4,448
	Total			27,772
Category	Major activities	FY2013		
Environmental conservation benefits	1) Economic benefits		Benefit amount	
	(1) Power cost reduction	Installation of energy-efficient equipment and facilities; implementation of energy-saving measures		38,880
	(2) Revenue from sale of recycled materials	Sale of recovered metals, etc.		5
	2) Physical benefits		Volume reduced	
	(1) Power consumption reduction	Installation of energy-efficient equipment and facilities		2,817,920 (kWh)
	(2) CO2 emission reduction	Installation of energy-efficient equipment and facilities		1,082 (t-CO2)

Environmental Related Data

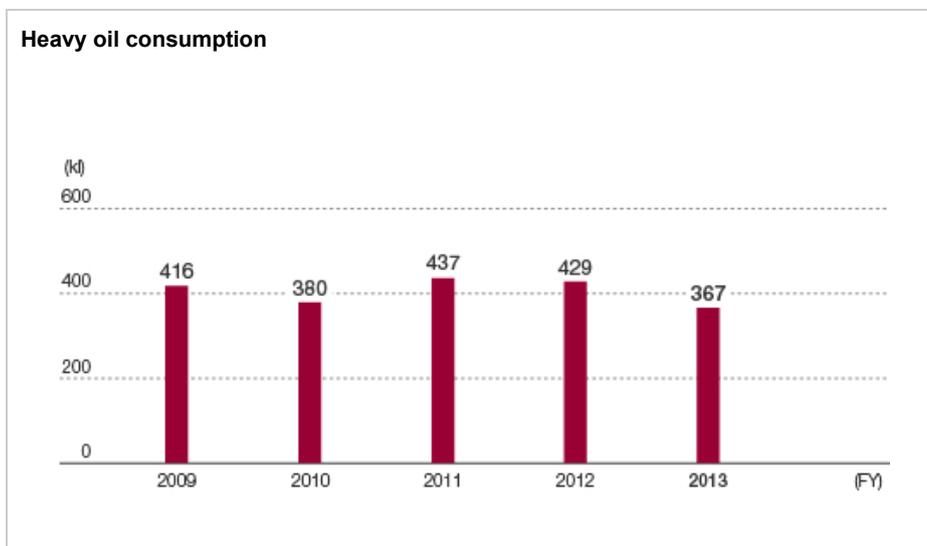
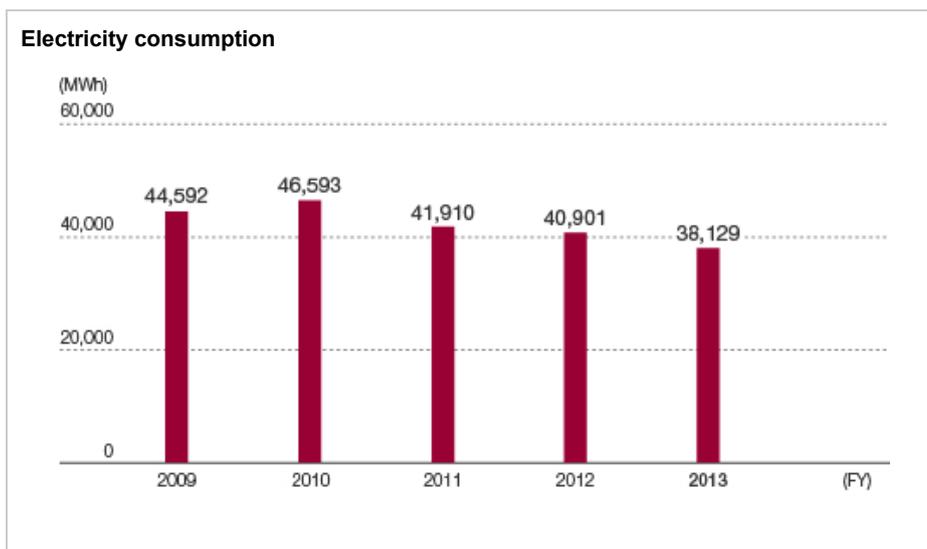
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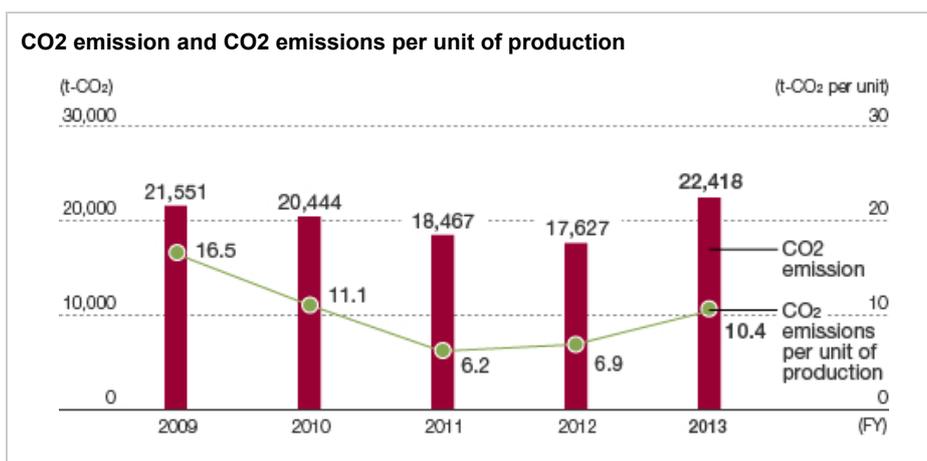
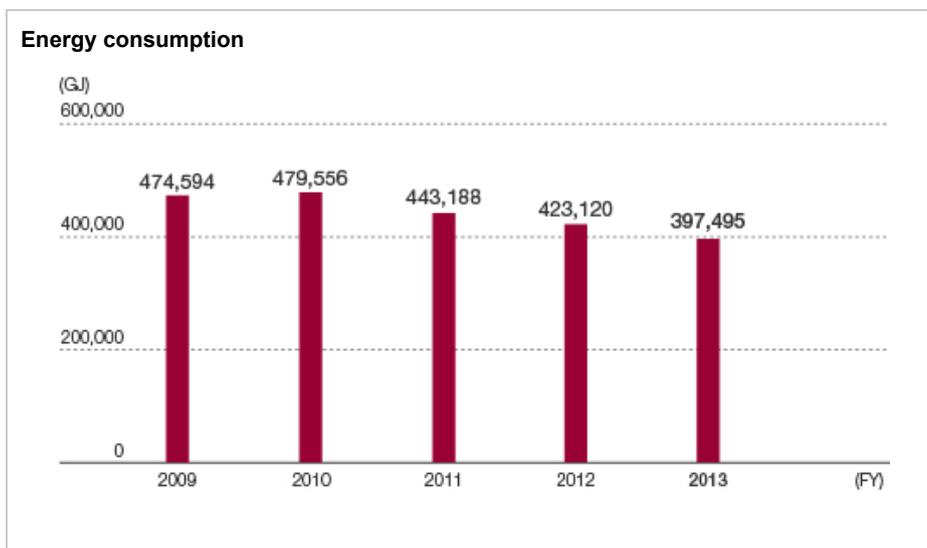
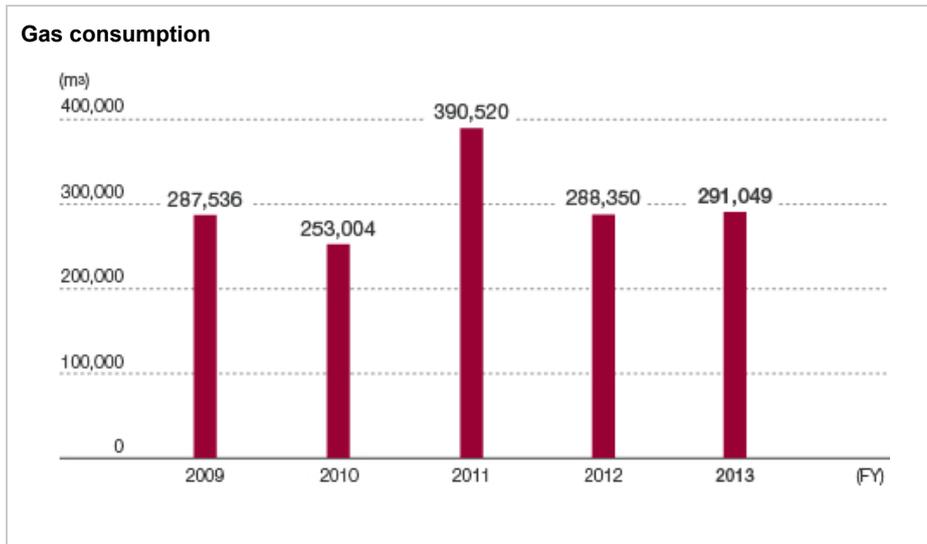
Advantest keeps tabs of the company's annual environmental loads, using such numerical data to pinpoint areas where our operations are impacting the environment so that we can introduce measures and policies to reduce our environmental footprint.

Environmental accounting results

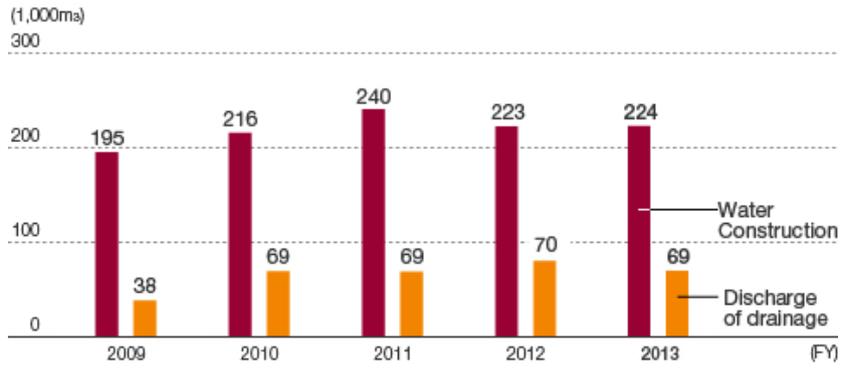
Environmental load data — Japan

Scope: Major business locations and affiliated companies in Japan

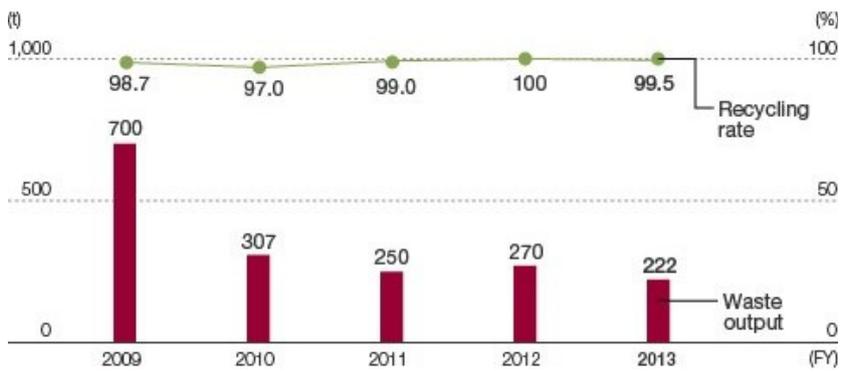




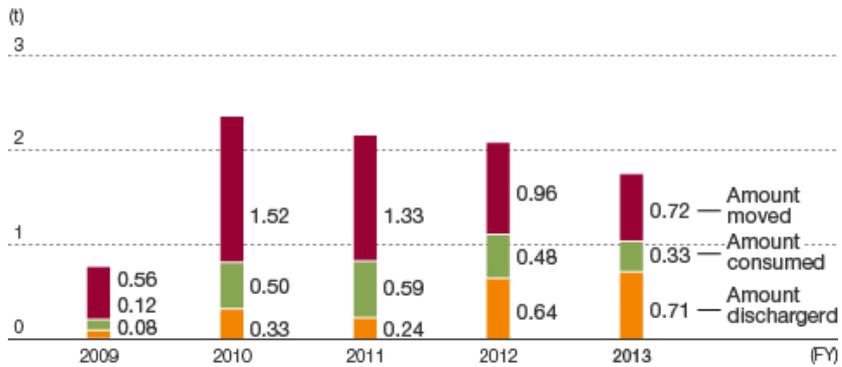
Water consumption and discharge



Waste output and recycling rate



PRTR



Environmental load data — overseas

Scope: Major affiliated companies overseas

