Cautionary Statement with Respect to Forward-Looking Statements

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

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Why We're Holding This Briefing

➢ Today, we’ll be focusing on two key elements of Advantest’s corporate value improvement:
  ✓ Structural Management Reinforcement Initiatives
  ✓ Human Capital Betterment Initiatives

Yoshiaki Yoshida
Representative Director, President &
Group CEO

Yasuo Mihashi
Senior Executive Officer
Co-CSO (Co-Chief Strategy Officer)
Executive Vice President, Corporate Planning &
Stakeholder Relations Group

Keith Hardwick
Senior Executive Officer
CHO (Chief Human Capital Officer)
Agenda

1. Advantest's Significance & Our Vision
   1-1. What is the purpose of Advantest's existence?
   1-2. The aims of our mid/long-term management strategy

2. Advantest’s Value Creation Process

3. Human Capital Betterment Initiatives
1. Advantest's Significance & Our Vision

Yoshiaki Yoshida
Representative Director & Group CEO
1. Advantest's Significance & Our Vision

1-1. What is the purpose of Advantest's existence?

1-2. The aims of our mid/long-term management strategy
Semiconductors Support Global Safety, Security & Comfort

Data Centers

AI / Machine Learning

Smart Factory

Autonomous Smart Transportation

Smart Home
Why Semiconductors Need to be Tested

If defective semiconductors were used in these products...

- Your TV would break
- Your car wouldn't start
- Your phone would crash
- Your PC would freeze up
- Your servers would go down

Semiconductor test is essential so that we can live safe, secure, and comfortable lives
Advantest has comprehensively expanded our technology portfolio over the years around the axis of measurement technology.

<table>
<thead>
<tr>
<th>1954~</th>
<th>1970’s~</th>
<th>Late 2010’s~</th>
</tr>
</thead>
</table>
| ▶ Our first product was a digital ammeter  
▶ We expanded our lineup to digital, wireless, and optical measurement products | ▶ Putting together various technologies cultivated since our founding, we entered the semiconductor tester business  
▶ Soon, we had the No. 1. global market share | ▶ We have been expanding our business domains to adjacent areas while leveraging our core technologies and market presence in the semiconductor tester field |

We constantly seek to propose more comprehensive solutions-as-systems while improving the accuracy of each individual measurement technology.
Advantest's Sales History

- **1954 First measurement instrument**
- **1970 SPAT-I: our first ATE product**
- **1979 T3380**
- **1996 T5581**
- **2003 T2000**
- **2020 V93000 EXA Scale**

Net sales (billion of yen)
Market Share Gains Have Supported Our Recent Sales Growth

**Tester Market**

- CY2022
  - Approx. $5.1B-5.4B

**Advantest Share**

- Approx. 55%

* Tester market size and Advantest's share are provisional figures as of January 31, 2023, based on in-house estimates.
Enabling Leading-Edge Technologies
We will continue to provide products and services that satisfy customers around the world by improving our company and contributing to the common good through the development of leading-edge technologies.
1. Advantest's Significance & Our Vision

1-1. What is the purpose of Advantest's existence?

1-2. The aims of our mid/long-term management strategy
The Corporate Value Enhancement We Aim For:

Expansion of social contributions through business growth

By balancing our activities along three axes, we enhance each activity and continuously increase future profits (cash flows)

1. Value from Shareholder Perspective
   - ROE
   - EPS
   - ROIC

2. Value from Stakeholder Perspective
   - Increase customer value
   - Partnership with supply chain
   - Employee engagement through human resource development & training

3. Value from ESG Perspective
   - Response to climate change
   - Diversity and inclusion
   - Protection and respect for human rights
   - Fair trade
   - Relevance to future generations

Sustainable expansion of future profits

Corporate value
X years later

Present corporate value

May 24, 2021
Second Mid-Term Management Plan Presentation
Aiming to be a Sustainable Company

In this VUCA* era, Advantest's business environment is fluid

Politics
Increased geopolitical risks

Economy
Rising inflation and pronounced foreign exchange fluctuations

Society
The importance of climate change and other ESG considerations is increasing

Technology
Semiconductors are evolving into solutions for diverse social issues

We are building a stronger management foundation to meet these challenges

*Volatility, Uncertainty, Complexity, Ambiguity
### Grand Design Update: Commitments & Strategies

<table>
<thead>
<tr>
<th>Commitments</th>
<th>Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Be the No.1 provider of test &amp; measurement solutions</td>
<td>1. Reinforce Core Businesses, Invest Strategically</td>
</tr>
<tr>
<td>2. Partner with leading-edge customers</td>
<td>2. Seek Operational Excellence</td>
</tr>
<tr>
<td>3. Develop leading-edge technologies</td>
<td>3. Explore Value to Reach a Higher Level</td>
</tr>
<tr>
<td>4. Attract and retain the best talent in the industry</td>
<td>4. Pioneer New Business Fields</td>
</tr>
<tr>
<td>5. Learning organization</td>
<td></td>
</tr>
<tr>
<td>6. Improve financial KPI and increase corporate value</td>
<td>5. Enhance ESG initiatives</td>
</tr>
</tbody>
</table>

Based on our external environment outlook, we have added a fifth strategic issue, while adhering to our existing basic policy. Contributing to humanity's sustainable future through our business activities.
How We Contribute to Reducing CO2 Emissions Throughout the Semiconductor Supply Chain

Our continuous development of products that reduce CO2 emissions per test while improving tester performance in line with the evolution of semiconductor technology is an important factor in customers' decision to choose Advantest.

CO2 Emissions in Advantest's Supply Chain

Upstream
Scope 3
- Purchased goods / services
- Capital goods
- Fuel and energy-related activities
- Transportation, distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Leased assets

Advantest
Scope 1+2
- Purchased electricity, etc.
- Direct emissions from our own industrial processes
- Energy and Resource Saving
- Recyclable Design
- Elimination of Hazardous Substances

* 2020 Joined RE100
* 2021 SBTi certified
  (Scope1,2: 1.5°C, Scope3: 2°C)

Downstream
Scope 3
- Transportation, distribution
- Usage of products
- Disposal of post-lifecycle products

Sample customer request to reduce CO2 emissions:
✓ Scope 1+2+3 Net-Zero by 2040
✓ 100% renewable energy usage, etc.

Efforts to reduce CO2 emissions throughout the semiconductor supply chain

Upstream: Including equipment suppliers such as Advantest
- Purchased goods / services
- Capital goods
- Fuel and energy-related activities
- Transportation, distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Leased assets

Customers: Chipmakers
- Purchased electricity, etc.
- Direct emissions from our own industrial processes

Downstream
- Transportation, distribution
- Usage of products
- Disposal of post-lifecycle products

E: Environment
A Corporate Governance Structure Optimized for Corporate Value Improvement

- Monitoring and advisory functions demonstrate effectiveness
- The Board of Directors meets monthly, and takes sufficient time for open-ended discussions
- Separate off-site meetings are held in addition to regular board meetings, where directors discuss mid/long-term issues that need further discussion

Some topics raised at BoD and offsite meetings

- Mid/Long-Term Management Policy
- Organizational structure
- Succession planning
- Executive compensation
- Human capital
- Compliance system
- Geopolitical risks
We have shifted to a three-unit system to increase operational agility.

- To ensure growth in the globally fluid semiconductor market, it is important to speed up decision-making and execution throughout the Group.
- Local personnel have been appointed as Regional Unit Leaders. In principle, they also serve as Group executive officers. The aim is to ensure unity in group management and enhance our local business execution capabilities. Currently, nearly half of our executive officers are of nationalities other than Japanese.
- We have adopted a matrix system of business units and functional units. By properly assigning responsibilities and authority, all units can directly cooperate to enable quick decision-making and execution.

### Regional Unit Structure (as of March 31, 2022)

- **Advantest Corporation**: 7 Subsidiaries
- **Advantest America Inc.**: 12 Subsidiaries
- **Advantest Europe GmbH**: 3 Subsidiaries
- **Advantest (Singapore) Pte.Ltd.**: 5 Subsidiaries
- **Advantest Korea Co., Ltd.**:
- **Advantest Taiwan Inc.**:
- **Advantest (China) Co. Ltd.**: 4 Subsidiaries

### Business/Functional Unit Structure (Conceptual View)

- **Business Segments**: Segment A, Segment B, Segment C
- **Functional Unit**: Sales, Production, Quality Assurance, Other
- **BU**: Business Unit

- **Global Headquarters**
- **Corporate Planning**
- **Corporate Admin.**
We have appointed executive officers who are qualified in their own areas of expertise as CxOs.

**CDO & CIO**
(Chief Digital Officer & Chief Information Technology Officer)
Richard Junger

**CHO**
(Chief Human Capital Officer)
Keith Hardwick

**Group COO & CSO**
(Group Chief Operating Officer & Chief Strategy Officer)
Douglas Lefever

**Group CEO**
(Group Chief Executive Officer)
Yoshiaki Yoshida

**Group Co-COO & CTO**
(Group Co-Chief Operating Officer & Chief Technology Officer)
Koichi Tsukui

**CPO**
(Chief Production Officer)
Soichi Tsukakoshi

**CFO & CCO**
(Chief Financial Officer & Chief Compliance Officer)
Atsushi Fujita

**CCRO**
(Chief Customer Relations Officer)
Kimiya Sakamoto

**Representative Director**

*Including employees of U.S. subsidiaries in Asia

**Total workforce : 6,464**
(As of March 31, 2022)
### CxOs Lead ESG Initiatives

**ESG Action Plan 2021-2023**

<table>
<thead>
<tr>
<th>ESG</th>
<th>Key Issue</th>
<th>Executive in charge</th>
<th>Goal</th>
<th>KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>E (Environment)</td>
<td>Co-COO</td>
<td>Reduce GHG emissions from business activities by 60% by 2030 (vs. FY2018)</td>
<td>GHG emissions reduction amount/reduction</td>
<td>GHG emissions reduction amount/reduction</td>
</tr>
<tr>
<td>Climate Change (Scope 1+2)</td>
<td>CPO</td>
<td>Reduce production times 30% through production process review (vs. FY2022)</td>
<td>Coverage rate by renewable energy</td>
<td>Coverage rate by renewable energy</td>
</tr>
<tr>
<td>Value Chain (Scope 3)</td>
<td>CPO</td>
<td>Promote the use of renewables by suppliers and contractors</td>
<td>Number of suppliers who have introduced renewable energy</td>
<td>Number of suppliers who have introduced renewable energy</td>
</tr>
<tr>
<td>CTO</td>
<td>Reduce CO₂-equivalent emissions (basic unit) per test by 50% by 2030</td>
<td>Reduction rate in basic units (vs. FY2018)</td>
<td>Reduction rate in basic units (vs. FY2018)</td>
<td></td>
</tr>
<tr>
<td>Green Products</td>
<td>CTO</td>
<td>Develop products that are free from polluting substances</td>
<td>Total elimination of PFAS in coolant</td>
<td>Total elimination of PFAS in coolant</td>
</tr>
<tr>
<td>Resource Recycling</td>
<td>CPO</td>
<td>Improve in-house recycling rate by promoting the 3Rs</td>
<td>Waste recycling rate (appliance/overseas)</td>
<td>Waste recycling rate (appliance/overseas)</td>
</tr>
<tr>
<td>Maintain Group-wide water usage at FY2016 levels</td>
<td>CPO</td>
<td>Water resource usage</td>
<td>Water resource usage</td>
<td>Water resource usage</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>Co-COO</td>
<td>Promote nature conservation activities (protection of endangered species in Okayama, tree planting, beach cleaning, etc.)</td>
<td>Planning and implementation rate of nature conservation activities</td>
<td>Planning and implementation rate of nature conservation activities</td>
</tr>
</tbody>
</table>

**S (Social)**

<table>
<thead>
<tr>
<th>ESG</th>
<th>Key Issue</th>
<th>Executive in charge*</th>
<th>Goal</th>
<th>KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share and solve/mitigate ESG issues</td>
<td>CPO</td>
<td>ESG management at Supply Chain</td>
<td>Share and solve/mitigate ESG issues</td>
<td>Due diligence implementation rate for major suppliers</td>
</tr>
<tr>
<td>Fair treatment in gender</td>
<td>CPO</td>
<td>ESG management at Supply Chain</td>
<td>Fair treatment in gender</td>
<td>Female manager ratio</td>
</tr>
<tr>
<td>Estimation and practice of human rights</td>
<td>CPO</td>
<td>ESG management at Supply Chain</td>
<td>Estimation and practice of human rights</td>
<td>Participation rate of educational training</td>
</tr>
<tr>
<td>Work-life balance</td>
<td>CPO</td>
<td>ESG management at Supply Chain</td>
<td>Work-life balance</td>
<td>Return-to-work rate after maternity leave (LPA)</td>
</tr>
<tr>
<td>Conflict minerals elimination</td>
<td>CPO</td>
<td>ESG management at Supply Chain</td>
<td>Conflict minerals elimination</td>
<td>Percentage of suppliers confirmed to be free of conflict minerals*</td>
</tr>
<tr>
<td>Relate customer satisfaction under New Normal circumstances</td>
<td>CPO</td>
<td>ESG management at Supply Chain</td>
<td>Relate customer satisfaction under New Normal circumstances</td>
<td>Ranking of Techno-sights customer satisfaction survey</td>
</tr>
<tr>
<td>Estimation and improvement of attractive corporate culture</td>
<td>CPO</td>
<td>ESG management at Supply Chain</td>
<td>Estimation and improvement of attractive corporate culture</td>
<td>Score of Gallup survey</td>
</tr>
<tr>
<td>Maintaining and enhancing occupational safety and health</td>
<td>CPO</td>
<td>ESG management at Supply Chain</td>
<td>Maintaining and enhancing occupational safety and health</td>
<td>Occupational accident rate (frequency rate)</td>
</tr>
<tr>
<td>Promotion of health management</td>
<td>CPO</td>
<td>ESG management at Supply Chain</td>
<td>Promotion of health management</td>
<td>To be selected in White 500 (LPA)</td>
</tr>
<tr>
<td>Employee capacity building</td>
<td>CPO</td>
<td>ESG management at Supply Chain</td>
<td>Employee capacity building</td>
<td>Education and training expenses (100MY)</td>
</tr>
</tbody>
</table>

* KPIs are changed according to actual activities

**G (Governance)**

<table>
<thead>
<tr>
<th>ESG</th>
<th>Key Issue</th>
<th>Executive in charge*</th>
<th>Goal</th>
<th>KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide outside directors with updates on business and management issues</td>
<td>CEO</td>
<td>Corporate culture and Code of Conduct, compliance, risk management</td>
<td>Provide outside directors with updates on business and management issues</td>
<td>2 times/year</td>
</tr>
<tr>
<td>intensely discussion through Off-site meetings by board members</td>
<td>CEO</td>
<td>Corporate culture and Code of Conduct, compliance, risk management</td>
<td>intensely discussion through Off-site meetings by board members</td>
<td>2 times/year</td>
</tr>
<tr>
<td>Succession planning</td>
<td>CEO</td>
<td>Corporate culture and Code of Conduct, compliance, risk management</td>
<td>Succession planning</td>
<td>Policy/process mapping, planning, updates</td>
</tr>
<tr>
<td>Diversity of board members</td>
<td>CEO</td>
<td>Corporate culture and Code of Conduct, compliance, risk management</td>
<td>Diversity of board members</td>
<td>Outside directors must include female representation (&gt;40%)</td>
</tr>
<tr>
<td>Add ESG performance assessment to compensation</td>
<td>CPO</td>
<td>Corporate culture and Code of Conduct, compliance, risk management</td>
<td>Add ESG performance assessment to compensation</td>
<td>Start from FY2021</td>
</tr>
<tr>
<td>Work/Shop training for all employees (The Advantest Way, Law, Regulations, Information, securities, etc.)</td>
<td>CPO</td>
<td>Corporate culture and Code of Conduct, compliance, risk management</td>
<td>Work/Shop training for all employees (The Advantest Way, Law, Regulations, Information, securities, etc.)</td>
<td>Participation rate for e-learning (100%)</td>
</tr>
<tr>
<td>Strengthening Internal Control</td>
<td>CPO</td>
<td>Corporate culture and Code of Conduct, compliance, risk management</td>
<td>Strengthening Internal Control</td>
<td>Regularly discuss internal control issues</td>
</tr>
</tbody>
</table>

**Promotion & Support of ESG management (Sustainable Management Working Group)**

<table>
<thead>
<tr>
<th>ESG</th>
<th>Key Issue</th>
<th>Executive in charge*</th>
<th>Goal</th>
<th>KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support &amp; Report group-wide Policy, Strategy, Plan and Implementation</td>
<td>Co-COO</td>
<td>Co-COO</td>
<td>Support &amp; Report group-wide Policy, Strategy, Plan and Implementation</td>
<td>Report to Executive Management Committee and BOD (once a year)</td>
</tr>
<tr>
<td>Timely and appropriate disclosure (Integrated Annual Report, Sustainability Database)</td>
<td>Co-COO</td>
<td>Co-COO</td>
<td>Timely and appropriate disclosure (Integrated Annual Report, Sustainability Database)</td>
<td>Issuance every year</td>
</tr>
</tbody>
</table>

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Integrated Annual Report 2022
https://www.advantest.com/about/pdf/E_all_IAR2022.pdf
2. Advantest’s Value Creation Process

Yasuo Mihashi
Senior Executive Officer
Co-CSO (Co-Chief Strategy Officer)
Executive Vice President, Corporate Planning & Stakeholder Relations Group
Value Creation Process

Input

- Human Capital
- Manufacturing Capital
- Financial Capital
- Customer-Facing Capital (Sales & Services)
- R&D Capital
- Ecological Capital

Value Creation Process

Value Creation Drivers
5 Key Strategies

1. Reinforce Core Businesses, Invest Strategically
2. Seek Operational Excellence
3. Explore Value to Reach a Higher Level
4. Pioneer New Business Fields
5. Enhance ESG Initiatives

Output

Customer Satisfaction Improvement

- Time to Market, Time to Quality, Time to Volume
- Reinforcement & Expansion
- Improved Customer Satisfaction Leads to Business Expansion

Shareholders
- Shareholder Value Improvement, Shareholder Returns
- Motivating Shareholders to Invest and Hold Advantest Stock over the Long Term

Employees
- Self-directed Career Development and Greater Job Satisfaction
- Proactive Response to Change

Customers
- Time to Market, Time to Quality, Time to Volume
- Reinforcement & Expansion
- Improved Customer Satisfaction Leads to Business Expansion

Supply Chain
- Secure & Expand Business Opportunities
- Sharing Awareness of Environmental Footprint Reduction

Global Environment
- Contributing to a Sustainable Future for the Earth

Local Communities
- Tax Payments, Employment, Environmental Conservation
- Contributing to a Safe and Secure Society Through the Wider Adoption of Semiconductors

The Advantest Way

Purpose & Mission
Enabling Leading-Edge Technologies

Vision
Adding Customer Value in an Evolving Semiconductor Value Chain

Core Values
INTEGRITY
Semiconductor Test Delivers Safety, Security, and Comfort

Supporting customer innovation

R&D and production of semiconductors with higher functionality

Semiconductors saturate modern life

Worldwide safety, security, and comfort
Semiconductor Evolution & Customer Issues

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Enormous increases in transistor counts</td>
<td>2.5D/3D packaging</td>
<td>Yield improvements that meet TTM* needs</td>
<td>Achieving zero defects</td>
<td>Dramatic improvements in operating speed, etc.</td>
<td>Efficient power supply</td>
</tr>
</tbody>
</table>

- Huge numbers of test patterns are necessary to check the operation of all transistors
- High-precision test needed to detect failure modes specific to advanced packages
- Huge amounts of test result data are needed to improve yields by refining manufacturing processes
- Highly accurate test environments are needed to detect every failure
- Actual operation level test needs must be applied to guarantee the required performance
- Support for power semiconductors made of e.g. SiC and GaN, which have excellent power characteristics

More advanced quality and performance assurance methods are needed to support the evolution of semiconductors and electronic devices

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Support for power semiconductors made of e.g. SiC and GaN, which have excellent power characteristics

More advanced quality and performance assurance methods are needed to support the evolution of semiconductors and electronic devices

---

*Time To Market
The Quest for Comprehensive Solutions to Customer Issues

- Advanced Processes
- Advanced Packages
- Advanced Production Line Ramps
- High Reliability Needs
- Higher Performance & Functionality
- Higher Voltages

Advantest is developing broader, deeper solutions for customer issues through business domain expansion.

<Our Core Business Areas>
- Production Processes (Wafer test & Final test)
- Product / System Level Test Processes

Our Core Business Areas:
- Design / Evaluation Processes
- Production Processes
- Product / System Level Test Processes

Developing Business Infrastructure
- AI, Data Analytics, and etc. by Advantest Cloud Solutions™ (ACS)

An example of how we’re solving customer issues:
Our SLT products enable testing at the system level to further screen for defects, following the testing of individual chips.
Our value creation stems from our R&D capital, customer-facing capital, both of which are underpinned by human capital, manufacturing capital, ecological capital, and financial capital — all supported by The Advantest Way.
The essence of our business model is the synergistic link between our customer-facing capital and R&D capital, refined over decades to deliver mutual benefits.

Synergies are maintained and expanded through better foresight

- Close communication with customers
- Identification of cutting-edge test trends
- Information is fed back into R&D of next-generation solutions
- Increased presence in our industry
- Reinforce customer relationships

Greater Customer Value

- Time to Market
- Time to Quality
- Time to Volume

We grow the value we provide to customers by maintaining and expanding the synergies between our customer-facing capital and R&D capital.
Advantest’s Core Competences & Human Capital

Advantest’s Core Competences: R&D Capital & Customer-Facing Capital

Industry’s No.1 technological capabilities & leadership
✓ Semiconductor test equipment market share: approx. 55% (2022 in-house estimate*)
✓ Dominant position in the high-end market where test technology requirements are most demanding
✓ Scalable modular architecture platforms support semiconductor functionality gains
✓ Industry-leading MTBF (Mean Time Between Failure)

Total solutions including test peripherals and a global support network
✓ Named THE BEST Supplier of Chip Making Equipment and #1 ATE Supplier by TechInsights for the 3rd consecutive year. Also named on the 10 BEST Suppliers list of large suppliers of test equipment for the 34th consecutive year
✓ One-stop global support for test systems, test handlers, and device interfaces operating as a comprehensive test environment

Industry’s No.1 customer base and largest installed base
✓ We cover the semiconductor market from system vendors to downstream across all regions, and build strong relationships with customers in various sectors.
✓ Number of volume production systems in operation worldwide is industry’s greatest

R&D, SE/AE, sales/marketing, and field services personnel support our core competences

Upgrading our human capital from a long-term perspective is essential to maintaining and strengthening our core competences

3. Advantest's Human Capital Betterment Initiatives

Keith Hardwick
Senior Executive Officer
CHO (Chief Human Capital Officer)
History of Advantest's Global Human Capital Management

Our 2011 merger with Verigy was a turning point.

- Our workforce expanded to include almost 50% non-Japanese nationals
- We became a group of individuals with differing cultures and backgrounds
- We developed and introduced a globally acceptable personnel system
- We strengthened our management foundation to support cross-border and cross-functional operations

These experiences crystallized into our 2019 review of “The Advantest Way”.
After that, we raised our personnel strategy to a higher level in line with the strategy of our second mid-term management plan.
The Advantest Way

Purpose & Mission
Why does Advantest exist?
Enabling Leading-Edge Technologies
We will continuously improve ourselves so that we can offer products and services that will satisfy our customers worldwide, and contribute to the development of our society through the development of the most advanced technologies.

Vision
What do we want to be?
Adding Customer Value in an Evolving Semiconductor Value Chain

Core Values
What do we value most?
INTEGRITY
- “Integrity” means honesty and truthfulness
- When you have integrity, it means being open, honest and respectful at all times with all stakeholders
Core Values

**Innovation is our lifeblood**
- We challenge the status quo.
- We embrace technologies and entrepreneurship to create superior customer value.

**Number one is our aspiration**
- We earn our leadership position in our business fields every day.
- We establish an impeccable standard of excellence.

**Trust is our foundation**
- We are a trusted, collaborative partner.
- We have confidence in each other’s capabilities and intentions.

**Empowerment is our motivation**
- We are empowered to make decisions with an owner’s mentality.
- We own Advantest’s success.

**Global is our reach**
- We embrace a world of constant change.
- We are always ready. Anytime. Anywhere.

**Respect is our heart**
- We respect different cultures, customs, and laws.
- We never compromise on our ethical standards.

**Inclusion and diversity is our commitment**
- We are proud of and appreciate the range of different backgrounds that our talents represent.
- We believe that strength can come from differences as well as similarities.

**Teamwork is our approach**
- We work smart and best utilizing our talents across teams and regions to do extraordinary work.
- We inspire each other, encourage openness, and recognize team results.

**Yes is our attitude**
- We deliver on results promised to each other.
- We recognize that impossible is an opinion, and with imagination, we can change the world.
Our Management Strategy & HR Strategy

The Advantest Way

Purpose & Mission
Enabling Leading-Edge Technologies

Vision
Adding Customer Value in the Evolving Semiconductor Value Chain

Core Values
INTEGRITY

Grand Design
5 Strategies
1. Reinforce Core Businesses, Invest Strategically
2. Seek Operational Excellence
3. Explore Value to Reach a Higher Level
4. Pioneer New Business Fields
5. Enhance ESG Initiatives

Execution of Strategy

- Strengthen core business
- Strengthen recurring business
- Grow ACS services

FY2021-23 Investment Plans
- CapEx: ¥70 billion
- Strategic investments such as M&A: ¥100 billion

- ESG Activity Plan 2021-2023
  - E (Climate change response, green products, etc)
  - S (Diversity, protection & respect for human rights, employee engagement, investment in human resources)
  - G (Effectiveness of the Board of Directors, compliance, risk management)

HR Strategy

- Development of abilities
  - Improving and handing down skills and techniques
  - Reskilling
  - Training of future managers

- A personnel system that puts the right person in the right place
  - Enhancement of personnel acquisition/retention
  - Rapid response to change

- Retention and empowerment of diverse human resources

- Global succession planning

- Higher engagement
  - Inculcation, maintenance and improvement of an attractive corporate culture
  - Ownership of career paths
  - Compensation at a level that motivates performance

We are strengthening the comprehensive power of our human capital by enhancing both individual and organizational strengths
Individual Strengths: Development of Abilities

Resources for Development of Abilities

- **Global e-learning platform**
  Worldwide support for employees wishing to use LinkedIn, Franklin Covey, Udemy

- **Global talent management program**
  As a part of succession planning for key positions, global succession candidates acquire management literacy and participate in action learning (group work)

**Resources to be Added in Future**

- **Management Program 1 (Japan) FY2023 and beyond**
  Teaches a wide range of skills required for management positions. It is a completely voluntary system, but cannot be undertaken unless one reaches a certain level. Promotion to managerial positions will be subject to completion of this program.

- **Compliance (global)**
  Systematization of globally compulsory items, local responses, etc.

---

We are supporting the voluntary skill development of the human capital that drives our sustainable growth
Organizational Strengths: Retention and Maximization of Diverse Human Capital

◆ Region/Gender Composition of Workforce

- Ratio of overseas employees and managers is increasing
- Executive officers come from all global regions
- 2 out of 11 directors are Americans
- The ratio of female employees is similar in Japan and worldwide. However, the ratio of female managers is lower in Japan

Employees by Region in FY2021

*FY2019 figures in brackets

<table>
<thead>
<tr>
<th></th>
<th>Japan</th>
<th>Asia</th>
<th>Europe</th>
<th>Americas*</th>
<th>Total Overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>42.1%</td>
<td>19.8%</td>
<td>14.2%</td>
<td>23.8%</td>
<td>57.9%</td>
</tr>
<tr>
<td></td>
<td>(47.5%)</td>
<td>(20.2%)</td>
<td>(14.9%)</td>
<td>(17.5%)</td>
<td>(52.5%)</td>
</tr>
<tr>
<td>Managers</td>
<td>38.0%</td>
<td>21.2%</td>
<td>18.6%</td>
<td>22.2%</td>
<td>62.0%</td>
</tr>
<tr>
<td></td>
<td>(42.1%)</td>
<td>(21.9%)</td>
<td>(17.0%)</td>
<td>(19.1%)</td>
<td>(57.9%)</td>
</tr>
<tr>
<td>Executive Officers</td>
<td>54.2%</td>
<td>20.8%</td>
<td>12.5%</td>
<td>12.5%</td>
<td>45.8%</td>
</tr>
<tr>
<td>Directors</td>
<td>81.8%</td>
<td>---</td>
<td>---</td>
<td>18.2%</td>
<td>18.2%</td>
</tr>
</tbody>
</table>

*Including employees of U.S. subsidiaries in Asia

Employees by Gender

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Female Worldwide</td>
<td>19.6%</td>
<td>20.2%</td>
<td>20.8%</td>
</tr>
<tr>
<td>Japan</td>
<td>17.8%</td>
<td>18.1%</td>
<td>18.5%</td>
</tr>
<tr>
<td>% of Managers Female Worldwide</td>
<td>7.7%</td>
<td>8.3%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Japan</td>
<td>2.6%</td>
<td>3.0%</td>
<td>3.7%</td>
</tr>
<tr>
<td>% of Engineers Female Worldwide</td>
<td>8.9%</td>
<td>9.4%</td>
<td>9.7%</td>
</tr>
</tbody>
</table>

◆ Future Policies & Resources

- The position of CHO (Chief Human Capital Officer), established in 2022, will boost our global efforts
  - Inculcation of corporate culture based on The Advantest Way
  - Optimization of workforce composition by job type for each region
  - Retention (key engineers in highly competitive regions)
  - Review of the personnel system and evaluation system

We are promoting diversity by actively hiring and promoting diverse human capital
Individual Strengths: Retention System

Evolution of our Stock Compensation Program

Future Policies & Measures

- Appropriate salary raises
- Activities to inculcate INTEGRITY ~ Creation of highly engaging workplaces
- Review of RSUs for retention (for eligible job types and countries)

Expanding our stock compensation program is one of our measures to retain excellent human capital that will support Advantest’s future growth.
Organizational Strengths: Engagement

Employee Engagement

<table>
<thead>
<tr>
<th>Executive in charge</th>
<th>Goal</th>
<th>KPI</th>
<th>2018 Results</th>
<th>2021 Results</th>
<th>2030 Target Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHO</td>
<td>Edification and improvement of attractive corporate culture</td>
<td>Score of Gallup survey</td>
<td>3.48</td>
<td>3.64</td>
<td>4.1</td>
</tr>
</tbody>
</table>

Future Policies & Measures

- Culture Council & INTEGRITY Ambassador system to reform our corporate culture and improve engagement
- Review of the Leadership Model & measures to further inculcate it

Key points for improvement
- Recognition, Praise
- Actualization of progress

Completed / Ongoing Policies & Measures

FY2019 「INTEGRITY Workshop」
FY2021 「Leading with INTEGRITY」
FY2022 「INTEGRITY Award」

Based on the results of our engagement survey, we identified key issues and are working to improve engagement
Initiatives to Further Inculcate INTEGRITY (1)

INTEGRITY Workshop

Leading with INTEGRITY

S: Society
Initiatives to Further Inculcate INTEGRITY (2)

INTEGRITY Awards

Culture Council & INTEGRITY Ambassadors
Reference Information

■ Integrated Annual Report 2022
https://www.advantest.com/about/pdf/E_all_IAR2022.pdf

■ Sustainability Data Book 2022
Appendix
Commitment to External Initiatives

*For further details, please refer to Involvement with External Initiatives on our website.*
## Major ESG Evaluations by Third Parties

### Selected for all five ESG Indexes adopted by GPIF

<table>
<thead>
<tr>
<th>Index</th>
<th>FY2020</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDP Climate</td>
<td>B</td>
<td>A-</td>
</tr>
<tr>
<td>CDP Supplier Engagement</td>
<td>B-</td>
<td>A</td>
</tr>
<tr>
<td>MSCI ESG Ratings</td>
<td>BBB</td>
<td>AA</td>
</tr>
<tr>
<td>Sustainalytics</td>
<td>ESG INDUSTRY TOP RATED</td>
<td>ESG INDUSTRY TOP RATED</td>
</tr>
</tbody>
</table>

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*For further details, please refer to External Recognition on our website.*