

ADVANTEST ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

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APPENDIX A

ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

I. INTRODUCTION

Advantest Corporation and its directly or indirectly wholly owned and majority-owned subsidiaries (collectively “**Advantest**”) have a tradition and culture of conducting business according to the highest ethical standards. We are dedicated to respecting our stakeholders, coexisting harmoniously with society and contributing to a sustainable society via our corporate mission. Our The ADVANTEST Way & Code of Conduct (“**Code of Conduct**”) sets forth the general framework by which Advantest conducts its business around the world in an ethical manner, setting forth our corporate mission, our corporate mantra, and our corporate social responsibility (CSR) policy. The Code of Conduct also details the Six Ethical Principles and the Ethical Standards that all managers and staff should adhere to. This Anti-Corruption and Anti-Bribery Policy (this “**Policy**”) complements the Code of Conduct by setting forth Advantest’s specific policy of complying with anti-corruption and anti-bribery laws in every corner of the globe. This Policy demonstrates Advantest’s commitment to prevent corruption and bribery, which commitment extends across the leadership group into operation support areas. Advantest’s Corporate Ethics Committee has responsibility for administration of this Policy.

II. OVERVIEW

Advantest conducts business throughout the world. The company is committed to complying with the laws of each country in which it does business, including anti-corruption and anti-bribery laws. Two of the most prominent anti-corruption and anti-bribery laws are the United States’ Foreign Corrupt Practices Act of 1977 and all amendments implemented thereto since its inception (the “**FCPA**”) and the United Kingdom’s Bribery Act 2010 (the “**Bribery Act**”), the elements of which laws are set forth in this Policy. The purpose of this Policy is to define the business practices of Advantest in complying with anti-corruption and anti-bribery laws, and particularly with the FCPA and the Bribery Act. In accordance with Advantest’s long-term principles of guidance and transparency, this Policy prescribes Advantest’s policies and procedures for preventing corrupt practices and bribery by officers, directors, employees (including temporary employees and employees working on site at other companies or organizations) and agents of Advantest and other affiliates (“**Covered Persons**”).

A. Application of This Policy to All Covered Persons

Although some anti-corruption laws, such as the FCPA, target bribery only in the public sector, this Policy prohibits bribery in all contexts. **It is the policy of Advantest that all Covered Persons comply with applicable law and do not engage in any corrupt practices or bribery whatsoever, whether in the public or private sectors.**

This Policy applies to all Covered Persons everywhere in the world. To ensure their compliance with this Policy, each Covered Person should:

- Read, be familiar with and understand this Policy;
- Conduct business in compliance with all applicable laws;

- Ensure that third parties with which Advantest conducts business do not have a history or reputation for violating anti-corruption or anti-bribery laws;
- Watch for “red flags,” i.e., facts or occurrences that seem suspicious or possible violations of this Policy; and
- Consult with Advantest’s Corporate Ethics Committee if there is even the slightest doubt about the propriety of a payment or gift or how to describe a payment or gift on Advantest’s books and records.

B. FCPA

The FCPA was enacted in 1977, and was amended in 1988 and 1998, to address corrupt practices between individuals, corporations and foreign (non-U.S.) government officials and other similar persons that undermine the integrity and stability of governments, harm relations among countries, and increase the costs of doing business.

The anti-bribery provisions of the FCPA generally make it a crime to pay or offer to pay anything of value, directly or indirectly, to any foreign (non-U.S.) government official or other similar person, or anyone acting on behalf of such person, to obtain or retain business or gain an improper advantage. Further, the FCPA makes it unlawful to make a payment to a third party while knowing that all or a portion of the payment will go directly or indirectly to a foreign (non-U.S.) official, political candidate, political party, party official, or employee or officer of a public international organization, for such a purpose.

The FCPA also contains provisions to address accounting practices that may be used to conceal bribery, requiring companies that are publicly traded in the United States to make and keep accurate books and records and to maintain a system of internal accounting controls.

C. Bribery Act

The Bribery Act was enacted in 2010 and took effect July 1, 2011. Whereas the anti-bribery provisions of the FCPA only target bribes in the public sector, the Bribery Act prohibits bribes in both the public and private sectors. Whereas the FCPA punishes only the offeror and payor of the bribe, the Bribery Act punishes both the offeror and payor of the bribe and the solicitor and acceptor of the bribe.

The Bribery Act consists of four separate criminal offenses that are very broad and complicated. Essentially, the four offenses are:

1. offering, promising or giving a bribe;
2. requesting, agreeing to receive or accepting a bribe;
3. bribing a foreign (non-U.K.) public official to obtain or retain business; and/or
4. for a relevant commercial organization, failing to prevent bribery by those acting on its behalf.

D. Other Laws

Although the FCPA and Bribery Act or two of most prominent anti-corruption and anti-bribery laws, many countries in which Advantest has operations have enacted other anti-corruption and anti-bribery laws. Some countries also have enacted specific laws to address activities in certain industry sectors. Advantest requires that all Covered Persons comply with *all* applicable anti-corruption and anti-bribery laws.

III. PROHIBITED AND PERMITTED ACTS

A. Prohibited Payments

It is Advantest's policy that Covered Persons are prohibited from directly or indirectly paying, promising, authorizing or offering *anything of value* (not just money) to any government official (as defined below) or any other individual on behalf of Advantest or any of its subsidiaries or other affiliates:

- to secure an improper advantage;
- to obtain or retain business;
- to direct business to any other person or entity;
- to induce a person to perform such person's function or activity improperly; or
- to reward a person for the improper performance of such a function or activity.

This prohibition includes payments to third parties while knowing that the third party will use any part of the payment for bribes. This prohibition also applies regardless of local custom or practice in a region.

A "government official" is:

- any officer, employee or agent of any national, federal, state, local, municipal, foreign or other government or territory or any department or agency or instrumentality thereof;
- any political candidate, political party or party official;
- any public international organization (such as the International Red Cross, World Bank, World Health Organization and International Olympic Committee) and any officer, employee or agent thereof; and
- any person acting in an official capacity or exercising a public function for, or on behalf of, any of the above persons or entities, any national, federal, state, local, municipal, foreign or other government or territory or any department, agency or instrumentality thereof, or of any public international organization.

Thus, for purposes of this Policy, an entity hired to review or accept bids for a government agency, and each officer, employee and agent of such an entity, is a government official.

The term, "anything of value" is interpreted very broadly under the FCPA. It includes money and any item of monetary value. Examples of "anything of value" include:

- Money;
- Gifts;
- Gifts or sales of stock or other investment opportunities in other than an arm's length transaction for demonstrated fair market value (e.g., selling to an official at inflated prices or buying from an official at deflated prices);
- Contracts or other business opportunities awarded to a company in which a government official holds a beneficial interest;
- Medical, educational, or living expenses;
- Travel, meals, lodging, shopping or entertainment expenses;
- Promises of employment or internships;
- Loans in other than an arm's length transaction; and
- Charitable donations or political contributions (see further discussion below regarding charitable donations and political contributions).

Past enforcement actions have shown that the FCPA's prohibition against improper payments to "secure an improper advantage" or to "obtain or retain business" covers virtually any improper payment made in a business context. For example, it is therefore Advantest's policy that Covered Persons are prohibited from paying, promising, authorizing or offering anything of value to government officials, directly or indirectly:

- to obtain an award of or retain a contract, purchase order or other business;
- to prevent some governmental action, such as the imposition of a large tax or fine, or the cancellation of an existing contract or contractual obligation;
- to obtain a license, permit or other authorization from a government where the issuance involves the government official's or his/her government's discretion;
- to obtain confidential information about business opportunities, bids or the activities of competitors;
- to obtain the right to open an office, to secure a zoning ruling or to influence the award of a government contract;
- to influence the rate or amount of taxes that would be levied on Advantest's business;

- to obtain relief from government controls;
- to resolve governmental disputes (e.g., the resolution of tax deficiencies or a dispute over fees payable);
- to resolve commercial litigation in any court; or
- to affect the nature of regulations or the application of regulatory provisions.

Covered Persons are also prohibited from making “facilitation payments,” which are sometimes referred to as “grease payments.” Facilitation payments are nominal payments made to low-level government officials to ensure or speed the proper performance of a government official’s routine, non-discretionary duties or actions. Examples of facilitation payments include, assuming all other legal requirements have been met, payments to obtain routine permits to do business, to have visas and work orders processed, to obtain mail or telephone services, or to expedite shipments through customs. Although some anti-corruption laws (e.g., the FCPA) permit facilitation payments, many other anti-corruption laws (e.g., the Bribery Act) do *not*. Because Advantest believes that facilitation payments are, in essence, bribes, and to ensure that Covered Persons do not violate any anti-corruption laws, Covered Persons may not make any facilitation payments.

Under the Bribery Act, a commercial organization such as Advantest, its subsidiaries and its other affiliates are responsible for ensuring that persons acting on its behalf do not commit bribery. As described above, it is a violation of the Bribery Act if a commercial organization fails to prevent bribery committed on its behalf unless the commercial organization can prove that it had adequate procedures in place that were designed to prevent persons associated with it from engaging in bribery (even if those procedures failed). This Policy is just one of many measures that Advantest takes to prevent Covered Persons from engaging in bribery on its behalf, and it will be strictly enforced.

B. Donations and Political Contributions

While it is expected that donations and political contribution would be for the purpose of achieving a social benefit, no charitable donation or political contribution may be made by a Covered Person on behalf of Advantest without prior approval from Advantest’s Corporate Administration Group Leader or Advantest’s Managing Executive Officers Committee in accordance with Global Authorization Statement.

C. Third-Party Payments

As indicated above, Advantest’s anti-bribery prohibitions extend to third parties, because it is illegal to bribe a foreign official through indirect means. Third parties include, without limitation, intermediary agents and representatives, business partners and joint ventures. Accordingly, Covered Persons are prohibited from making any payments to a third party while knowing that all or a portion of the payment will go directly or indirectly to a foreign official, political candidate, political party, or party official for a prohibited purpose described in Section III.A above. Further, due diligence should be conducted prior to doing business with a third-party agent, to ensure that Advantest retains only reputable and honest agents, representatives and partners.

D. Prohibited Receipt of Payments

Just as Covered Persons may not directly or indirectly pay, promise, authorize or offer a bribe, Covered Persons are prohibited from requesting, agreeing to receive or accepting a bribe. A Covered Person's request for, agreement to receive, or acceptance of, a bribe would likely occur in one of the following situations, all of which constitute a violation of this Policy:

1. A Covered Person requests, agrees to receive or accepts a financial or other advantage, intending that a relevant function or activity should be improperly performed by the Covered Person or another in exchange;
2. A Covered Person requests, agrees to receive or accepts a financial or other advantage, and the request, agreement or acceptance itself constitutes improper performance by the Covered Person of a relevant function or activity;
3. A Covered Person requests, agrees to receive or accepts a financial or other advantage as a reward for the improper performance of a relevant function or activity by the Covered Person or another person; or
4. A Covered Person or another person (at the Covered Person's request or with the Covered Person's assent or acquiescence), in anticipation of or in consequence of the Covered Person requesting, agreeing or receiving or accepting a financial or other advantage, improperly performs a relevant function or activity.

The receipt of a bribe can be just as harmful to Advantest and society as the making of a bribe and is contrary to our tradition and culture of conducting business according to the highest ethical standards. Accordingly, Covered Persons are prohibited from requesting, agreeing to receive or accepting a bribe.

E. Permitted Payments

Covered Persons are not prohibited from making any and all payments to foreign officials and other individuals. Covered Persons are permitted to make payments to foreign officials and other individuals for the following reasons, if such a payment is otherwise permitted by local written law and the policies of the recipient's organization:

- *Promotional Hospitality and Marketing Expenses.* Payments may be made to cover the cost of an individual's meals, lodging or travel if, and only if, the expenses are bona fide, reasonable, and directly related to (i) the promotion, demonstration or explanation of Advantest's (or its subsidiaries' or other affiliates') products or services, or (ii) the execution of a contract with a government or other organization. Travel must be for legitimate business purposes. Meals and entertainment must take place in the course of a meeting or other business occasion and may serve only as a minor sidebar to such meeting and occasion. For example, a business meeting may be followed by a reasonable meal, but not by an all-day trip to a local tourist attraction. Meals and entertainment must not be deemed lavish or extravagant. Payments may never be made on behalf of a government official's spouse or other non-government guests.
- *Gifts.* Gifts of nominal value may be given as a courtesy in recognition of services rendered or to promote goodwill. However, these gifts must be nominal in value and

ideally should be promotional items that bear the “Advantest” mark (e.g., pens, hats, T-shirts). Gifts must be appropriate to the recipient’s position and circumstance and to the occasion, so that it does not create an appearance of bad faith or impropriety and could not reasonably be misunderstood by anyone as a bribe. Thus, gifts should be provided openly and transparently. Note that repeated gifts to the same recipient may be perceived as a bribe. Gifts of cash or cash equivalents, including gift cards and vouchers, are strictly prohibited.

If a Covered Person is unsure whether a payment would be covered by one of the categories described above, the Covered Person should consult with Advantest’s Corporate Ethics Committee before paying, promising, authorizing or offering such payment.

F. Examples of Violations of the FCPA and the Bribery Act

To aid in the understanding of prohibited and permitted acts under this Policy, examples of violations of the FCPA and the Bribery Act are set forth in Appendix A attached to this Policy.

IF A COVERED PERSON HAS ANY QUESTIONS REGARDING THE PROPRIETY OF A PAYMENT OR GIFT, WHETHER AS A PROVIDER OR A RECIPIENT, THE COVERED PERSON SHOULD DISCUSS THE MATTER WITH ADVANTEST’S CORPORATE ETHICS COMMITTEE BEFORE TAKING ANY FURTHER ACTION WITH RESPECT TO SUCH PAYMENT OR GIFT.

IV. BOOKS AND RECORDS AND INTERNAL CONTROLS

Securities of Advantest are publicly traded. Further, Advantest files with applicable authority all required documentation for the proper protection of investors and to certify fair dealings throughout the company. Such filings include, but are not limited to, Annual Reports and Quarterly Reports. As a result, Advantest and all of its subsidiaries are required to make and keep books, records and accounts, which in reasonable detail accurately and fairly reflect the transactions and dispositions of the company’s assets, and to devise and maintain a system of internal accounting controls to provide assurances that:

- all transactions are executed in accordance with management’s general or specific authorization;
- transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting practices;
- accountability of assets is maintained;
- access to company assets is permitted only in accordance with management’s general or specific authorization; and
- at reasonable intervals, a comparison shall be made between the recorded accountability of assets and the existing assets and action is taken with respect to any differences.

The purposes of these provisions is to prevent associates of Advantest from concealing bribes, prevent false entries in Advantest's books and records, and prevent weak internal controls that fail to detect and prevent illegal activities.

Covered Persons must follow applicable standards, principles, laws and practices for accounting and financial reporting. In particular, Covered Persons must be timely and complete when preparing all reports and records required by management. All expenses involving government officials and other individuals must be recorded accurately, providing the purpose and amount of the payment. Covered Persons should be sure that no part of any payment is to be made for any purpose other than that to be fully and accurately described in the books and records of Advantest or its subsidiaries or other affiliates. No undisclosed or unrecorded accounts are to be established for any purpose. False or artificial entries are not to be made in the books and records of Advantest or its subsidiaries or other affiliates for any reason. Finally, personal funds must not be used to accomplish what is otherwise prohibited by this Policy.

V. TRAINING

Covered Persons will receive training regarding the requirements of this Policy. Advantest will provide periodic reminders to Covered Persons, reminding them of their obligations under this Policy and, if applicable, apprise Covered Persons of any updates to this Policy. On an annual basis, Covered Persons must acknowledge their compliance with this Policy in the annual acknowledgement form they are required to submit. In addition, at the discretion of Advantest, certain Covered Persons may be required to undergo further training concerning the requirements of this Policy.

VI. PENALTIES

Violators of this Policy will be subject to discipline, up to and including termination of their relationship with Advantest. In addition, violators may be subject to civil or criminal prosecution by the government(s) whose laws have been violated, resulting in monetary fines and/or imprisonment. Further, under certain laws, violators may be barred from doing business with the government(s) whose laws have been violated.

VII. REPORTING VIOLATIONS AND SUSPICIOUS ACTIVITY

Any Covered Person who suspects this Policy may have been violated must immediately notify Advantest by post or email. General reports of suspected violations may be submitted by email to PDL-AT-helpline@advantest.com, and reports of suspected violations concerning accounting, internal controls, and/or audits may be submitted by email to PDL-AT-fin_line@advantest.com. Alternatively, all reports of suspected violations (including anonymous reports, if desired) may be submitted anonymously by post to Advantest at the following address:

Corporate Ethics Office
Advantest Corporation
Shin-Marunouchi Center Building
Marunouchi 1-6-2, Chiyoda-Ku
Tokyo 100-0005
Japan

Any Covered Person who, in good faith, reports suspected legal, ethical or policy violations will not suffer any adverse consequences for doing so. When in doubt about the propriety of any conduct, a Covered Person should seek additional guidance from the Corporate Ethics Committee before taking any action that may subject Advantest or any of its subsidiaries or other affiliates to potential liability.

Advantest may at times undertake a more detailed review of certain transactions. As part of these reviews, Advantest requires that all Covered Persons cooperate with Advantest, outside legal counsel, outside auditors and other similar parties. Failure of a Covered Person to cooperate fully in an internal review will be considered a breach of the Covered Person's obligations to Advantest.

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APPENDIX A

EXAMPLES

Example 1 of a Violations of the FCPA's Anti-Bribery Provisions

An employee, E, offers to pay a foreign (non-U.S.) government official, F, a bribe if F will award a new business contract to E's company. F declines the offer. Nevertheless, the FCPA was violated when E made the offer.

Example 2 of a Violation of the FCPA's Anti-Bribery Provisions

A company retains an agent, A, in Blueland to assist the company with navigating the cultural and regulatory obstacles in that country. Blueland has a reputation for having corruption officials. It usually takes 60 days to obtain a certain license in Blueland, and there is no legal way to expedite the process, but A says that he can get a permit issued to the company in less than a week if the company pays A, in advance, fees that are 20% higher than market norm. The company agrees. The company should have had reason to believe and suspect that a portion of the fees paid to A would likely be paid as a bribe to a foreign (non-U.S.) government official in Blueland to obtain the license so quickly.

Example of a Violation of this Policy's Books and Records and Internal Controls Provisions

An employee, E, pays a bribe to a foreign (non-U.S.) official, F. The amount of the bribe is entered in the books and records of E's company as "consulting fees." The incorrect description of the bribe as "consulting fees" in the books and records is a violation of this Policy.

Example of a Violation of Offense 1 under the Bribery Act (Offering, Promising or Giving a Bribe)

P gives a friend who works in the same company as X money to pass onto X in order to persuade X to provide P with confidential information about the company that P wants in connection with P's own business.

Example 1 of a Violation of Offense 2 under the Bribery Act (Requesting, Agreeing to Receive or Accepting a Bribe)

R, an employee, invites bids for a contract, but makes it clear to the wealthiest bidder in private that R will look favorably on such bidder's bid if R is rewarded personally.

Example 2 of a Violation of Offense 2 under the Bribery Act (Requesting, Agreeing to Receive or Accepting a Bribe)

R is a trustee who is authorized to make grants to a company's former employees who are in financial need. R agrees to consider making grants to X, a former employee who is also a member of R's family, when X tells R that X has made R a beneficiary under X's will.

Example of a Violation of Offense 3 under the Bribery Act (Bribing a Foreign Official)

P asks F, a civil servant in Blueland, to process quickly P's application for a license to engage in construction work in Blueland. F says it will be possible only if P provides X, a relative of F's, with help in the conversion of apartments/flats on F's land. P agrees to provide that assistance to F's relative.

Example of a Violation of Offense 4 under the Bribery Act (Failure of an Organization to Prevent Bribery)

C decides to do business in Blueland. C does not have an anti-corruption policy that it enforces to ensure that bribes are not paid on C's behalf to secure business opportunities. C employs an agent, A, living in Blueland to establish business contacts on C's behalf with the government officials of Blueland. A bribes the government officials to place contracts with C. The directors of C had given no guidance to A on C's attitude towards bribery, even though it is well known that officials in Blueland are open to bribery.