



Sustainability Data Book 2023

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Editorial Note

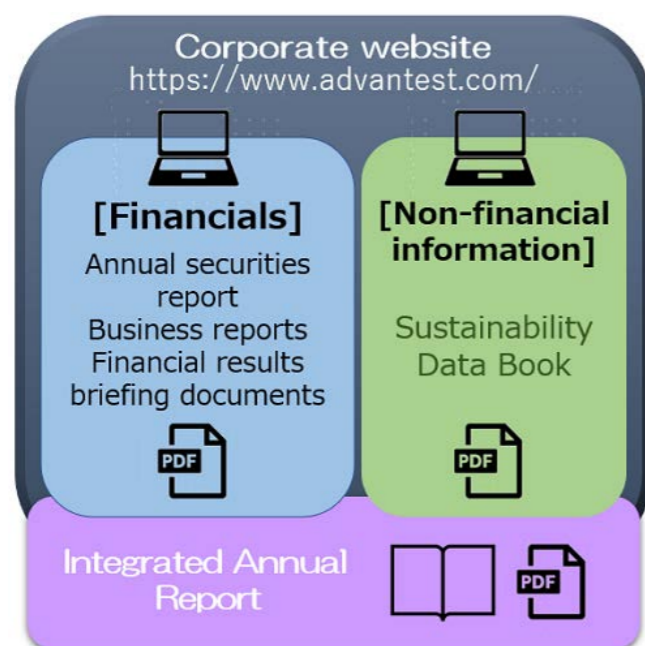
Advantest aspires to help realize a safe, secure, and comfortable society and sustainable future as well as to solve social issues by enhancing our semiconductor testing business while expanding our business into peripheral business areas. Just as the value of our semiconductor testing is hard to see, it is harder to discern what the value of non-financial information is. Precisely because of its uncertainty, we strive to disclose information on our approach and initiatives for E (environment), S (society), and G (governance) in our second mid-term management plan (2021 to 2023) that is easy for our stakeholders to understand and access.

Our Sustainability website shares our approach and initiatives for sustainability from an ESG perspective along with detailed performance data. It is updated as necessary with the aim of disclosing information on sustainability in a comprehensive and prompt manner.

The "Sustainability Data Book" is an annual report of information on our Sustainability Website as of the end of August, published every year in PDF format. In this data book and our website, we refer to the GRI standards along with other guidelines to offer a more comprehensive summary of our activities. Regarding climate changes, we are disclosing information in accordance with the "Task Force on Climate-related Financial Disclosures (TCFD)" since FY2021.

Relationship with the Integrated Annual Report

Advantest positions our "Integrated Annual Report" as a "One-stop Handbook" for disclosing our corporate value from financial and non-financial perspectives. The Sustainability Data Book is an appendix to the Integrated Annual Report, compiled with the aim of providing a comprehensive and detailed report on information related to ESG.



About information disclosure

Scope of the Sustainability Data Book

Period covered	April 1, 2022 to March 31, 2023 Initiatives and activities before the period covered as well as those up to August 2023 are also included to aid in content comprehension.
Target organizations	Advantest Corporation and its major domestic and overseas consolidated subsidiaries
Issuance	Issued in October 2023 as an annual report (The next issue is scheduled to be released in October 2024)

Guidelines Referenced

- GRI Standards
- SASB Standards
- ISO26000 Guidelines
- Ten Principles of the United Nations Global Compact
- Ministry of the Environment of Japan, "Environmental Reporting Guidelines 2018"

Third-party Assurance

Third-party assurance has been obtained from Ernst & Young ShinNihon LLC to ensure increased reliability of selected social and environmental performance indicators in FY2023 included in the ESG Data on our website.

Contact Information

For inquiries related to sustainability
Sustainability Promotion Office

- Send comments by email to: [✉ PDL-AT-esgsuishin@advantest.com](mailto:PDL-AT-esgsuishin@advantest.com)
- Send comments by fax to: +81-276-84-1150

Advantest's Sustainability

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Message from Advantest's Director of Sustainable Management

Messages from the director of sustainable management regarding social safety, security, and sustainability.

Towards a "safe, secure, and comfortable society"

The global economy in 2023 is marked by recessionary concerns, which are increasing due to monetary tightening and soaring energy prices in major developed countries in Europe, the U.S., and Asia. In addition, the slowdown in growth due to the impact of COVID-19 pandemic and the tense situation in Ukraine, continuing from last year, has acted as a drag on economic activity, while sluggishness and financial risks are also coming into view in emerging economies and less-developed regions. Reforms to curb inflation and policies to stabilize the macroeconomic and financial situation are needed at the national level, especially in major countries, to establish a strong and sustainable economic foundation beyond 2024. In addition, challenges such as climate change and other global environmental issues, preservation of biodiversity, and labor market mobility in response to declining birthrates and aging populations, are becoming increasingly serious with each passing year. In this economic and social environment, Advantest strives to maximize customer satisfaction by accurately grasping customer needs and providing solutions in our core semiconductor test equipment business through fair and prudent corporate activities, all while improving our corporate value by ensuring sustainable management that emphasizes "Environmental," "Social," and "Governance."



The following are our ESG initiatives from the Second Mid-Term Management Plan (MTP2), which was formulated and launched in FY2021. We have evaluated and improved our KPIs for "E," the environmental aspect of ESG, and set goals focusing on key issues such as greenhouse gas reduction, the introduction of renewable energy, shortening production times by optimizing production processes, strengthening our development and sales of green products, resource recycling and biodiversity. For "S," the social aspect of ESG, we have enhanced our activities related to human rights and occupational health and safety, conflict minerals elimination, respecting and observing fair trade practices, and procurement policies aiming for increased transparency and reliability throughout the supply chain as a means to fulfill our corporate social responsibility. In addition, our global human resources initiatives aim to promote diversity, instill human rights policies and strengthen relevant education, and enhance employee engagement. These initiatives and measures also tie into improving customer satisfaction. Regarding "G," the governance aspect of ESG, our board has held frequent discussions based on business strategy briefings, considered how to increase its own efficiency and effectiveness, conducted detailed succession planning, and discussed how to further train employees worldwide in the Advantest Way. We are also working to reinforce our compliance and risk management systems.

Meanwhile, innovations in digital infrastructure such as communication networks and data centers are moving in tandem with rapid changes in technology, such as the evolution of the semiconductors used in these applications. The digital transformation of our world is accelerating. Amidst these changes, Advantest continues to deliver safety, security, and comfort to people worldwide through semiconductor test. Semiconductors are now incorporated into a wide variety of products and infrastructure, from industrial goods to commodities. They enrich people's lives, enhance convenience, and help to solve social issues. These same semiconductors are rapidly evolving to deliver even higher performance in their many roles. As semiconductors come to be used in more and more diverse applications, defective semiconductors no longer just cause inconvenience. Defects in the semiconductors used in automobiles, medical equipment, and data servers can lead to serious problems and even loss of life. Therefore, it is essential for semiconductor manufacturers to carefully check the quality of their devices during the verification process to ensure that they operate as designed, and inspect them thoroughly during mass production. Advantest's products are used for these processes. That is why we believe that our products play a key role in everyone's safe, secure, and comfortable lifestyles.

In the future, we plan to roll out new measures representing our commitment to "E," "S," and "G." We will create a roadmap for our participation in the RE100 initiatives to further strengthen our response to climate change issues, aiming to reduce greenhouse gas emissions by 60% by FY2030 compared to FY2018. We are determined to work together with our customers, business partners, and other stakeholders to help realize a carbon-neutral society. In terms of "Social," our human capital policy calls for the promotion of diversity from various perspectives, including not only race and gender, but also different cultures and backgrounds, and the reform of various personnel systems, including human resources education, skills development, human resources promotion, and compensation systems. This corporate culture transformation will be carried out in the spirit of our INTEGRITY core values, which help shape each employee's actions. We are also committed to acting in a manner that protects our stakeholders' human rights, and are working to eliminate any attendant risks to human rights from our corporate activities by strengthening our compliance and risk management systems. In terms of "Governance," in order to strengthen the CxO structure introduced in 2021, we shifted from one to three representative directors from January 2023, with the aim of enhancing our global management system. This transition is part of our succession plan, and we are also working to further strengthen our management structure by diversifying our human resources through the appointment of global human resources.

We have designated the further enhancement of ESG initiatives as one of the key strategies of our mid-/long-term management policy, and will continue to innovate on this axis, aiming to further grow our corporate value and contribute to our shared, sustainable future.

Thank you for your continued support.

September 2023

Yasuo Mihashi

Senior Executive Officer, CFO & CSO

Executive Vice President, Corporate Strategy Group

Advantest's Sustainability Journey

Advantest continues its sustainability journey through promotion of ESG.

Basic Stance

A company can survive and grow only by continuously contributing to the common good and the enrichment of people's lives. Therefore, the sustainable development of the company itself cannot be achieved unless its management enhances the sustainability of society and the global environment.

Advantest's purpose and mission is "Enabling Leading-Edge Technologies". This points to our continual quest for greater social development in the form of contributions to the common good driven by leading-edge technological innovation in electronics, supported by our measurement technology and embodied by our products and services, with which we strive to provide ever greater value to customers around the world.

Advantest's management goal is to improve corporate value over the medium to long term by contributing through our business activities to a sustainable society that is safe, secure, and comfortable. In order to sustainably develop our business, we must build good relationships with all our stakeholders, including society as a whole, the global environment, our customers, shareholders, employees, and business partners, and develop these relationships in a well-balanced manner. We believe that this is a top-priority endeavor, and by pursuing it, corporate value will improve and stakeholder value will also increase.

Semiconductors and Sustainability

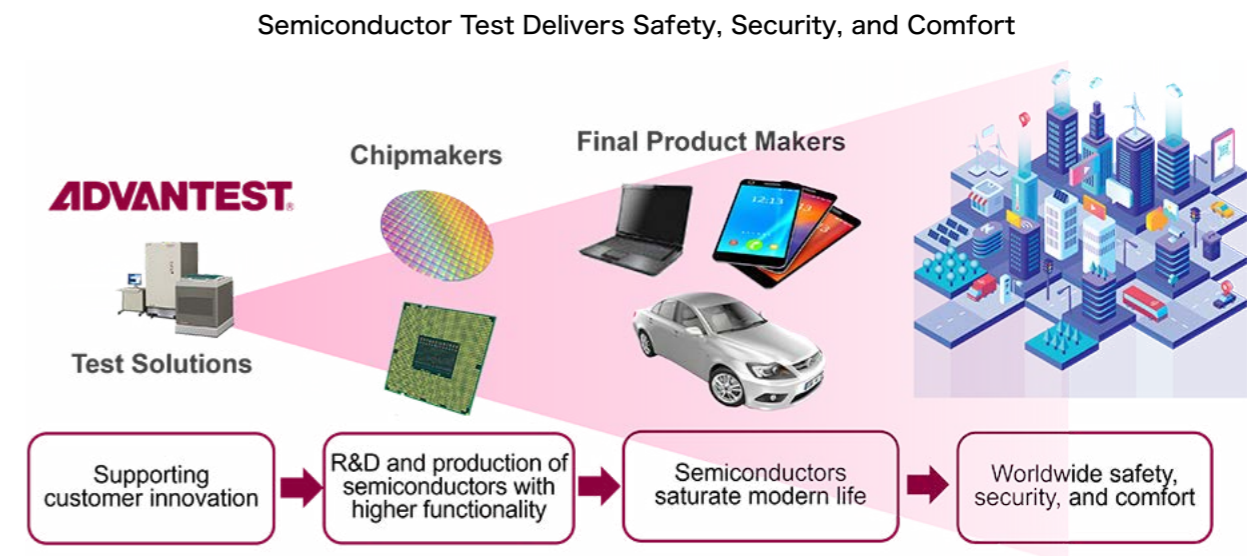
We believe that semiconductors will help secure and support a sustainable future for all of us.

Semiconductors are now embedded in every part of our lives. They are indispensable components not only of personal computers and smartphones, but also domestic appliances, automobiles, and industrial equipment. We now live in a world where everything is connected to the Internet. As the number of networked devices connected to the network increases, the amount of data in the world is expected to increase every year.

On the other hand, demands for reducing environmental impact are also affecting semiconductors. The growth of their energy consumption has been restrained thanks to the advances resting on miniaturization, higher-performance gains, and an emphasis on energy-saving. There has also been a remarkable improvement in the performance and proliferation of power semiconductors. Advantest is responsible for offering test solutions so as to aid semiconductor manufacturers in providing higher-performance semiconductor devices. These efforts will ultimately lead to contributions to future global energy conservation.

Advantest's mission is to continue to meet the challenges (high quality and performance assurance, shortest time to mass production) that our customers face in the evolution of semiconductors, which is driven by the two axes of digital transformation (DX) and green transformation (GX). In carrying out that mission, all executives and employees are guided by "The Advantest Way," and commit to respecting all stakeholders and working for sustainability, while at the same time seeking to ensure the sustainable development of our company and achieve medium- to long-term improvement of corporate value.

For details, please refer to "[Innovation Initiatives](#)".



Realization of Sustainability through ESG Promotion

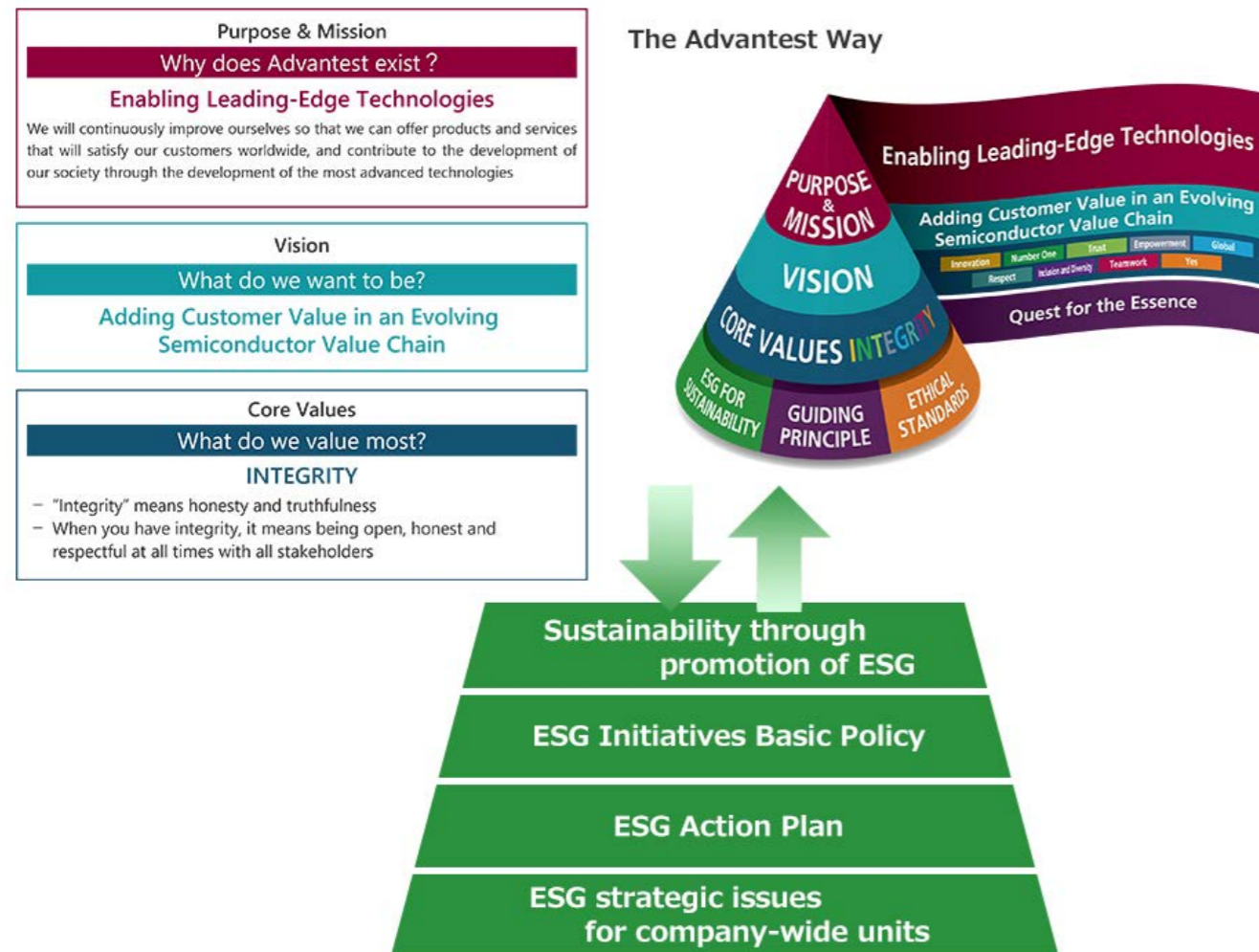
Advantest recognizes that attentive management based on our purpose and mission is essential for resolving sustainability issues, and creating corporate value over the medium to long term, and has formulated a mid/long-term management policy, our Grand Design, as well as a mid-term management plan. In addition, we are now focused on instilling "The Advantest Way" among our executives and employees.

"The Advantest Way" is the foundational set of our guidelines and commitments that unites the members of the Advantest Group, embracing diverse cultures, languages, customs, and values into one team, and assuring maximum potential of our diverse human capital. The Advantest Way consists of six elements: the first three, our "purpose and mission", "vision", and "core values" stipulate what the Advantest Group aims to be and what we should do in order to create value and contribute to the common good over the mid/long term. The second three, "ESG for sustainability", "guiding principle (Quest for the Essence)", and "ethical standards" define the basic mindset required of Advantest's executives and employees for successful implementation of the first three elements.

We have laid out "sustainability through promotion of ESG" as one of the three foundations that support our vision. We have set out the ESG Initiatives Basic Policy and formulated an ESG Action Plan 2021-2023

for its implementation for the achievement of both the creation of a sustainable society and the sustainable growth of the Group. The ESG Action Plan 2021-2023 sets out 27 goals and KPIs for E / S / G in total. We have deployed these goals among company-wide units and have been working on their promotion and implementation ever since.

Advantest will continue its sustainability journey through the promotion of ESG.



[The Advantest Way](#)

Materialities and the ESG Action Plan

This page introduces our materialities and the ESG Action Plan.

The Mid-Term Management Plan is an initiative to achieve our Grand Design with a goal of 2027 and to continue sustainable growth thereafter. In order to contribute to a sustainable future through our business, we reviewed our materiality in the second Mid-Term Management Plan (MTP2), which began in fiscal 2021, and made the five strategies themselves materiality for the entire Advantest Group.

One of Advantest's materialities is the "further enhancement of ESG initiatives." In an effort to drive this materiality, we have set out the ESG Initiatives Basic Policy and formulated ESG Action Plan 2021-2023 based on these policies. Subsequently, we have updated our ESG Action Plan to incorporate the Enhancement of Initiatives for Human Rights Issues based on discussions at the ESG Global Review Meeting.








In the Sustainability Data Book, we report on our sustainability initiatives based on ESG Action Plan 2021-2023.

For the details of our materialities, please refer to Integrated Annual Report 2023.



[Integrated Annual Report 2023](#)

ESG Action Plan 2021-2023

ESG	Key Issue	Person in Charge ¹⁾	Objective	KPI	Target Value			
					2021	2022	2023	2030
E (Environment)     	Climate Change (Scope 1+2)	CSO	Reduce GHG emissions from business activities by 60% by 2030 (vs. FY2018)	GHG emissions reduction amount/rate	35%	38%	40%	60%
			Raise renewable energy usage to 70% by 2030, Group-wide	Coverage rate by renewable energy	50%	53%	55%	70%
	Value Chain (Scope 3)	CPO	Reduce production times 30% through production process reviews (vs. FY2020)	Production time reduction rate for target models (vs. FY2020)	15%	25%	30%	TBD ²⁾
			Promote the use of renewable energy by suppliers and contractors	Number of suppliers who use renewable energy	10	20	40	TBD ³⁾
			Reduce CO ₂ -equivalent emissions (basic unit) per test by 50% by 2030	Reduction rate in basic units (vs. FY2018)	Set basic unit calculation definition	→	20%	50%
	Green Products	CTO	Develop products that are free from polluting substances	Total elimination of PFAS in coolant	New methodology in development plan		Announce release plan	Total elimination of PFAS in next-generation models
	Resource Recycling	CHO	Improve in-house recycling rate by promoting the 3Rs	Waste recycling rate (Japan/overseas)	JPN:90% Other regions: 73% or more	→	→	JPN:90% Other regions: 73% or more
Maintain Group-wide water usage at FY2016 levels			Water resource usage	288,000m ³ /year	→	→	288,000m ³ /year	
Biodiversity	CSO	Promote nature conservation activities (protection of endangered species in biotope, tree planting, beach clean-up, etc.)	Planning and implementation rate of nature conservation activities	10 activities planned, 80% implemented	14 activities planned, 80% implemented	18 activities planned, 80% implemented	20 activities planned, 80% implemented	
S (Social)  	ESG management at Supply Chain	CPO	Share and solve/mitigate ESG issues (risk management, human rights/occupational safety, environment, fair trade, compliance, etc.)	Due diligence implementation rate for major customers	90%	95%	100%	100%
	Diversity, protection, and respect for human rights	CHO	Fair treatment in gender	Female manager ratio	9.0%	10.0%	10.5%	17.0%
			Edification and practice of human rights	Participation rate of educational training	100%	→	→	100%
			Work-life balance	Return-to-work rate after maternity leave (JPN)	100%	100%	100%	100%
				Exercise rate of childcare leave by males (JPN)	12%	20%	25%	50%
	CPO	Conflict minerals elimination	Percentage of suppliers confirmed to be free of conflict minerals ⁴⁾	100%	100%	100%	100%	

ESG	Key Issue	Person in Charge ¹	Objective	KPI	Target Value				
					2021	2022	2023	2030	
	Customer satisfaction, employee engagement	CCRO	Raise customer satisfaction under New Normal circumstances	Ranking of TechInsights customer satisfaction survey	1st	→	→	1st	
		CHO	Edification and improvement of attractive corporate culture	Score of Gallup survey	3.5	→ No target value since the survey has not been conducted	3.8	4.1	
	Investing in human resources	CHO	Maintaining and enhancing occupational safety and health	Occupational accident rate (frequency rate)	0	→	→	0	
			Promotion of health management	To be selected in White 500 (JPN)	Selected	→	→	Selected	
			Employee capacity building	Education and training expenses (100MY)	-	5.0	6.0	10.0	
	G (Governance)	Board effectiveness	Group CEO	Provide outside directors with updates on business and management issues	3 times/year	3 times/year	→	→	3 times/year
				Intensify discussion through Off-site meetings by board members	2 times/year	2 times/year	→	→	2 times/year
Succession planning				Policy/process making, planning, updates	Discussion by the Nomination and Compensation Committee and report to the Board of Directors	→	→	Discussion by the Nomination and Compensation Committee and report to the Board of Director	
Diversity of board members				Outside directors must include female representation (>40%)	Outside directors must include at least 1 female representation (>40%)	→	→	Goal continuation	
Add ESG performance assessment to compensation				Start from FY2021	Introduction of executive compensation system linked to ESG indicators	→	→	Goal continuation	
Corporate culture and Code of Conduct, compliance, risk management	CHO	Work Shop/training for all employees (The Advantest Way, Law, Regulations, Information securities, etc.)	Participation rate for e-learning (100%)	100%	→	→	100%		
	CCO	Strengthening Internal Control	Regularly discuss internal control issues	Regular discussion	→	→	Goal continuation		

ESG	Key Issue	Person in Charge ^{*1}	Objective	KPI	Target Value			
					2021	2022	2023	2030
	Promotion & support of ESG management (Sustainable Management Working Group)	CSO	Support & Report group-wide Policy, Strategy, Plan and implementation	Report to Executive Management Committee and BoD (once a year)	2 times/year	→	→	Goal continuation
			Timely and appropriate disclosure (Integrated Annual Report, Sustainability Databook)	Issuance every year	Publication of Integrated Annual Report, Sustainability Data Book, etc.	→	→	Goal continuation

*1: Group CEO: Group Chief Executive Officer
 CCRO: Chief Customer Relations Officer
 CHO: Chief Human Capital Officer
 CPO: Chief Production Officer
 CSO: Chief Strategy Officer
 CTO: Chief Technology Officer

*2: Set products and target values considering future product lifecycles
 *3: Set target values based on investigation of future major suppliers
 *4: KPIs are changed according to actual activities

Basic Policy and System for Promoting ESG Initiatives

We aim to improve our corporate value over the medium to long term by actively engaging in ESG.

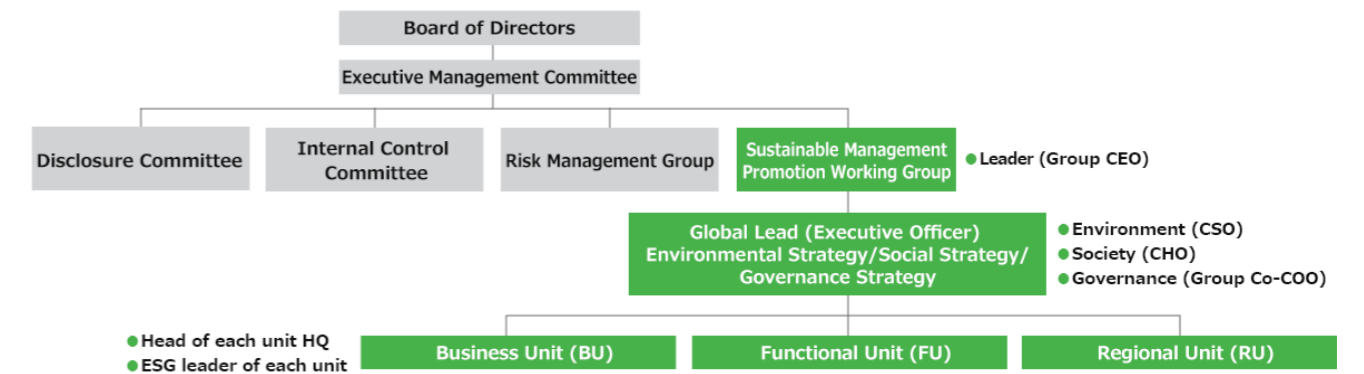
The Advantest Group sets long-term goals for challenges concerning the environment, society, and corporate governance and defines relevant KPIs based on the ESG Initiatives Basic Policy (and the Advantest Group's environmental policies), promoting responsible initiatives that contribute to solving social issues.

Basic Policy

1. In line with the corporate philosophy expressed in the Advantest Way, we believe that taking full consideration of, and implementing concrete actions related to, ESG-related factors is essential for achieving sustainability for both Advantest and society in general. Based on this understanding, we aim for improvement of corporate value over the medium to long term. To fulfill that responsibility, we will strengthen and expand our business while balancing earning power with transparent decision-making and actions, within a framework of respect for stakeholders, consideration for the environment, and harmonious coexistence with society in general. We will also work to contribute to achievement of the SDGs with a view to the sustainability of our global future.
2. Our basic policy is as follows.
 - (1) We continuously seek ways to reduce the environmental impact on the planet and our communities where we live, work, and do business.
 - (2) We fulfill social responsibilities with a presence throughout the world.
 - (3) We strive to consistently deliver high-quality products and services to our customers.
 - (4) We appropriately return profits and disclose information to our shareholders and investors.
 - (5) We treat our employees fairly, and ensures a positive work environment.
 - (6) We collaborate and cooperates with our suppliers.
 - (7) We build a fair, efficient, and highly transparent governance system.

Promotion Framework

Advantest has newly formed the Sustainable Management Promotion Working Group (SMWG) in FY2020 to serve as a governance system to achieve sustainable management. Run directly by the Executive Management Committee, this SMWG consists of the representing executive of each HQ and other members. With the assistance of the SMWG, we formulated the ESG Action Plan, incorporating the key ESG issues in each unit. The ESG Action Plan policies and themes related to climate change from each department. After the ESG Action Plan is approved through the deliberations of the Executive Management Committee, each unit derives a variety of measures and takes charge of implementing initiatives. The achievement statuses of the ESG Action Plan are reported on to the Executive Management Committee and the Board of Directors for discussion and evaluation twice a year.










Reporting and Information Disclosure

The SMWG will report the implementation status of the ESG Action Plan to the Executive Management Committee and the Board of Directors twice a year. And the SMWG will also endeavor to disclose it to external stakeholders in a timely and appropriate manner through, for example, Integrated Annual Report.

Our Activities in FY2022

This page introduces our activities to achieve our 2022 ESG Action Plan.

ESG Action Plan 2021-2023 Activity Results

ESG	Key Issue	Executive in charge ¹⁾	Goal	KPI	2022	
					Target Value	Results
E (Environment)     	Climate Change (Scope 1+2)	CSO	Reduce GHG emissions from business activities by 60% by 2030 (vs. FY2018)	GHG emissions reduction amount/rate	38%	46%
			Raise renewable energy usage to 70% by 2030, Group-wide	Coverage rate by renewable energy	53%	63%
		CPO	Reduce production times 30% through production process reviews (vs. FY2020)	Production time reduction rate for target models (vs. FY2020)	25%	37%
	Value Chain (Scope 3)	CPO	Promote the use of renewable energy by suppliers and contractors	Number of suppliers who use renewable energy	20	22
			CTO	Reduce CO ₂ -equivalent emissions (basic unit) per test by 50% by 2030	Reduction rate in basic units (vs. FY2018)	Set basic unit calculation definition
	Green Products	CTO	Develop products that are free from polluting substances	Total elimination of PFAS in coolant	New methodology in development plan	Determined new methodology in development plan
	Resource Recycling	CHO	Improve in-house recycling rate by promoting the 3Rs	Waste recycling rate (Japan/overseas)	JPN:90% Other regions: 73% or more	JPN:88% Other regions:74%
Maintain Group-wide water usage at FY2016 levels			Water resource usage	288,000m ³ /year	242,129m ³ /year	
Biodiversity	CSO	Promote nature conservation activities (protection of endangered species in biotope, tree planting, beach clean-up, etc.)	Planning and implementation rate of nature conservation activities	14 activities planned, 80% implemented	14 activities planned, 100% implemented	
S (Social)  	ESG management at Supply Chain	CPO	Share and solve/mitigate ESG issues (risk management, human rights/occupational safety, environment, fair trade, compliance, etc.)	Due diligence implementation rate for major customers	95%	100%
	Diversity, protection, and respect for human rights	CHO	Fair treatment in gender	Female manager ratio	10.0%	9.0%
			Edification and practice of human rights	Participation rate of educational training	100%	84%
			Work-life balance	Return-to-work rate after maternity leave (JPN)	100%	94%
				Exercise rate of childcare leave by males (JPN)	20%	21%
Conflict minerals elimination	CPO	Conflict minerals elimination	Percentage of suppliers confirmed to be free of conflict minerals ²⁾	100%	65%	

ESG	Key Issue	Executive in charge ¹⁾	Goal	KPI	2022	
					Target Value	Results
	Customer satisfaction, employee engagement	CCRO	Raise customer satisfaction under New Normal circumstances	Ranking of TechInsights customer satisfaction survey	1st	1st
		CHO	Edification and improvement of attractive corporate culture	Score of Gallup survey	No target value since the survey has not been conducted	No results since the survey has not been conducted
	Investing in human resources	CHO	Maintaining and enhancing occupational safety and health	Occupational accident rate (frequency rate)	0	0.47
			Promotion of health management	To be selected in White 500 (JPN)	Selection	Selected
			Employee capacity building	Education and training expenses (100MY)	5.0	4.8
	G (Governance)	Board effectiveness	Group CEO	Provide outside directors with updates on business and management issues	3 times/year	3 times/year
Intensify discussion through Off-site meetings by board members				2 times/year	2 times/year	Implemented 2 times/year
Succession planning				Policy/process making, planning, updates	Discussion by the Nomination and Compensation Committee and report to the Board of Directors	Continued discussion by the Nomination and Compensation Committee and reports submitted to the Board of Directors
Diversity of board members				Outside directors must include female representation (>40%)	Outside directors must include at least 1 female representation (>40%)	Outside directors compose 56%, out of which 2 are female
Add ESG performance assessment to compensation				Start from FY2021	Introduction of executive compensation system linked to ESG indicators	Introduced
Corporate culture and Code of Conduct, compliance, risk management		CHO	Work Shop/training for all employees (The Advantest Way, Law, Regulations, Information securities, etc.)	Participation rate for e-learning (100%)	100%	92%
		CCO	Strengthening Internal Control	Regularly discuss internal control issues	Regular discussion	Implemented 2 times/year

ESG	Key Issue	Executive in charge ^{*1}	Goal	KPI	2022	
					Target Value	Results
	Promotion & support of ESG management (Sustainable Management Working Group)	CSO	Support & Report group-wide Policy, Strategy, Plan and implementation	Report to Executive Management Committee and BoD (once a year)	2 times/year	Implemented 2 times/year
			Timely and appropriate disclosure (Integrated Annual Report, Sustainability Databook)	Issuance every year	Publication of Integrated Annual Report, Sustainability Data Book, etc.	Published

*1: Group CEO: Group Chief Executive Officer

*2: Set target values based on investigation of future major suppliers

CCRO: Chief Customer Relations Officer

CHO: Chief Human Capital Officer

CPO: Chief Production Officer

CSO: Chief Strategy Officer

CTO: Chief Technology Officer

Stakeholder Engagement

This page introduces dialogues with our various stakeholders.

Advantest implements the following types of communication with stakeholders.

Main stakeholders	Main communication methods
Shareholders and investors	Shareholders' meetings, business reports, and interim reports Financial results and quarterly/annual financial securities reports Corporate governance reports Dissemination of information via the sustainability report Quarterly briefings for institutional investors and analysts on the same day of earnings announcement Dialogues during individual meetings, small meetings and various briefing sessions Individual meetings with major domestic and overseas institutional investors Individual meetings with major domestic and overseas shareholders
Customers	CSR questionnaire User group meetings (VOICE) Exhibitions (SEMICON, etc.)
Suppliers	CSR questionnaire Suppliers New Year Meeting QCD Cooperate Forum
Employees	Labor-management negotiations Employee Engagement Survey Various training and workshop sessions
Local Communities	Community contribution activities Science workshops Biotope nature observation events

Engagement with Shareholders and Investors

General Meeting of Shareholders

Advantest considers the General Meeting of Shareholders to be an important opportunity for promoting dialogues with our shareholders.

The General Meeting of Shareholders for fiscal 2023 was held in Tokyo for the first time in three years for the convenience of our shareholders, with COVID-19 measures relaxing across Japan. We had been holding the General Meeting of Shareholders at our facility in Gunma since 2020 in an effort to handle the COVID-19 pandemic, but some of our shareholders had asked us to hold the meeting in Tokyo. We have made the change to hold the meeting in Tokyo in response to this request. As a result, twice as many shareholders as last fiscal year participated.

In addition, this year, following the amendments to the Companies Act, the company has electronically provided the Convocation Notices. We have set forth further promotion of ESG initiatives in our Grand Design, and consideration for the environment is one of the most important issues that we must address. Therefore, we have decided to hold the General Meeting of Shareholders in an environmentally friendly manner. Specifically, we have reduced the number of items to be sent by mail to only one A3 sheet, including the Notice of Access and the summary of shareholder reference documents, instead of the 60-page booklet that used to be sent by mail. This attempt to minimize the use of paper and ink in consideration of the environment has led to significant cost reductions not only in paper and printing costs, but also in mailing costs. This year's meeting was also livestreamed so that as many shareholders as possible could attend the meeting. In addition, in order to enhance dialogue with shareholders, we accepted questions online in advance of the meeting, and also allowed them to message us online during the livestream. Of the questions received in advance and during the livestream, those that were deemed to be of high interest to shareholders were answered during the meeting.

Besides the abovementioned, the following efforts are being made ensure dialogue with our shareholders.

- Holding the General Shareholder's Meeting by avoiding the days on which many companies hold general shareholder's meetings
- Disclosure of the convocation notice at least three weeks prior to the meeting
- Disclosure of the Annual Securities Report prior to the General Meeting of Shareholders
- English translation of the entire Convocation Notice and Annual Securities Report

We will continue to enhance the openness and accessibility of our General Meeting of Shareholders while taking ESG into consideration.



Shareholder's Meeting

[Details of Senior Executives](#)

IR activities

To fulfill the company's duty to demonstrate the company's accountability to our shareholders and investors, and to further increase the level of trust placed in the company, Advantest has formulated the Basic Investor Relations Policy, which summarizes policies related to information disclosure, IR activities and shareholder communication. Based on this policy, we are working to foster more intensive communication with shareholders and investors under the direction of our Representative Director, President, Group CEO.

Specifically, we will disclose important information in a timely, fair and appropriate manner to shareholders and investors both in Japan and overseas, and hold a financial briefing every quarter, during which senior Advantest managers will give presentations. We will also hold individual meetings with domestic and overseas institutional investors (around 460 meetings in fiscal 2022), as well as business and technical briefings, in order to swiftly communicate changes and business trends in semiconductor technologies, which are closely related to our business, to the stock market.

Advantest is also working to enhance information disclosure on the corporate website. Feedback and opinions received from shareholders and investors is shared at the Board of Directors, and incorporated into our planning for a sustainable level of business development and mid-to-long term enhancement of corporate value.

Dialog with Suppliers

To help build harmonious relationships with suppliers, Advantest holds an annual NEW Year's reception for valued suppliers, and QCD Cooperate Forum with suppliers. Besides providing an opportunity for presenting awards that give recognition to suppliers who have made a particularly valuable contribution to Advantest's business, these events also provide an opportunity for the suppliers to exchange their opinions with Advantest's President and Directors.

In January 2023, we invited our business partners to our Annual Supplier Reception, which was our first supplier reception in three years, owing to COVID-19. 199 people from 103 partner companies participated in this event. During the event, the President, the Corporate EVP in charge of semiconductor test equipment, and the Corporate EVP in charge of production provided business overviews and future prospects, in addition to addressing our environmental and social initiatives.

We continue to maintain good relationships with our business partners amid growing concerns of the global economic recession.



We held an online technical briefing in December 2022 and sustainability briefing in March 2023 for securities analysts and institutional investors.

Dialog with Employees

We actively communicate with our employees through dissemination of the President's Message, the monthly Morning Meetings and Meetings of All Employees which are held at each business location, the New Year Greeting event held in January each year, the Spring Labor Talks which are held each year starting in February, the ceremony to mark the company's founding which is held in July each year, the Central Labor Negotiations which are held in September each year, and various social events, etc.

Even during the COVID-19 pandemic, we had continued these practices by scaling-down the events, switching to video streaming and online meetings, and taking other measures. Since 2022, the proceedings of the anniversary ceremony have been livestreamed and recorded on the video so that employees around the world can participate virtually in real time.

Involvement with External Initiatives

This page introduces the involvement with external initiatives of the Advantest Group.

Commitment to External Initiatives

Advantest is supporting measures aimed at the realization of a sustainable society through its sponsorship for and participation in various domestic and international statements and guidelines.

Advantest Joins UN Global Compact

The United Nations Global Compact is a voluntary initiative that calls for each company and group to act as a good member of society by demonstrating responsible and creative leadership and to participate in the creation of a global framework for realizing sustainable growth.

Advantest joined the UN Global Compact in 2019 and supports its ten principles in four areas, namely "protection of human rights," "elimination of labor abuses," "environmental protection," and "anti-corruption," and we continuously endeavor to realize these goals.



[UN Global Compact](#)

The Ten Principles of the UN Global Compact

- **Human Rights**

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

- **Labour**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

- **Environment**

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

- **Anti-Corruption**

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

According to our corporate philosophy of "enabling leading-edge technologies," we aspire to help realize a safe, secure, and comfortable society and sustainable future as well as to solve social issues with the aim of achieving the SDGs (Sustainable Development Goals), which are shared goals for all human beings adopted by the UN in 2015.

SUSTAINABLE DEVELOPMENT GOALS



Advantest Obtains Certification from the SBTi for its 1.5-degrees Celsius Target

In November 2021, Advantest obtained certification from the Science Based Targets Initiative (SBTi)^{*1}, a global corporate climate initiative that strives for science-based targets which provide a pathway for companies to reduce greenhouse gas (GHG) emissions, for committing to its 1.5-degrees Celsius target. This certification recognizes that Advantest's greenhouse gas reduction goals are based on scientific evidence and will contribute to achieving the target, as determined by the Paris Agreement.



*1 Science Based Targets Initiative (SBTi)

A global body enabling businesses to set emissions reduction targets in line with climate science, which seeks to restrain rising global temperatures to within 1.5-degrees Celsius of pre-industrial levels. 369 Japanese companies have obtained certification from the SBTi (as of March 1, 2023).

[Science Based Targets Initiative \(SBTi\)](#)

Announcement of support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

In April 2020, Advantest announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)^{*2}. We analyze the risks and opportunities posed by climate change on our business from the perspectives of strategy, risk management, and governance and globally deploy proactive measures. We also promote the enhancement of information disclosure based on the recommendations of the TCFD to achieve sustainable growth for the Advantest Group, enhance corporate value, and foster a sustainable society.



*2 Task Force on Climate-related Financial Disclosures (TCFD)

A task force established in December 2015 by the Financial Stability Board (FSB), an international organization. In its final report issued in June 2017, the TCFD recommended that companies disclose information on the financial impacts of climate-related risks and opportunities.

[Task Force on Climate-related Financial Disclosures \(TCFD\)](#)

Participation in RE100

In August 2020, Advantest participated in RE100^{*3}, an international initiative that aims to procure 100% renewable electricity for its energy consumption in business activities.

Expanding the adoption of renewable energy is essential to achieve 100% reduction of CO₂ emissions, which is one of our long-term goals related to climate change. By participating in RE100, which tackles the social issue of climate change on a global scale, we are promoting the further utilization of renewable energy with other participating companies.



*3 RE100

An international initiative led by The Climate Group, a climate-related non-profit organization, in partnership with CDP, a non-profit organization that promotes global information disclosure and actions concerning environmental impacts. It was established in 2014. The number of participating companies is 399 globally and 78 from Japan (as of March 1, 2023).

[RE100](#)

Advantest America, Inc. is a partner organization of Green Power Partnership (U.S. EPA)

Green Power Partnership was established by U.S. Environmental Protection Agency (EPA) in 2001 to encourage organizations to use green power voluntarily to protect human health and the environment.

Advantest America, Inc. (AAI) joined Green Power Partnership in 2012 and reached the 10th anniversary in 2022.

AAI has purchased Green Electricity Certificate for wind power generation and sourced 100% of its electricity from renewable energy sources. AAI will continue to contribute to expansion of green energy.



Advantest Joins the Semiconductor Climate Consortium (SCC)

Advantest has joined Semiconductor Climate Consortium (SCC), a consortium established by the Semiconductor Equipment and Materials International (SEMI), as a founding member in 2022. We are currently working with companies that agree to the commitment of the SCC to speed industry value chain efforts in reducing greenhouse gas emissions from the semiconductor ecosystem.

Our commitment to the SCC is also posted on SEMI's website.

In November of the same year, we shared a "We Commit" video during the SCC session of the 27th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 27), demonstrating our active engagement in solving climate change issues. In addition, in January 2023, our SCC representative was also appointed as a new member of the SEMI North American Advisory Board (NAAB), serving as the primary advocate for member companies located in North America to address various challenges in the supply chain.



[SEMI](#)

Participation in the Japan Climate Initiative

Japan Climate Initiative (JCI) is a network of non-state actors who make serious efforts towards the 1.5-degrees Celsius target and the realization of a decarbonized society.

Advantest supports the declaration of the JCI, "Joining the front line of the global push for decarbonization from Japan," and participated in the initiative to support the transition to a decarbonized society by 2050.

We will contribute to the realization of a decarbonized society by voluntarily and proactively taking actions on climate change and by working together with local governments and private companies, which are actively engaged in climate change countermeasures.



[Japan Climate Initiative \(JCI\)](#)

Participation in the 30by30 Alliance for Biodiversity

Since April 2022, Advantest has been a member of the 30by30 Alliance for Biodiversity, a coalition of volunteer companies incorporated in the 30by30 Roadmap formulated by the Ministry of the Environment.

30by30 is a global promise agreed upon among all G7 countries at the G7 Summit held in June 2021, committed to conserving, or protecting at least 30% of their national land and sea areas by 2030 ("30by30") toward the goal of halting and reversing biodiversity loss (nature positive).



[30by30, 30by30 Alliance](#)

[15th meeting of the Conference of the Parties to the UN Convention on Biological Diversity \(CBD-COP15\)](#)

RBA Code of Conduct

We actively promote initiatives on labor, safety, health, the environment, and ethics in compliance with the RBA Code of Conduct, which was published by the RBA⁴, a corporate alliance that promotes corporate social responsibility in global supply chains.

*4 RBA : [Responsible Business Alliance](#)

Efforts for Responsible Mineral Sourcing

Although the U.S. Dodd Frank Act Section 1502 on conflict minerals does not apply to Advantest, we survey our business partners on the use of conflict minerals every year using the RMI⁵ reporting template (the Conflict Minerals Reporting Template (CMRT)).

*5 RMI : [Responsible Minerals Initiative](#)

External Recognition

This page introduces the external recognition of our corporate activities.

Recognition by Rating Agencies

Received "AA" Rating in MSCI ESG Ratings

Advantest received an "AA" rating in the 2023 MSCI ESG Ratings. This constituted an upgrade from the previous "A" rating. MSCI ESG Ratings aim to comprehensively analyze and measure corporate initiatives for relevant ESG risks and opportunities in the areas of Environment, Social, and Governance. ESG Ratings range on a seven-level scale (AAA, AA, A, BBB, BB, B, and CCC).



* THE USE BY ADVANTEST CORPORATION OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF ADVANTEST CORPORATION BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

Selected for S&P Sustainability Yearbook 2023

Advantest was selected for inclusion in the S&P Sustainability Yearbook 2023, which recognizes companies with ESG evaluation scores within the top 15% of their industries.



Graded "A-" in the CDP Climate Change Report / Selected as "CDP Supplier Engagement Leader"

Advantest was graded A- in the CDP Climate Change Report 2022. CDP is an international not-for-profit charity that runs a global disclosure system for investors, companies, nations, regions, and cities to manage their environmental impacts. CDP surveys companies and cities on their environmental protection practices for climate change, water source protection, forest preservation, and so on, and discloses the assessment results to investors. Advantest has also been selected as a "Supplier Engagement Leader" in CDP's Supplier Engagement Rating (SER).



CDP's SER recognizes companies that have excelled in addressing climate change throughout their supply chains, and our ratings show that we were highly evaluated for our preemptive efforts in cooperation with our suppliers in addressing issues on climate change.

Inclusion in Investment Indexes

Selected as A Constituent Stock of DJSI Asia Pacific

Advantest was selected as a constituent stock of the Dow Jones Sustainability Asian Pacific Index (DJSI Asia Pacific), which is operated by S&P Dow Jones Indices in the United States. The Dow Jones Sustainability Indices (DJSI) are composed of companies selected for their excellent sustainability performance on both general and industry-specific criteria. Since their launch in 1999, the DJSI has been recognized worldwide as an important indicator of corporate sustainability performance.



Selected for FTSE4Good Index Series

Advantest has been selected as a constituent stock of the FTSE4Good Index Series. Designed by FTSE Russell to measure the performance of companies that demonstrate strong Environmental, Social, and Governance (ESG) practices based on diverse relevant criteria, the FTSE4Good Index Series is a major index series used to create and assess sustainable investment funds and other financial products.



[FTSE4Good Index Series](#)

Selected as A Constituent of the FTSE Blossom Japan Index

Advantest has been selected as a constituent stock of the FTSE Blossom Japan Index. The FTSE Blossom Japan Index was designed by FTSE Russell to measure the performance of Japanese companies that demonstrate strong ESG practices.



[FTSE Blossom Japan Index](#)

Selected as A Constituent Stock of FTSE Blossom Japan Sector Relative Index

Advantest has been selected as a constituent stock of the FTSE Blossom Japan Sector Relative Index.

The FTSE Blossom Japan Sector Relative Index is a performance benchmark created by global index provider, FTSE Russell, which reflects the performance of Japanese large- and mid-cap stocks that demonstrate outstanding Environmental, Social and Governance (ESG) practices relative to their respective sectors and is designed to be sector neutral.



[FTSE Blossom Japan Sector Relative Index](#)

Selected as A Constituent Stock of the MSCI Japan ESG Select Leaders Index

Advantest was selected as a constituent stock of the MSCI Japan ESG Select Leaders Index.

The MSCI Japan ESG Select Leaders Index is a weighted index based on the MSCI Japan IMI Index, its parent index, designed to represent the performance of companies that excel in Environmental, Social, and Governance (ESG) performance relative to the peers, with a target market capitalization of 50% of each Global Industry Classification Standard (GICS®) industry sector.

2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

* THE INCLUSION OF ADVANTEST CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF ADVANTEST CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Selected as A Constituent Stock of the S&P/JPX Carbon Efficient Index

Advantest was selected as a constituent stock of the S&P/JPX Carbon Efficient Index.

The S&P/JPX Carbon Efficient Index is designed to measure the performance of companies in the TOPIX, a stock price index representative of trends in the Japanese market, while weighting constituent companies on sufficient environmental disclosure and carbon efficiency (carbon emissions per unit of revenue) within the same industry.



Selected to be part of the SOMPO Sustainability Index

Advantest has been selected as a constituent stock of the SOMPO Sustainability Index.

The SOMPO Sustainability Index selects approximately 300 companies each year based on ESG criteria and their equity value. This index was created by SOMPO Asset Management for "SOMPO Sustainable Management," an investment product for pension funds and institutional investors.



Recognition and awards for our activities

Advantest Named THE BEST Supplier of Chip Making Equipment and #1 ATE Supplier for 4th Consecutive Year from TechInsights

In the TechInsights (formerly VLSIresearch) Customer Satisfaction Survey, Advantest captured the No.1 spot of global semiconductor companies for the fourth consecutive year. The company was also named on the 10 BEST Suppliers list of large suppliers of test equipment for the 35th consecutive year.



The TechInsights Customer Satisfaction Survey is the industry's only available opportunity since 1988 to receive feedback from semiconductor manufacturers.

It evaluates and ranks equipment manufacturers based on 14 items in three key factors of customer service, supplier, and equipment performance.

Advantest Receives "White 500" Certification from METI for 4th Consecutive Year

Advantest has been recently recognized under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program, which is jointly implemented by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council), as one of the organizations in the large enterprise category. At the same time, METI has certified Advantest as one of the "White 500"--the top 500 corporations recognized under the program--for the third consecutive year. This year for the first time, all seven of Advantest's domestic subsidiaries were certified.

Ever since the formulation of the Declaration of Health and Productivity Management Policy in September 2019, Advantest has been working together with domestic subsidiaries, health insurance unions, and labor unions to encourage employees to get health checkups, improve the adoption rate of specific health



guidance, and implement mental health measures. In addition, the company has built up a portfolio of activities that directly affect the health of employees and their families, such as online diet and smoking cessation programs, exercise promotion using health promotion apps, and health literacy education.

Advantest actively promotes support programs for balancing work and private life. We have acquired "Certification level 2 (two stars)" of the "Eruboshi" certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace in November 2020, and was also granted the "Kurumin" certification based on the "Act on Advancement of Measures to Support Raising Next Generation Children" in February 2021. Followed by the spread of COVID-19, top management sent out the message that employee health should be made a priority, and has been taking thorough measures to prevent the spread of infection including the enhancement of remote work productivity.

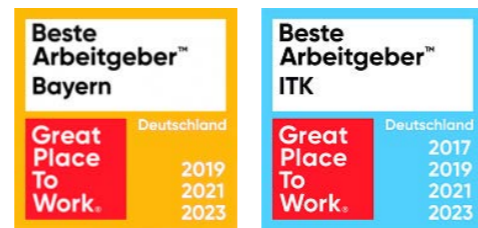
Advantest, the Japan Health Insurance Association, and our labor union will continue to work together to promote health management activities so that our employees, who are the company's greatest asset, can enjoy the best of physical and mental health, have abundant vitality, and maximize their abilities.

Awarded as a "Best employers in the category of "Information Technology and Communication"" (Germany Great Place to Work®)

Advantest Europe GmbH (AEG) has been recognized in the Great Place To Work competition as one of top ten best employers in the category "Information Technology and Communication".

The award is by Great Place to Work®, a global survey institution, to evaluate the workplace culture of companies of various sizes in all industries. The companies are ranked on workplace culture based on credibility, respect, appreciation, team spirit, and unity between the company and its employees.

AEG was also ranked sixth in "Bavaria's Best Employer" (Bavaria: AEG Headquarters = Munich and Amerang Offices).



Advantest (China) Co., Ltd. Wins the "2022 Continuous Learning Organization" Award

Advantest (China) Co., Ltd. (ATC) won the "2022 Continuous Learning Organization" by China Training Magazine, a leading Chinese training magazine, and Geekbang corporation, a Chinese leading software e-learning provider, chosen among more than 10,000 global users of Geekbang. We are proud to receive this award after we won the "2021 Best Operation Learning Team" last year.



ATC launched an online learning program called "Geek Time" in 2021, in collaboration with Geekbang. "Geek Time" enables learners to sharpen their software skills and thinking skills through blended learning approach, which consists of online learning and face-to-face discussion. The program has been highly rated by the learners due to its cost-effectiveness and great feedback in the learning process. Besides online self-learning, Geek Time has various features to assist users in learning effectively; quarterly-based learning activities, Friday Geek's Talk (online group discussion), quarterly newsletter, best practice sharing, learners' recommendation, etc.

Geek Time has been successfully supporting learners through its volunteer-based program and great learning path. Being a volunteer-based program, it helps learners to keep themselves self-motivated and committed and also empowers them to learn beyond their work scope. Also, Geek Time is designed so that learners can access to high-quality courses from different categories and levels, which fills the gap of technical learning map.

In last two years, the program attracted more than 260 learners and the completion rate was as high as 98%.

We are proud to provide an effective and practical program and are committed to keep improving this long-lasting learning journey.

Environment

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Mitigation of Climate Change (Prevention of Global Warming)

We will strive to reduce GHG emissions by providing green products and innovating in our business processes in order to fulfill our corporate mission to control global warming as per the ESG Initiatives Basic Policy. Having declared support for the TCFD Recommendations, we will proactively continue to clarify risks and opportunities associated with climate change and implement information disclosure.

Approach to Climate Change

Based on "The Advantest Way," Advantest continuously engages in long-term initiatives to alleviate and adapt to climate change in order to contribute to tackling important social challenges related to environmental issues.

For [disclosures related to climate change based on the TCFD Recommendations](#), please refer to "Risk Management" on the "Governance" page.

International initiatives and Advantest's efforts on climate change

Name of institution	Advantest's efforts
TCFD The Task Force on Climate-Related Financial Disclosures	As part of our efforts to ensure information disclosure, we analyze the impacts of climate change on business continuity as well as management risks and opportunities associated with laws and regulations based on the temperature increase scenarios outlined by the IPCC.
SBTi Science-based Targets Initiative	We formulate CO ₂ emissions reduction goals based on scientific insights and implement relevant measures as we work to achieve the goal of limiting temperature increases adopted in the Paris Agreement. In November 2021, Advantest obtained certification from the Science Based Targets initiative (SBTi), which recognized that Advantest's greenhouse gas reduction goals will contribute to achieving the target. (Scope1,2 : 1.5-degrees Celsius, Scope3 : 2-degrees Celsius)
RE100 Renewable Energy 100%	We formulate and implement plans for transitioning to renewable energy sources for the electricity consumed upstream and downstream in our business operations and in our supply chain.
CDP Carbon Disclosure Project	We proactively disclose information on initiatives for risks associated with climate change, such as the TCFD Recommendations, SBTi, and RE100. In December 2021, Advantest was promoted to A- rank from 2020 in the CDP corporate evaluation results. In February 2022, Advantest was selected as the highest-rated Supplier Engagement Leaderboard in the Supplier Engagement Rating (SER).
IPCC Intergovernmental Panel on Climate Change	The IPCC is an intergovernmental organization established by the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP). With the contributions of scientists from all over the world, it regularly produces reports and provides evaluations of the latest scientific findings on climate change. Advantest also leverages these evaluation reports and scenarios published by the IPCC as a basis for analysis of physical and transition risks.
The Paris Agreement (COP21) An international agreement adopted in 2015 with the goal of limiting the global average increase in temperature to 1.5-degrees Celsius, a level that is well below 2-degrees Celsius, compared to pre-industrial levels.	

Initiatives Through Industry Groups

Japan Climate Initiative

Japan Climate Initiative (JCI) is a network of non-state actors who make serious efforts towards the 1.5-degrees Celsius target and the realization of a decarbonized society.

Advantest supports the declaration of the JCI, "Joining the front line of the global push for decarbonization from Japan," and participated in the initiative to support the transition to a decarbonized society by 2050.

We will contribute to the realization of a decarbonized society by voluntarily and proactively taking actions on climate change and by working together with local governments and private companies, which are actively engaged in climate change countermeasures.

Semiconductor Climate Consortium

The Semiconductor Climate Consortium (SCC) is a consortium established by the Semiconductor Equipment and Materials International (SEMI) to speed industry value chain efforts to reduce greenhouse gas emissions from the semiconductor ecosystem. Advantest joined the SCC, as one of the founding members, bolstering climate change measures along with member companies to achieve the 1.5-degrees Celsius target.

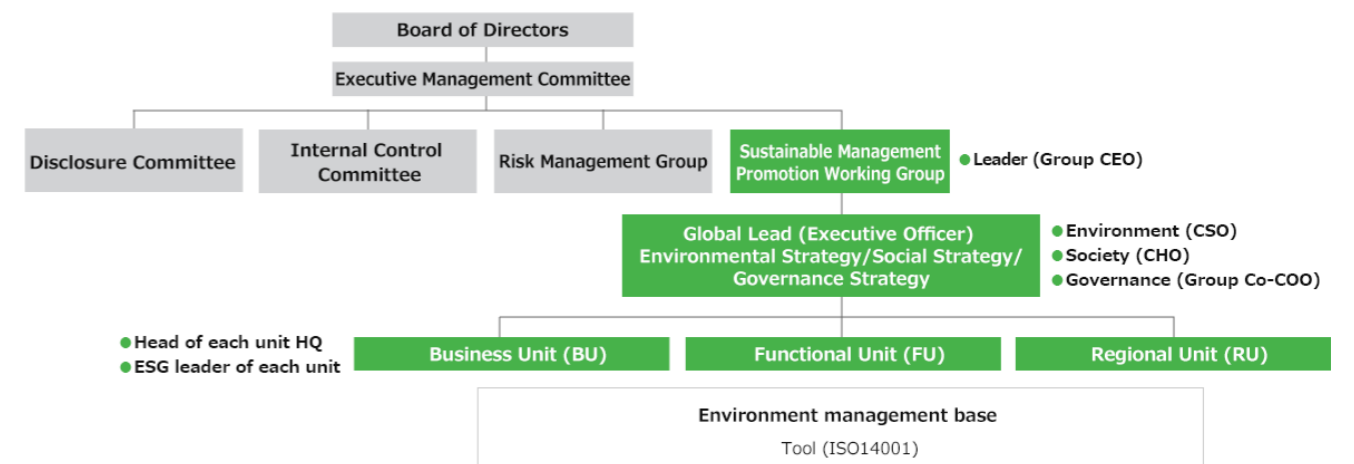


[Involvement with External Initiatives](#)

Environmental Management

Advantest has formulated an ESG Action Plan 2021-2023 to aim for the sustainability of the company and humanity through the enhancement of ESG initiatives. Environmental initiatives are managed under the "E (Environment)" category of the ESG Action Plan 2021-2023. Specific targets and indicator settings are based on international standards for climate change countermeasures. The ISO14001 management program is used as the basis for the commitment to our goals. The results are reported to and discussed with the Sustainable Management Promotion Working Group twice a year. The Working Group will then report them to the Executive Management Committee and the Board of Directors in accordance with the ESG Promotion Basic Policy.

For the details of international recommendations based on scientific evidence, please refer to "[Approach to Climate Change](#)".



Acquisition of ISO14001 Certification

The Advantest Group has acquired the integrated ISO14001 certification for its offices, as well as its research, development, and production facilities in Japan. The Group has acquired ISO14001:2015 certification for its environmental management system, which is based on relevant laws and regulations in each country where it operates. Under the uniform standards provided by ISO14001:2015, we are promoting initiatives to reduce energy use, control waste generation, develop and provide environmentally friendly products (green products), and reduce the environmental impact of our business activities.

Acquisition of ISO14001 certification



As of April 3, 2023

Company	(Base)	First acquisition of ISO14001 certification
ADVANTEST CORPORATION (Including business affiliates)		Aug. 2000 (Integrated certification)
	Head Office	2009/11
	Sendai Laboratory	2000/2
	Gunma R&D Center	2002/4
	Saitama R&D Center	2003/10
	Kitakyushu R&D Center	2003/3
	Gunma Factory	1998/4
Advantest America, Inc.		2008/10
	San Jose, U.S.A.	
Advantest Europe GmbH		2008/4
	Munich, Germany	
	Amerang, Germany	
	Boeblingen, Germany	
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. (Certification includes the following subsidiaries)		2008/5
	Advantest (Suzhou) Co., Ltd.	
	Advantest Technology (Shanghai) Co., Ltd.	



Bureau Veritas Certification (copy)

Advantest Corporation ISO14001 certifications scope

As of April 3, 2023

Applicable standards	ISO14001:2015
Certification number	15841998
Certification scope	Research, development, design, manufacture and services of semiconductor and component test systems and mechatronics systems
Certifying body	Bureau Veritas Certification Holding SAS
Date of first certification	December 8, 2000 (Acquisition of ISO14001:1996 certification at the Gunma Factory on April 21, 1998)
Date of integrated certification	Integrated as Advantest Group as of December 8, 2000.
Applicable business locations	Gunma R&D Center, Head Office, Saitama R&D Center, Gunma Factory, Kitakyushu R&D Center, Sendai Laboratory (Including each business affiliate)

Implementation of Internal Environmental Audits

The Advantest Group is always implementing regular internal audits on environmental burden reduction activities at each business location in order to confirm internal and external compliance with the operation of the environmental management system (EMS). We have been striving to build an efficient system by training internal auditors in some sections of the company since fiscal 2018. Corrective measures are being executed for all items toward any issues raised by regular internal audits and no serious defects were found in the operation of the environmental management system. In the future, we will continue to make ongoing efforts to improve our environmental management system, and will focus on improving our environmental performance.

Environmental Policies

Advantest has established our environmental policies as an entire group and promotes environmental conservation in view of realizing a sustainable society. Based on the ESG Initiatives Basic Policy, Advantest continuously makes efforts to set long-term goals for environmental priority issues through our business. We have clarified KPIs for the three-year period of our second mid-term management plan (MTP2) (2021 to 2023), with the goal of contributing to the climate change mitigation and a decarbonized society.

Please refer to "Materiality and ESG Action Plan" and "Our Activities in FY2022" for the ESG Action Plan and fiscal 2022 results, respectively.

Environmental policies of the Advantest Group

The Advantest Group contributes to the sustainable development of society through our business activities. Moreover, we are committed to protecting the environment through climate change countermeasures, preservation of biological diversity, etc. as well as ensuring sustainable use of energy, water resources, etc. All our employees actively engage in the following environmental conservation activities so that our company can earn the trust of society.

1. Promoting Environmental Management

By maintaining our environmental management system, we promote global environmental conservation efforts that achieve a balance between business activities and environmental concerns.

2. Reduction of Customers' Environmental Burden

We promote energy conservation, improved recyclability, and the elimination of hazardous substances to provide environmentally friendly products and services that contribute to our customers' reduction of their environmental burdens while considering the life cycle of our products from material procurement to waste disposal.

3. Better Workplace Procedures

We reform work procedures to continually improve our environmental performance by creating environmentally friendly products.

4. Environmental Protection and Sustainable Use of Resources

By being alert to the environmental impact of our business activities, we strive to protect the environment from measures against climate change to the conservation of biodiversity, as well as sustainable use of resources such as energy and water.

5. 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 caused by chemical substances, waste and other contaminations.

Environmental Education (ESG Education)

The contents of the education, which had been conducted as general environmental education under the certification of ISO14001, was renewed as ESG education in fiscal 2022, with the aim of understanding "sustainability through promotion of ESG" as stipulated in our corporate philosophical system, The Advantest Way. The education is being addressed within the larger framework of ESG promotion as well as the environment.

Basic Stance on Environmental Education

The Advantest Group believes that it is essential for our employees to understand ESG issues in view of realizing a sustainable society. We promote global awareness-raising activities while holding the following two matters in mind.

1. Each and every employee needs to always feel that ESG is an issue close to their heart; and
2. Think about what they can and should do both at work and in the home, and transform these ideas into action.

The Advantest Group addresses "1" not only by providing environmental education but also in terms of ESG education in general and "2" by using our in-house social networking platform, "My LIFE. ON.", to provide a place for sharing individual employees' efforts.

Major Environmental Education Programs

We use the ISO14001 standard to promote our efforts to reduce the environmental impact.

Program name	Educational Contents
Training for new employees	Education for new employees on the Advantest Group's approach to ESG
ESG Education	Understanding of "sustainability through promotion of ESG" as stipulated in The Advantest Way and the Advantest Group's environmental policy, as well as general ISO14001 environmental education
Education for internal environmental auditors	Cultivation and further education of ISO14001 internal environmental auditors
Management of chemical substances	Education on the handling and safety management of chemical substances
Capability training for specific tasks	Education to maintain and improve the skills that are needed by those engaged in specific tasks such as energy management, pollution control and waste management

[Environmental Management](#)

ESG Education (e-learning)

The Advantest Group provides ESG education program globally with the aim of encouraging all of our employees to understand the "sustainability through promotion of ESG" as stipulated in The Advantest Way and the Advantest Group's environmental policy. Educational materials are created in video format and are available in either Japanese or English. The video provides a basic understanding of ESG and sustainability initiatives in an easy-to-understand manner using animations and voice-over, allowing employees to understand ESG and experience a hands-on fun learning.



ESG Education Video

Environment	Includes general environmental education as an element of ISO14001, and covers the five activities based on the Advantest Group's environmental policy. We also promote environmental awareness through understanding of the SDGs and global warming.
Society	Explains Advantest's relationship with various stakeholders, as well as diversity and social issues in the entire supply chain.
Governance	Risk management and compliance adherence are also covered in this area, explaining how addressing ESG as a company enhances corporate value from a long-term perspective.

At the end of the video, several questions about what was learned are asked to check each employee's level of understanding. We achieved 84.3% attendance rate in FY2022.

Participation in General Environmental Education for fiscal 2022

	Target employees	Number of participants	Participation ratio (%)
Japan	2,767	2,567	92.8
Overseas	3,556	2,761	77.6
Overall	6,323	5,328	84.3

Other ESG Educational Activities

Usage of The Interactive Digital Globe

We purchased an [interactive digital globe](#), that reflects real-time Earth data, and installed it in our Gunma R&D Center, our research and development base. This tool, which allows us to learn about global temperature changes and the past, present, and future of the Earth, is used to promote environmental education on a global scale.



Interactive digital globe

ESG Education in China

In line with one of our strategic issues, "Further Enhancement of ESG Initiatives," we conducted ESG training in China in FY2022, which included ESG development and practice in companies. During the training for managers, we invited the founder and CEO of a company that provides solutions related to decarbonization to participate in a lively discussion on the topic of "Development and practice of ESG in the context of carbon neutrality".



Participants in the ESG training

Global Educational Activities on Our Internal Social Networking Platform "My LIFE. ON."

The Advantest Group runs an internal social networking platform, "My LIFE. ON.". This social networking platform enables our employees to enjoy contributing to the SDGs by posting activities that are beneficial for people, the environment, and society and "liking" and commenting on each other's posts to demonstrate their support for such activities.

Establishment of a Global Promotion System and Encouraging Environment Awareness Events

The Advantest Group has built a global system to encourage employee participation. SDGs promotion members from eight global locations hold online meetings three times a year to report on their own activities and plan and manage joint global events.

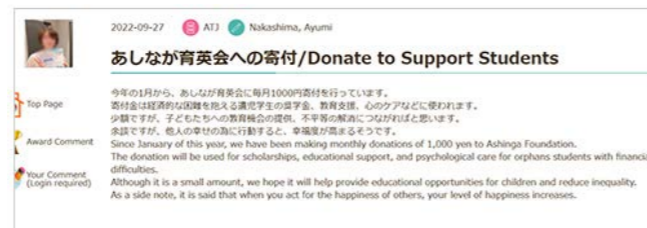


A moving post about an employee in China who is supporting a young girl with a dream of becoming a doctor received impressive response. A sequel was also posted to the account in which the girl grew up, became an intern at the hospital, and got even closer to achieving her dream. The in-house social networking platform "My LIFE. ON." surely has become more than just a place to share information; it has become a tool that provokes great inspiration.



Girl sponsored by Advantest China's employee

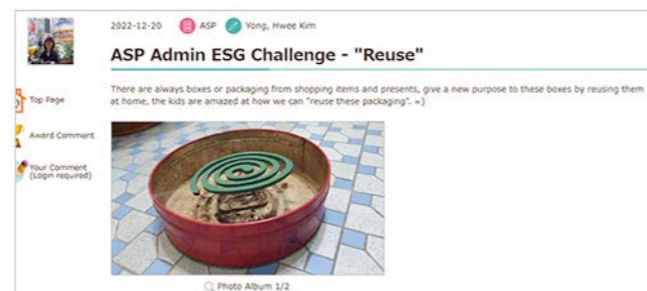
In FY2022, employees at our sites around the world conducted many social contribution activities under the theme of giving back/return to society. In Japan, we held an online event entitled "Let's share your social contributions" and made effective use of the in-house social networking platform "My LIFE. ON."



Introducing a portion of a post (donation)

Employees and their families participated in social activities such as beach clean-ups, posted their activities on My LIFE. ON., and readily introduced many domestic and international activities. This helped in creating a good exchange of information and interaction by communicating with people from other departments with whom we normally do not interact with.

We received many posts from employees in Singapore who enjoyed engaging in the 3Rs (reduce, reused, recycle). The ability to exchange information easily across borders is one of the strengths of My LIFE. ON.



Introducing a portion of a post (reusing the container as a mosquito coil holder)

Climate Change Initiatives in Our Business Activities

We understand the impacts our business activities have on the planet's environment and we carry out activities to reduce our environmental impact. This page introduces our initiatives for environmental conservation.

Green Products

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 as green products those products that are environmentally friendly in terms of the three key aspects of energy and resource saving, improving recyclability, and elimination of hazardous substances. There is demand in society for the supply of green products because they provide both a reduction in the environmental footprint and an improvement in economic value. The Advantest Group has been promoting business activities based on the belief that providing green products will be in response to these demands and beneficial for its customers since 2005.

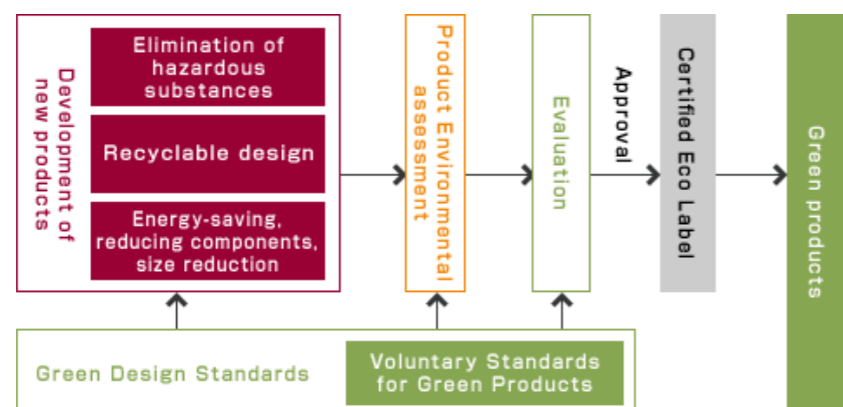
Development Flow of Green Products

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

During the product environmental assessment, products are assessed from various aspects, including energy-saving, reduction of the number of components, size reduction, recyclable design, and elimination of hazardous substances.

New products that meet the Voluntary Standards for Green Products defined by Advantest are certified as green products and are awarded with an Eco Label (type II), in addition to the product environmental assessment. We design new products to be 100% green products.

Development flow of green products



Advantest Group Eco Label

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

Energy and Resource Saving

Voluntary Standards

- Energy saving design
- Reducing component design
- Size reduction design



Recyclable Design

Voluntary Standards

- Design with recyclable plastic materials
- Design for ease of dismantling
- 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 Saving

We aim to reduce the environmental impact of our products through product designs that save energy, reduce components, and reduce size.

The reduction rate of energy against conventional products has been set to a standard of at least 20% for semiconductor test systems and measurement instruments, and at least 10% for other products such as handlers and nanotech products.

We have also set a reduction rate of at least 10% in the same way for components and the miniaturization for all of our products.

Recyclable Design

In recyclable design, we release information on parts that will require special attention during disposal, and plastic parts designed in-house use 90% or more recyclable materials. Moreover, we make sure that products are easy to dismantle with standard tools, and we use rechargeable batteries displaying a recycle 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 IEC62474 standard, and we conduct surveys of hazardous substances contained in parts and materials used in our products. Advantest is building a response system for some of its products and eliminating relevant chemical substances using the results of this survey because these chemical substances are regulated by the RoHS directive as of July 2017.

Our main products are semiconductor examining devices, which are not manufactured products. Therefore, our main products do not cause emissions of gases such as PFASs.

Green Products Certified During Fiscal 2022

We supplied the following product, which was certified as a green product in fiscal 2022.

- Test Systems Series: One Product

Product Recycling

Advantest has been recycling products through Advantest Pre-Owned Solutions Co., Ltd. since January 2022. In response to changes in the business environment, we work with the Field Service Group to respond to a variety of customer requests, with the support for products that have been shipped to the market at the core, until the shipped products are no longer in use.

Recycling is one solution that we provide for customer inquiries for products they no longer need. Currently, recycling is a domestic Japan-only solution, but we will continue consider its global applications and expand our activities.

Basic Stance

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

Recycling policy

1. Achieve 100% collection of recyclables through manual dismantling.
2. Clarify to whom recycling is to be commissioned, and ensure traceability.
3. Promote the conservation of the global environment in collaboration with customers.
4. Properly dispose of harmful substances.

(Hazardous substances: mercury relay, ion type smoke detector, internal cooling water, and Fluorinert)

Efforts to Eliminate Plastic

For more than 15 years, Advantest Gunma Factory has used reinforced cardboard packaging to transport our products, such as test systems, contributing to the elimination of plastics and the reduction of waste. In addition, reinforced cardboards are also used for the pallets on which the products are mounted, thus achieving a reduction in plastics.

The cardboard boxes are manufactured in appropriate sizes with the cooperation of our cardboard suppliers, which serve vital roles in providing safe and efficient deliveries. Moreover, the cardboard boxes are about half the weight of the wooden boxes used in the past, not only contributing to reducing CO₂ emissions during product delivery but also reducing the burden on employees since they are not just easy to pack, but are also easy to unpack at the shipping destination. A single cardboard packaging material is used only once for transporting a single product, and is recycled based on the rules of the customer.

Results Achieved in Fiscal 2022

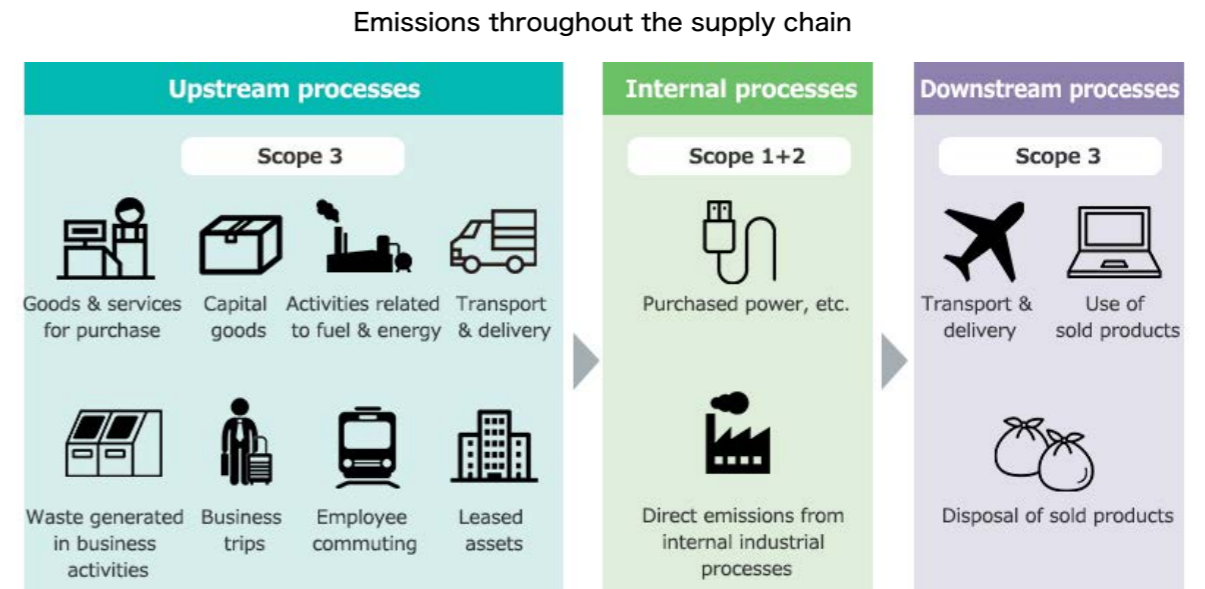
In fiscal 2022, there was no recycling result due to the high operating rate of our customers under the tight market environment for semiconductors resulting from the global chip shortage.

Product recycling flow in practice



Initiatives to Address Supply Chain Emissions

Efforts by individual companies alone to address climate change will have only a limited effect, which prompts us to engage in initiatives involving the entire supply chain and industry associations. The Advantest Group will proactively work to reduce our environmental footprint over the medium to long term through our supply chain in order to achieve our CO₂ emissions reduction targets.



Task Force to Promote Supply Chain Emissions Reduction Activities

In our entire supply chain, Scope 3 "Category 1: Purchased goods/services" and "Category 11: Usage of products" account for a large portion of our total CO₂ emissions. In addition to the reduction of CO₂ emissions in Scope 1+2, we have identified the reduction of CO₂ emissions in Category 1 and 11 as priority items in our ESG Action Plan 2021-2023. To achieve the SBTi certification targets for Scope 1+2 and 3, we are accelerating CO₂ reduction activities throughout our supply chain. As a priority measure, we have established task forces to promote these CO₂ reduction activities from FY2021, and are accelerating such activities throughout the supply chain to achieve the SBTi certification targets for Scope 1+2 and 3.

(1) Task Force 1: CO₂ Emissions Reduction in Product Development (Scope3 Category11)

ESG Action Plan 2021-2023

Key Issue	Objective	KPI		2021	2022	2023	2030
Value chain (Scope3)	Reduce CO ₂ -equivalent emissions (basic unit) per test by 50% by 2030	Reduction rate in basic units (vs. FY2018)	Target	Set basic unit calculation definition		20%	50%
			Result	Set basic unit calculation definition	Defined basic unit calculation definition	NA	NA

Task Force 1 will promote the reduction of CO₂ emissions through the development of next-generation products with low power consumption and high efficiency in collaboration with our global R&D departments worldwide. Specifically, we aim to reduce CO₂ emissions per test (basic unit) in the use phase of our main products by 50% by FY2030. Our Scope 3 "Category 11: Usage of products" has the largest amount of CO₂ emissions, accounting for 65% of the entire value chain. Lowering this CO₂ emission is crucial in reducing CO₂ emissions throughout our value chain. CO₂ emissions from the use of products sold are significantly affected by market fluctuations such as product sales. For this reason, we will set targets for reducing emissions per unit of production in conjunction with our mid- to long-term business plan, and review them annually so as to contribute to CO₂ emissions reduction through our products.

(2) Task Force 2: CO₂ Emissions Reduction Through Cooperation with Business Partners (Scope 3 Category 1)

ESG Action Plan 2021-2023

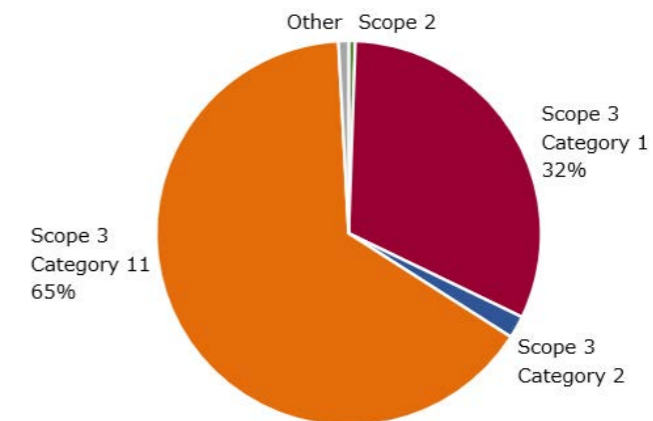
Key Issue	Objective	KPI		2021	2022	2023	2030
Value chain (Scope3)	Promote the use of renewable energy by suppliers and contractors	Number of suppliers who use renewable energy	Target	10	20	40	TBD
			Result	12	22	NA	NA

Task Force 2 will work with the procurement department to support the reduction of CO₂ emissions by promoting the use of renewable energy among our suppliers. Specifically, we aim to increase the number of our suppliers who have adopted renewable energy to 40 by FY2023. We conduct an annual "Supply Chain CSR Survey" among our major suppliers, to which we have added questions on the implementation status of renewable energy and greenhouse gas emissions since FY2021, thereby enhancing the questionnaire on our suppliers' climate change initiatives. Through this questionnaire, we have ascertained the status of our suppliers' implementation of renewable energy, provided individual feedback based on analysis and evaluation of the questionnaire results, and offered basic seminars on climate change. By means of these activities, we will promote suppliers' use of renewable energy and contribute to the reduction of CO₂ emissions throughout the supply chain by gaining an understanding of the necessity and importance of reducing greenhouse gas emissions.

(3) Task Force 3: CO₂ Emissions Reduction Through Collaboration with Our Customers

Task Force 3 will work together with the sales department to promote the reduction of CO₂ emissions through collaboration with our customers. We conducted a survey of our major customers to explain our desires and expectations to suppliers, as well as their policies and goals regarding climate change. While considering our desires and expectations for their suppliers, we will distill and incorporate them into the roles we ought to play and the issues we ought to tackle through our strategies, and will reflect them in our ESG activities. We will also aim to understand our customers' climate change policies and targets, and contribute to CO₂ reduction through collaboration with our customers as a member of the supply chain.

CO₂ Emissions Percentage



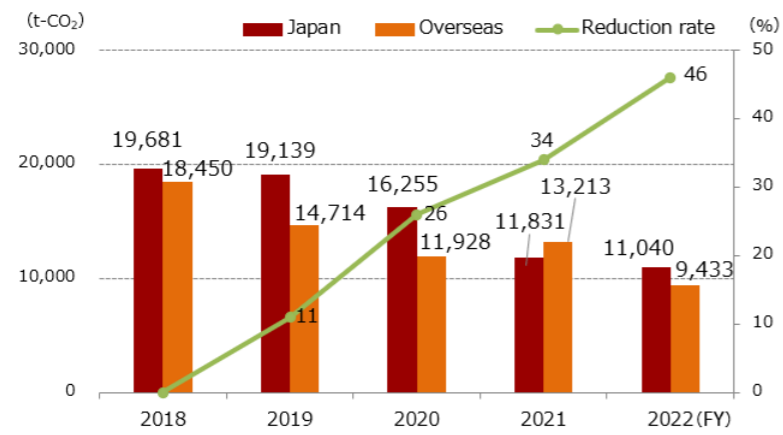
(4) Task Force 4: Reduction of Greenhouse Gas Emissions in Business Activities (Scope1+2)

ESG Action Plan 2021-2023

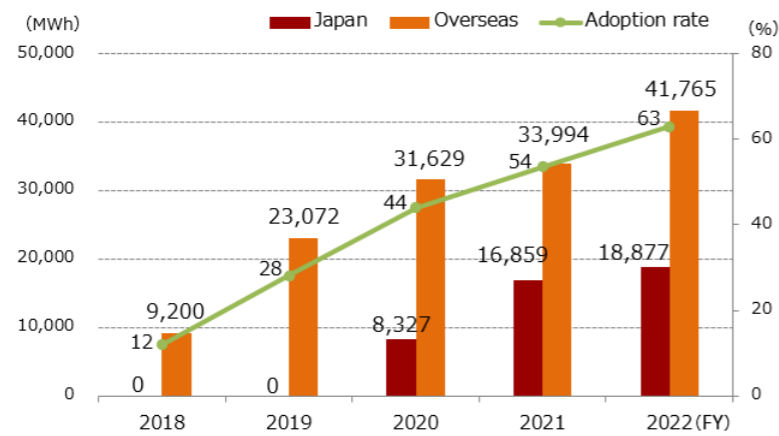
Key Issue	Objective	KPI		2021	2022	2023	2030
Climate change (Scope1+2)	Reduce GHG emissions from business activities by 60% (vs. FY2018)	GHG emissions reduction amount/rate	Target	35%	38%	40%	60%
			Result	34%	46%	NA	NA
	Raise renewable energy usage to 70% by 2030, Group-wide	Coverage rate by renewable energy	Target	50%	53%	55%	70%
			Result	54%	63%	NA	NA

Task Force 4 aims to reduce CO₂ emissions from the Advantest Group's business activities by 60% by FY2030 (compared to FY2018) through the introduction of energy-saving equipment and renewable energy, and to achieve a renewable energy ratio of 70% by FY2030. In FY2022, we newly installed renewable energy at our sites in China and Taiwan, as well as at our headquarters, Sendai Laboratories (ATL), and Advantest Components in Japan. We will continue to contribute to the reduction of CO₂ emissions generated by our operations by reducing greenhouse gas emissions from our business activities and promoting the introduction of renewable energy.

CO₂ emissions and reduction rate over time (Scope 1+2)



Renewable energy volume and renewable energy introduction rate over time



Climate change initiatives at our domestic locations

The Gunma Factory switched to renewable energy sources for all electricity use in April 2021

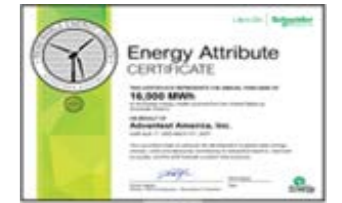
From 2021, 100% of the electricity used at the Gunma Factory is powered by renewable energy sources. Generated by the hydroelectricity facilities on the factory premises, this CO₂-emissions-free renewable energy is produced and consumed locally. The electricity fees for the environmental added value (the increase in fees) will be utilized in future creation initiatives by Gunma Prefecture.



Climate change initiatives at our overseas locations

Offices that utilize 100% renewable energy

In an effort to reduce environmental impacts associated with electricity use, Advantest America, Inc. (AAI) has purchased Green Electricity Certificates for wind power generation since 2012. AAI sources 100% of its electricity from renewable energy sources. Furthermore, in 2012, AAI joined the Green Power Partnership of the United States Environmental Protection Agency (EPA), which is an initiative to promote renewable energy, and has contributed to expansion of green electricity.



Tradable Green Certificate (United States)

Advantest Europe GmbH (AEG) has been implementing renewable energy since 2019. AEG has introduced renewable energy sources such as solar power generation, and sourced 100% of its electricity used from renewable energy sources ever since.



Tradable Green Certificate (Germany)

Advantest (China) Co., Ltd. (ATC) has been implementing renewable energy since 2022. ATC has purchased a Green Electricity Certificate for solar power generation, and sourced 100% of its electricity used at the business sites from renewable energy sources.



Tradable Green Certificate (China)

Recycling Resources

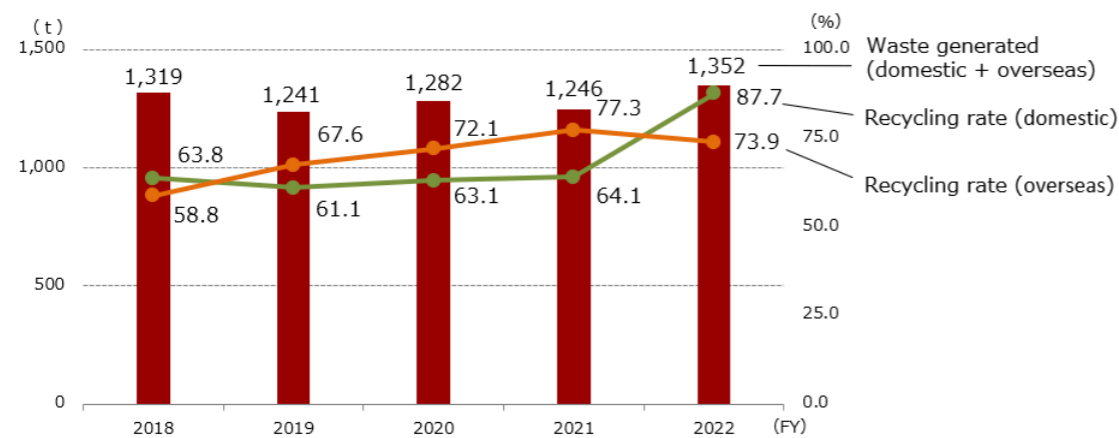
The Advantest Group pursues operations encompassing the "3Rs" (reduce, reuse, and recycle) with the aim of realizing a recycling society.

Waste recycle initiatives

The Advantest Group is committed to converting waste into valuables by reinforcing the initiative we launched in FY2009 to separate components. We ensure strict compliance in these activities.

In disposing of waste (including packaging materials) generated in our business activities, we clearly indicate to our outsourcing contractors the disposal method for each classification as per the relevant laws (including local laws and regulations) to ensure proper disposal and recycling by material type.

Trend in waste generated and recycling rate

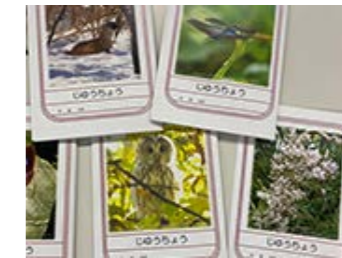


Data range for tabulation: Advantest Group data

- * The amount of waste generated, and the amount of waste recycled in Japan were calculated excluding valuable materials.
- * We found, through an inquiry to a waste disposal contractor, that some generated waste which had been allocated to the recycled quantity was not in fact recycled. We have recalculated and restated the past figures accordingly.
- * Due to the difficulty of totaling a single overseas office, we excluded it from the calculation of the waste generated and the amount waste recycled from FY2021, and recalculated it retroactively.

Realizing a New Circulation Cycle with the Introduction of a Recycling Equipment

Advantest has installed a recycled paper manufacturing machine from 2020, which can produce new paper from used paper such as rejected documents. With this machine, most of the confidential documents to be disposed, which were hitherto collected and sent to a contractor for disposal, will be processed in-house, and given "new life" by being recycled into paper and made use for various purposes, such as business cards.



Notebooks made from recycled paper



Operating the recycled paper manufacturing machine

We also made notebooks using recycled paper and gave them as gifts to local elementary school students who visited our biotope for nature observation events, as well as to special-needs school students and teachers who paid a visit during our company tours. These help in view of our social contributions by providing teaching materials for learning applications.

The equipment is operated by our employees with disabilities. It will also create more opportunities for people with disabilities to play an active role in the company. Once they embark upon their careers and showcasing their active roles as members of the Advantest Group will prove to be a way to repay their alma mater. With the introduction of the new paper manufacturing machines, Advantest has realized a new circulation cycle through various aspects such as environmental commitment, employment of people with disabilities, and educational support.

For more information on employment of the disabled, please refer to ["Employment and Diversity"](#).

Proper Disposal of Waste Plastics and Material Recycling

Advantest has been recycling all waste plastics at business locations in Japan.

At its Gunma Factory, trays and magazines, which are used as parts containers, are disposed of as waste plastics.

Individual employees check the recycling identification mark on each container to sort containers containing PVC.

This allows waste plastics to turn into the main raw material for RPF (Refuse Paper & Plastic Fuel), which is a high-quality solid fuel.

Waste plastics containing PVC are crushed, incinerated, and recycled as molten slag, which is used mainly as roadbed material.



Proper Disposal of Equipment Containing PCB

Advantest owned three capacitors, fluorescent lights, and stabilizers that contained polychlorinated biphenyls (PCBs), but all pieces of the equipment that contained PCBs were properly disposed of during FY2017.

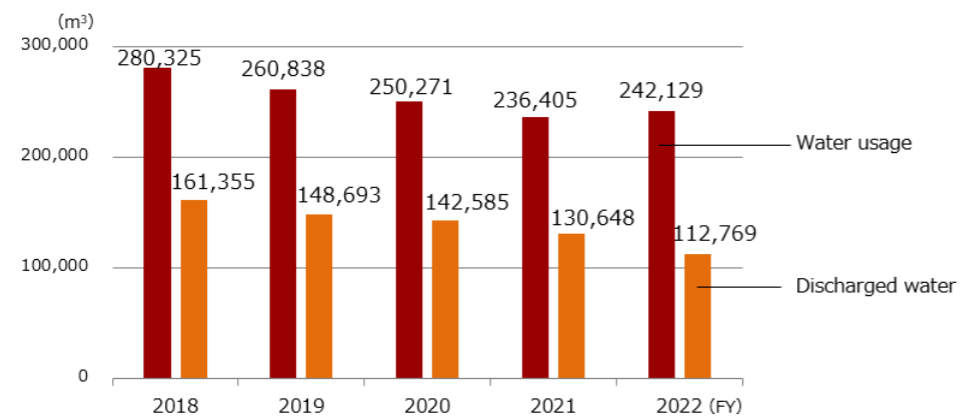
Effective Use of Water Resources

Advantest's main usage applications of its water resources are the operation of air conditioners, kitchen use, toilet cleaning, and drinking. At our main bases, we use water for industrial use efficiently. In addition to using this water for cleaning the toilets, we also use it with roof-mounted sprinklers to improve cooling in the summer. Advantest is also filtering drinking water and using ultra-pure water at some business establishments. It should be noted that approximately 90% of the discharged water produced by Advantest Group is classed as domestic sewage. Currently, domestic sewage and rain water cannot be recycled.

Advantest's development and manufacturing sites in Japan are located in Gunma Prefecture and Saitama Prefecture and use water resources from the Tonegawa River. In order to protect the Tonegawa River's water resources, we carry out forest protection activities in [the national forest in Gunma Prefecture](#), [the source of the river](#).

Of course, every member of our staff takes care not to waste water, and strives to make effective use of our water resources.

Trend in water usage/discharged water



Data range for tabulation: Advantest Group data

Initiatives on Environmental Risk Management

This page introduces our various initiatives for ensuring legal compliance in all our business activities, reducing their environmental impact, and so forth.

Management of Legal Compliance Regarding Environmental Impacts

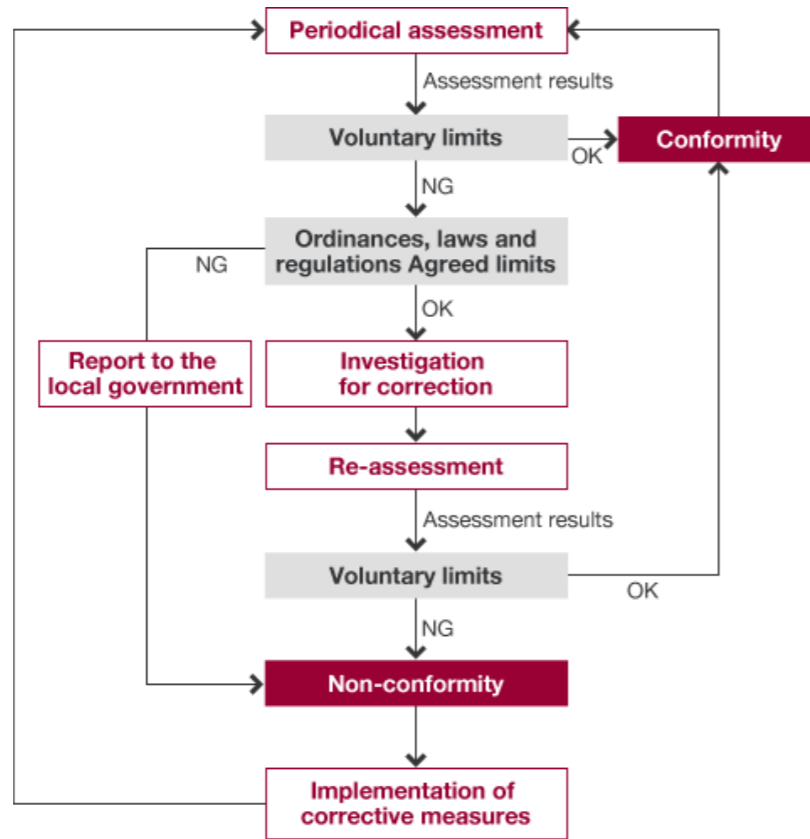
Basic Policy for Environmental Risk Management

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 can respond without hesitation should an environment-related incident occur, we have established 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, which are conducted to ensure that they are able to act swiftly in the event of an emergency.

Compliance management at business sites



There were no cases which exceed our voluntary standards for air and water quality in fiscal 2022.

Items	Boundary	FY2018	FY2019	FY2020	FY2021	FY2022
Emissions into the atmosphere	Japan	0	0	0	0	0
Waste water to water area	Japan	0	0	0	0	0

Management of Chemical Substances

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 Advantest Group business locations.

To this end, we have adopted a chemical substance management system. This system facilitates chemical substance registration, safety reviews, input/output control, and the calculation of data required by relevant laws and regulations, as well as making the safety data sheets (SDS) that are necessary for the safe handling of chemical substances available at any time.

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

Improving Chemical Substance Management: "Aiming for More Precise Management"

At Advantest Group, we manage the chemical substances that we use by container through our chemical substance management system. Based on the chemical substances management level specified under the PRTR Law, the Poisonous and Deleterious Substances Control Law, the Industrial Safety and Health Law and other laws and regulations, we have established a classification system of management ranks and set the management method according to each rank, with the aim of having a flexible system.

Furthermore, in response to the revision of laws and regulations, Advantest built and executed a system for the risk management of chemical substances which had become a requirement as of June 2016.



Strict chemical controls

Adopting the High-precision Management Methods in Line with the Different Level of Risks Posed by Different Chemical Substances

We implement training in chemical substance handling for Advantest Group employees, ensuring that employees understand how to handle particular types of chemical substances and are aware of the key points to note regarding their use. Management procedures are simplified for chemical substances that are less hazardous, and autonomous management is implemented with respect to commercially-available sprays, adhesives, etc.



Controls applied to each and every container

Chemical substance control ranks

Rank	Conditions for application	Locked storage	Dispensary control	Inventory checks
4	Some chemical substances are extremely toxic or have a profound social impact, so registration with the government, etc., is necessary to handle them. Examples: narcotics, stimulants, etc.	Yes	Yes	As required by law
3	Some chemical substances are highly toxic, so any loss must be reported. Examples: poisons, deleterious substances, etc.	Yes	Yes	Twice annually
2	Some chemical substances are inflammable, corrosive, or poisonous with prolonged exposure. Examples: organic solvents, acids, alkalis, etc.	Yes	Yes	Twice annually
1	Some chemical substances are not very harmful, but since a large amount is used, control is necessary. Examples: solder paste, PFAS, etc.	-	Yes	Twice annually
0	Some chemical substances are not very harmful and do not warrant special control. Examples: some adhesives, grease, lubricants, paint, lead-free solder, wire solder, bar solder, sprays (spray oil, cooling spray), etc.	-	-	-

In line with this management approach, proper after-use treatment will be followed, such as making a request to a waste treatment company.

Efforts to Eliminate PFAS Coolant in New Products

Advantest has set the "development of products that are free from polluting substances" as one of the goals of the ESG Action Plan. We upheld the total abolition of PFAS coolant by fiscal 2030 as our KPI, and instead adopt water as the coolant to be used in next-generation testers. In fiscal 2022, we confirmed the cooling performance and durability of the indirect cooling technology using water. New products incorporating this technology are scheduled to be shipped from fiscal 2024.

The Challenges of Supplying PFAS Cooling Fluid

While we aim to eliminate PFAS cooling fluid, we are tasked to address the challenges of supplying PFAS cooling fluid for our current models.

To this end, the following measures continue to be taken by working cross-sectionally throughout the organization.

- Evaluation of alternatives to PFAS cooling fluid currently in use
- Procurement risk measures by the Production Group for PFAS cooling fluid

* PFAS is not a name of a specific chemical substance, but an acronym for "Per- and PolyFluoroAlkyl Substances".

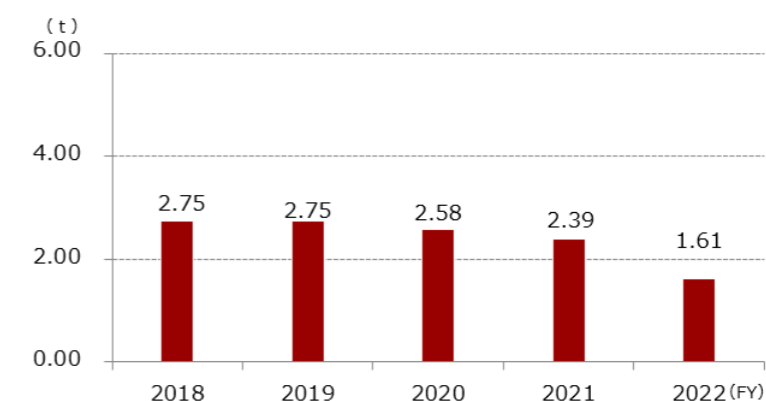
Efforts to Reduce VOC (Volatile Organic Compounds) Emissions

VOC substances are considered as substances that produce photochemical oxidants and suspended particulates. Facilities using a large amount of VOC are obligated by Article 17-13 of the Air Pollution Control Act to monitor VOC emissions into the atmosphere that are attributable to their business activities and take the measures that are necessary to reduce the emissions.

VOC is not used much in the electrical and electronic industry. However, the Ministry of Economy, Trade and Industry has requested companies to take voluntary measures to reduce VOC emissions, as we also cooperated in the survey from 2005 to 2020 representing the four electrical and electronic industry groups (JEMA, CIAJ, JEITA, and JBMIA).

These surveys cover 20 substances that are often used in the electrical and electronic industry. Advantest does not use them in large quantities, but has been conducting surveys on the consumption of these substances and report it as required.

VOC data

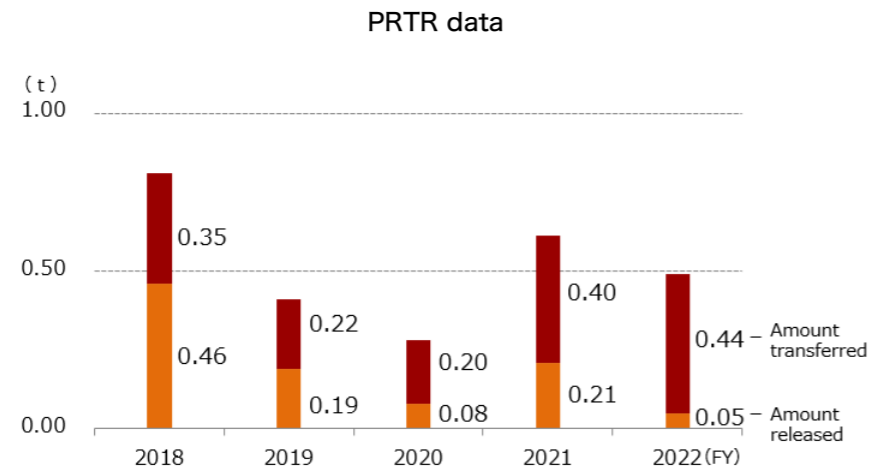


Data range for tabulation: Advantest Group (Japan) data

* Substances tabulated here are VOCs subject to surveys by Japan 4EE.

PRTR Report

According to the Law Concerning Pollutant Release and Transfer Register, Advantest has been submitting reports to the government under the Pollutant Release and Transfer Register (PRTR) system.



Data range for tabulation: Advantest Group (Japan) data

* The table includes PRTR controlled substances whose annual amount of use was below the amount required to be reported.

<Content>

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

Implementation of General and Specialist Chemical Substance e-learning Education

Used inappropriately, even familiar chemical substances may cause unexpected accidents and environmental pollution. We provide the general chemical substance education program to all our domestic employees in order to help them understand how to reduce such risks.

The specialist chemical substance education program is provided to employees who use chemical substances in their daily work. The purpose of this annual e-learning program is to raise awareness of the dangers and harmfulness of chemical substances as well as to promote the safe handling thereof through practical learning content.

In this program we explain things simply, using examples of accidents, regarding chemical substances regulated under the main laws such as poisons, deleterious substances, organic solvents, specific chemical substances, hazardous materials covered by the Fire Services Law, etc.

In fiscal 2022 we conducted general education for all new employees in Japan and specialist training for 684 employees who handle chemical substances.



Materials used in training on chemical substances

Involving Our Business Partners

Green Procurement/Initiatives Related to Regulations for Chemical Substances Contained in Product

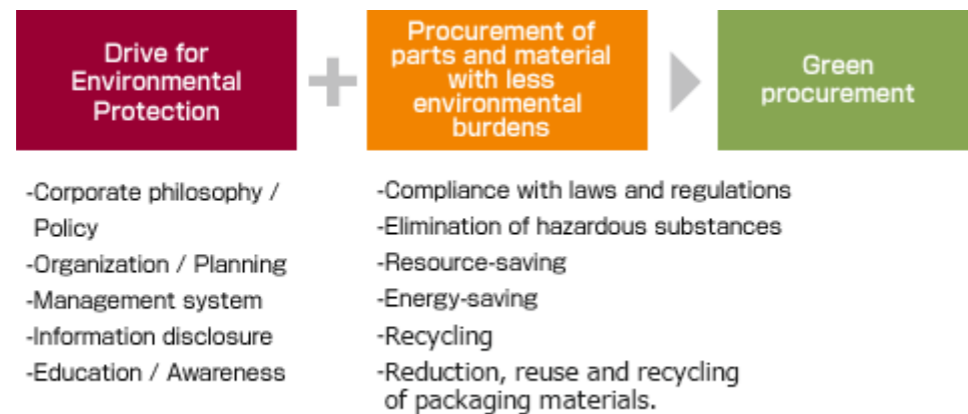
At Advantest we are striving to eliminate hazardous substances across our manufacturing activities including suppliers of components and assembly and processing partner companies, and wish to connect this to the development of green products. We engage in communication with our business partners, and 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 components and materials that are used for our products. Changes to the guidelines, if any, are notified to our suppliers via the electronic transaction and technical information exchange system (portal site) seeking for their cooperation.

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 has also concluded the General Specification for the Environment(GSE)* with our suppliers as a contract for the same measures even at overseas bases to eliminate the chemical substances contained in products.

* The GSE provides Advantest's general requirements for restricting or prohibiting certain substances as constituents of parts, components, and materials in products and packaging purchased by Advantest worldwide, including specific reporting and labeling requirements.

The Principles of the Green Procurement



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

Component Registration in Green Procurement

Regarding component registration, we are conducting environmental surveys for procured components using our environmental survey questionnaire with cooperation from our suppliers, based on the operation standard for chemical substances used in Advantest products. 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

We have established the aforementioned operation standard for chemical substances used in Advantest products based on IEC62474* and use it in surveys on the use of hazardous substances in components used and to determine whether or not to adopt the components.

* IEC62474: Material Declaration for Products of and for the Electrotechnical Industry
(See : <http://std.iec.ch/iec62474>)

Survey of Suppliers on Hazardous Substances

Starting with the RoHS Directive, there have recently been additions and revisions of electrical and electronic regulations. On February 6, 2023, Advantest, in line with the revised IEC62474, revised its questionnaire on hazardous substances and informed our business partners.

Compliance with the Laws and Regulations in Each Country

In complying with environmental laws and regulations, the Advantest Group is working towards eliminating the use of hazardous materials while also pursuing environmental conservation efforts that involve reducing the consumption of energy and resources.

More specifically, we have been working with our suppliers since the autumn 2003 on initiatives to investigate and eliminate the use of restricted hazardous materials.

We are in compliance with the European RoHS Directive*.

Collaboration with Overseas Subsidiaries

Advantest has organized a global team among those overseas bases that have R&D departments (Japan, Germany, USA) since the middle of 2020, and has built a system to work on compliance with laws and regulations related to environment, quality, and safety of our products.

Currently, we hold regular global meetings to agree to and unify our recognition as an Advantest Group. Based on this understanding, each subsidiaries promotes the drafting and implementation of environmental law education materials for local engineers according to the product groups.

The EU-RoHS Directive

Advantest's semiconductor Test system, Test handler are classified as Large-Scale Stationary Industrial Tools (LSSIT) under the EU-RoHS directive, and as such are exempt from the directive's provisions. Nevertheless, on the basis of our commitment to environmental conservation, we will continue to work towards continuing elimination of hazardous substances from these product lines.

* The European RoHS Directive and its revision stipulate ((EU) 2015/863) restrictions on the use of specified hazardous substances contained in electric and electrical devices in Europe; inclusion of the following substances (10 such substances are used for our products as of July 22, 2021) in excess of the maximum allowed limits is prohibited, except for exempted purposes.

- Lead (Pb)
- Hexavalent chromium (Cr VI)
- Mercury (Hg)
- Polybrominated biphenyl (PBB)
- Cadmium (Cd)
- Polybrominated diphenyl ether (PBDE)
- Bis phthalate (2-ethylhexyl) (DEHP)
- Dibutyl phthalate (DBP)
- Butyl benzyl phthalate (BBP)
- Diisobutyl phthalate (DIBP)

The Chinese RoHS Directive

The China RoHS directive outlines the following items for selling products, which contain the same 6 substances set out in the first EU RoHS directive, within China: (1) identification marks (on the product) of whether or not it contains specified hazardous substances; (2) indication of environment-friendly use period (on the product); (3) description of the type, region, and amount of hazardous substances contained (in the product manual); (4) labeling of packaging materials (on the packaging materials themselves); and (5) year and month of production.

Advantest has established a system to assure that these labels are reliably displayed in products to be shipped for China.

Chemical Substances Contained in Product

SVHC of the REACH Regulation

REACH is a regulation of the European Union, which stands for Registration, Evaluation, Authorization and Restriction of Chemicals. REACH places the burden of proof on companies, where they are obliged to register, submit documents, and report on the linked to the substances they manufacture or import in the EU with a total amount of 1 ton or more per year to the European Chemicals Agency. Advantest's products or "molded articles" are exempt from REACH's provisions as said; however, hazardous substances contained, its doses, and candidates for substances of very high concern (SVHC) must be reported upon request.

Advantest products may contain the following SVHC:

- Diarsenic pentaoxide
- Diarsenic trioxide
- Boric acid
- Hexavalent chromium compound
- Disodium tetraborate, anhydrous
- Lead chromate
- Bis (2-ethylhexyl) phthalate (DEHP)
- Dibutyl phthalate (DBP)
- Butyl benzyl phthalate (BBP)
- Diisobutyl phthalate (DIBP)
- 1,2-Benzenedicarboxylic acid, di-C7-11-branched and linear alkyl esters (DHNUP)
- Trixylyl phosphate (2-chloroethyl) (TCEP)
- 4- (1,1,3,3-tetramethylbutyl) phenol
- Bis (2-ethylhexyl) phthalate (DEHP)
- Sulfurous acid, lead salt, dibasic
- 1,2-dimethoxyethane; ethylene glycol dimethyl ether (EGDME)
- Pentalead tetraoxide sulphate
- Boric anhydride
- N,N-dimethylformamide
- Diisopentyl phthalate (DIPP)

- N-pentyl-isipentyl phthalate
- Lead titanate, lead titanium trioxide
- Lead titanate zirconate
- Lead oxide sulfate
- (Phthalato (2-))dioxotrilead
- Di-n-hexyl phthalate (DnHP)
- Methylhexahydrophthalic anhydride
- Cadmium
- Cadmium oxide
- Dipentyl phthalate (DPP)
- 4-Nonylphenol, branched and linear, ethoxylated
- Cadmium sulfide
- Imidazolidine-2-thione, 2-imidazoline-2-thiol
- 1,2-benzenedicarboxylic acid, di-C6-10-alkyl esters, mixed decyl and hexyl and octyl diesters
- Benzo[def]chrysene (Benzo[a]pyrene)
- Dicyclohexyl phthalate (DCHP)
- 4,4'-isopropylidenediphenol (BPA)
- 1,6,7,8,9,14,15,16,17,17,18,18Dodecachloropentacyclo[12.2.1.16.9.02,13.05,10]octadeca-7,15-diene ("Dechlorane Plus"™)
- Octamethylcyclotetrasiloxane (D4)
- Decamethylcyclopentasiloxane (D5)
- Dodecamethylcyclohexasiloxane (D6)
- Terphenyl, hydrogenated
- Lead
- 2,2-bis(4'-hydroxyphenyl)-4-methylpentane
- Tris(4-nonylphenyl, branched and linear) phosphite (TNPP) with >= 0.1% w/w of 4-nonylphenol, branched and linear (4-NP)
- 4,4'-(1-methylpropylidene)bisphenol
- Medium-chain chlorinated paraffins (MCCP)
- 6,6'-di-tert-butyl-2,2'-methylenedi-p-cresol

Perchlorates

Businesses who manufacture, distribute, sell, use, dispose of perchlorate materials (containing 6 ppb perchlorate or more) for resale or use in California, and when exporting to California need to ensure that these perchlorate materials are properly labeled on their individual packaging boxes and carrier boxes (for shipping packaging). The majority of perchlorate materials are lithium-ion batteries, which are already labeled on our products.

<The following label or mark is necessary>

Perchlorate Material - special handling may apply, See www.dtsc.ca.gov/hazardouswaste/perchlorate.

The following Advantest products may also contain perchlorate.

Test System	T Series, B Series, and H series
Test Handler	M Series
E-Beam Lithography and SEM Metrology/Review	F Series and E Series
Terahertz Analysis System	TAS7 Series and TS Series
Leading Edge Product	WM Series (AirLogger) and HA Series

Proposition 65

Proposition 65 is a law that protects the citizens of California from serious exposure to chemical substances that are known to trigger cancer, congenital anomalies or reproductive disorders.

The law requires companies and people conducting business in California to provide clear and reasonable warnings before knowingly and purposely exposing California's citizens to chemical substances on the Proposition 65 list.

Although Advantest products may contain chemical substances that are included in the Proposition 65 list, there is no risk of human exposure through skin contact, ingestion or inhalation if the products are used according to Advantest recommendations.

For this reason, Advantest has deemed that a warning label stating that a product contains chemical substances listed in Proposition 65 is unnecessary.

Based on customer requests, we can offer information on chemical substances included in Advantest products that are listed in Proposition 65.

Furthermore, as there is a risk of exposure to the chemical substances listed in Proposition 65 when handling Advantest products in a way that is not recommended by us, such as destroying or shattering the products, we recommend taking measures such as wearing dust masks, protective gloves, and ventilating to alleviate and reduce any risk of exposure.

Environmental Communication

This page introduces our environmental contributions and activities for biological diversity conservation.

Environmental Initiatives

Basic Policy on Environmental Information Disclosure

The Advantest Group discloses information on environmental burdens and environmental protection activities by including such information in our reports and website, holding exhibitions, and so forth.

We believe it is important to share environmental information with our stakeholders and to reflect such information in our environmental management in order to continuously grow as a company without compromising our integrity.

We also engage in communication with local communities through various environmental protection activities.

Number of environmental compliance initiatives

	FY2018	FY2019	FY2020	FY2021	FY2022
Complaints from stakeholders	0	0	0	0	0
Serious violations of environmental laws	0	0	0	0	0

* Aggregation scope: Advantest Group

Environmental Information Disclosure

[Publication of the Sustainability Data Book](#)

Environmental Contribution Activities

We endeavor to foster communication with a variety of stakeholders through environmental contribution activities.

Food recycling

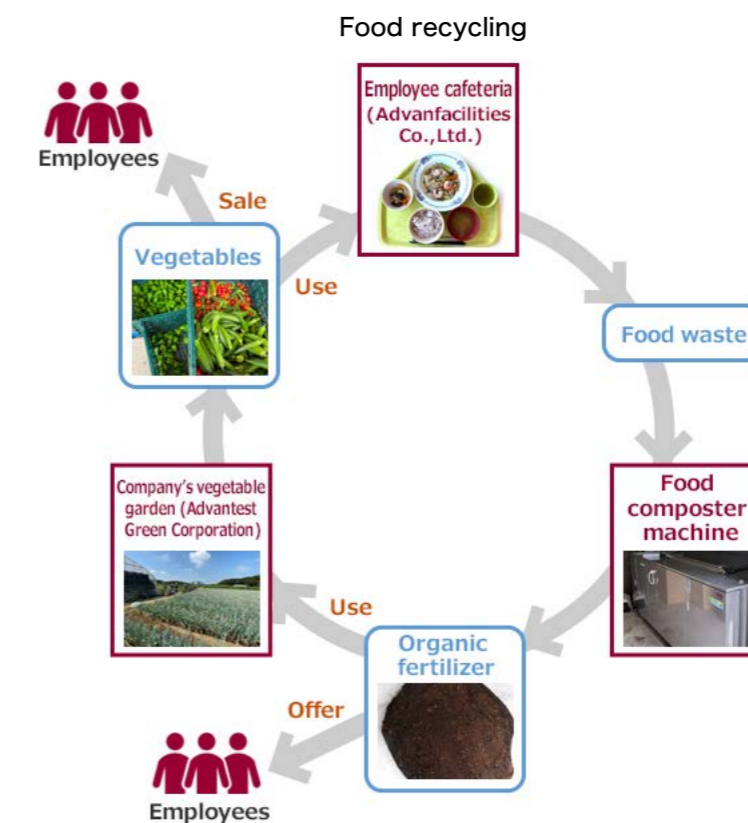
Having updated the food composter machines in September 2020, the Gunma R&D Center engages in food recycling by composting kitchen waste from the employee cafeterias of three facilities in Gunma and Saitama prefectures. Processed garbage is converted into compost, which is provided to



Our farm on the premises of the Gunma R&D Center

interested employees free of charge. After the compost matures, it is used to grow vegetables on our farm, which stretches over approximately 2,000m² of the premises of the Gunma R&D Center. On our farm, employees of Advantest Green grow pesticide-free vegetables throughout the year, and harvested vegetables are used in dishes served at the cafeterias run by Advanfacilities. We also make these vegetables available to our employees to purchase.

Advantest thus promotes employee health while reducing food waste and implementing food recycling in collaboration with affiliated companies.



MSC/ASC Certified Sustainable Seafood Served at Employee Cafeterias

In February 2021, Advantest joined a group which acquired Marine Stewardship Council (MSC) / Aquaculture Stewardship Council (ASC) Chain of Custody (CoC) certification for using MSC/ASC sustainable seafood at four of our bases: Advanfacilities Office, Gunma R&D Center, Gunma Factory, and Saitama R&D Center.

Currently, the employee cafeterias at our three offices in Gunma and Saitama regularly offer menus using sustainable seafood, contributing to the sustainability of fishery resources. In fiscal 2022, a total number of 1,462 employees ate sustainable seafood being offered. Being accustomed to sustainable seafood in the employee cafeteria has led our employees to make SDGs-conscious choices, such as purchasing marine products with the MSC / ASC certification label at supermarkets in our daily lives.



An example of a sustainable seafood menu



Forest conservation activity at the national forests of Mt. Akagi "Advantest Reiwa Woods"

Every year since 2007, Advantest has been conducting forest conservation activities. Advantest has research and development/production bases in Gunma Prefecture and Saitama Prefecture, where water resources withdrawn from the Tone River are used. For this reason, Advantest regularly carries out conservation activities in the national forests of Gunma Prefecture, in which the source of the Tone River is fed, and contributes to the conservation of the water resources of the Tone River.



Setting up nets

In 2019, Advantest concluded an agreement with the Gunma District Forest Office to set up an area in Mt. Akagi for conducting its activities and named the area "Advantest Reiwa Woods". Conservation activities include pruning unnecessary branches with saws to bring in more light into the forest, and installing nets on trees to prevent deer from eating tree barks. The activities for FY2022 were cancelled due to the COVID-19 pandemic.

[Contribution to the conservation of the water resources of the Tone River \(Recycling Resources\)](#)

Environmental Impact Assessment

Advantest records and assesses the environmental burden on the area surrounding its business establishments, such as office waste water, in accordance with ordinances and pollution control agreements. In addition, we are managing plants and cultivating biotope at our business establishments while considering biodiversity.

[Advantest's biotope](#)

Initiatives for Biodiversity

The Advantest Group's Guidelines of Action for Biodiversity

To show our gratitude for the gift of nature created by biodiversity, and to recognize the significance of biodiversity in supporting 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 information on any aspect 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.

Participation in the 30by30 Alliance for Biodiversity

Since April 2022, Advantest has joined [the 30by30 Alliance for Biodiversity](#), a coalition of volunteer companies incorporated in the 30by30 Roadmap formulated by the Ministry of the Environment.



* 30by30 Alliance for Biodiversity: A coalition of volunteers established by 17 industry, private, and government organizations including the Ministry of the Environment to domestically achieve the "30by30" target, an outline of an international commitment and necessary actions which aims to conserve or protect at least 30% of land and sea areas by 2030.

[30by30, 30by30 Alliance](#)

[15th meeting of the Conference of the Parties to the UN Convention on Biological Diversity \(CBD-COP15\)](#)

Biotope

Reflecting our commitment to living in harmony with nature, Advantest established a biotope in Gunma R&D Center in 2001 with the aim of helping to recreate the original, natural landscape of the Kanto Plain, a landscape that is being lost to development. This biotope, with a total area of 17,000 m², is one of the largest of its kind established by any private company in Japan.

Advantest's biotope provides a venue in which Advantest employees can learn about the importance of protecting the global environment; the biotope is also used as a way to foster communication with local residents. 21 years have passed since the establishment, and the biotope now has an optimal environment for preserving the local ecological system and is playing a great role in protecting and growing threatened species. In addition, Advantest's biotope provides an ideal environment for achieving an SDG target, "Goal 15: LIFE ON LAND".

* Biotope: This word combines the Greek words "Bio", which means life, and "Tope", which means a place.

[Advantest's biotope](#)

Biotope videos released

In fiscal 2022, Advantest produced four videos showcasing our biotope and releases them on our website. The videos introduce the biotope that is rich in nature, with beautiful aerial images taken by a drone of the indigenous flora and fauna that live there. These images help communicate the biodiversity of our biotope, that leads to securing a nature-positive world, to our stakeholders in an easy-to-understand manner.

Please click on the Biotope Quarterly link below to watch the biotope videos.

[Biotope Quarterly](#)

Place for the protection and cultivation of valuable plants

Since its establishment in 2001, our biotope has been dedicated to research on, protection of, and cultivation of the animals and plants that live there as well as the extermination of alien species under the guidance of Gunma University.

We also utilize our biotope in our efforts to protect and cultivate *Eupatorium japonicum* and floating heart, which are national near-threatened species and Gunma prefectural IA endangered species.



Front side of biotope



Biotope seen from the sky



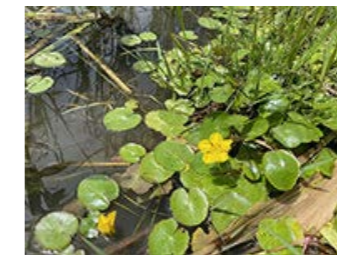
With regard to *Eupatorium japonicum*, there are only five places where it grows naturally in Gunma Prefecture, one of which is Advantest's biotope. Advantest has been continuing these protection and cultivation activities for many years, which have led to the creation of an environment that enables the stable natural cultivation of the native plant.

With regard to floating heart, there is only one place where it grows naturally in Gunma Prefecture, and Advantest's biotope has been used as an evacuation shelter since 2012, where floating hearts grow steadily.

Moreover, from fiscal 2019, Advantest implemented emergency protection measures for native *Amsonia elliptica*, which were specified as a threatened species (IA) in Gunma Prefecture, and started protection and cultivation activities for them.



Eupatorium japonicum



Floating hearts



Amsonia elliptica

The carbon fixation rate of the biotope forest is in almost similar range of the natural forests

For three years since fiscal 2020, Advantest has re-evaluated amount of carbon stock and carbon fixation rate of the biotope forest in Gunma R&D Center as one of the joint research projects with Gunma University.



Forest of the Biotope

We conducted again the tree census as to them by measuring height and diameter at breast height of about 600 mature trees, such as *Quercus serrata*, *Q. acutissima*, and *Q. myrsinaefolia*, etc.. We also measured the amount of annual leaf production by collecting the fallen leaves using leaf litter traps (netting for catching fallen leaves). Based on the results of these field census, we evaluated the amount of standing tree biomass of the biotope forest (carbon stocks), which was approximately double that of the previous survey conducted about 10 years ago. Given the good growth of the trees, it is estimated that the average carbon fixation rate of the biotope forest over the 10-year period is in almost similar range of the natural forests, and the forest, as a whole, is fixing about 2.9 ton carbon (about 10.3 ton of CO₂ equivalent) each year.

Ongoing floral monitoring also revealed that more than 100 native plant species is growing sustainably there, and the percentage of non-native species is continuously controlled better to be less than 30%.

A message from Professor Shin-ichi Ishikawa, Faculty of Informatics, Gunma University

Biotopes generally play an important role in the conservation of biodiversity, particularly in terms of restoration of regional natural environment, acting as a place for environmental education and a sanctuary for endangered species. Advantest's biotope is surrounded by a rich environment such as vast puddy fields with species-rich ecosystems, making it one of the ideal places for sustainable growth of endangered species such as *Eupatorium japonicum* and *Salvia plebeian*.

The floral monitoring performed in fiscal 2022 revealed that 108 native plant species, including "satoyama" (semirural area) plants and 43 exotic species were growing there. Thus, the Advantest's biotope is playing an important role in the conservation of regional biodiversity.

Field surveys and tree growth experiments conducted from fiscal 2020 to fiscal 2022 have shown that the biotope forest has been helpful to prevent global warming by fixing carbon at a rate in almost similar range of the natural forests over the past decade. However, the results also suggest that further global warming in the future will significantly inhibit the growth of the *Q. acutissima* trees planted in the biotope forest. Accordingly, planting more *Q. serrata* and *Q. myrsinaefolia* trees, which are less affected by global warming, may be good for adaptive management. We expect that Advantest's biotope will continue to play more important roles in the restoration of regional biodiversity and mitigation of global warming by conserving the native plant species and fixing more CO₂.

Biotope



In accordance with our theme of coexistence with nature, Advantest established one of the largest biotopes to be created by a company in Japan, at our Gunma R&D Center in 2001, aiming to bring back to life the traditional rural landscape of the Kanto Plain.

Focusing on ponds, wetlands and streams, we have planted aquatic plants and trees that blend with the surrounding natural environment, aiming to form a network with that environment. It has grown into an ecosystem supporting diverse species of insects, birds and so forth.

The Advantest biotope is used for environmental education, enabling employees to learn about the importance of the global environment, and also as a place for communication with the local community.

* Biotope: This word combines the Greek words "Bio", which means life, and "Tope", which means a place.

What's New in the Biotope

We share seasonal observations of flowers and organisms that live in the biotope through videos and photos.

The videos can be viewed from the link "Biotope Quarterly" below.

[Biotope Quarterly](#)

Biotope description

Location	336-1, Ohwa, Meiwa-machi, Ora-gun, Gunma Within the Gunma R&D Center site
Area	17,000m ² (100m × 170m)
Vegetation	<ul style="list-style-type: none"> ▷ Tall trees: about 30 species including kinds of oak (kunugi, konara, kashi) ▷ Medium-sized trees: about 5 species including camellia, Japanese privet, etc. ▷ Shrubs: about 15 species including kurume azalea, Japanese laurel, etc. ▷ Aquatic plants: about 10 species including common reed, cattail, Japanese parsley, calamus, etc. ▷ Landscape: Composed of ponds, streams, ecotones*, meadows, woodland

* Ecotone: An environmental transition zone bordering on a different environment, such as the water's edge, grasslands, woodlands etc.

Artificial insect habitats

We have put in place artificial insect habitats* within the biotope area, to support a variety of living creatures, and have kept track of how they are being used.

* Artificial insect habitats: piles of logs, stones etc.

Wooden artificial insect habitat

The surface is dry but it is moist inside, so reptiles and insects live and lay eggs there.

<Species observed>

Reptiles: snakes (eggs), Japanese grass lizard etc.

Insects: small stag beetle (larvae), assassin bug, seven-spotted lady beetle, etc.



Bamboo artificial insect habitat

Bundles of cut bamboo sticks were put on the ground and above ground. Insects live in the bamboo and in the gap between the bundles.

<Species observed>

Insects: a kind of wasp (*Isodontia nigella*), solitary wasp (*Anterhynchium flavomarginatum micado*), type of earwig (*Carcinophora marginalis*), etc.



Stone artificial insect habitat

A house in which large and small stones are arranged in a pile. Insects live under and in the gaps between the stones.

<Species observed>

Insects: Enma cricket, *Loxoblemmus campestris*, *Panagaeus japonicus* Chaudoir, etc.



Society

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Employment and Diversity

The second "I" of our core value INTEGRITY stands for inclusion and diversity. We believe that inclusion and diversity can make us even stronger.

Human Resources Basic Philosophy

Advantest respects employees, who are valuable assets to the company, and evaluates them fairly. Advantest is supporting the diverse lifestyles of employees as well as the growth of individual employees so that they grow together with the Company. Advantest established the human resources basic philosophy in September 2000 to protect these valuable assets and enhance their value, and is implementing various human resources measures, such as ensuring fairness and consent and actively supporting human resources development.

Advantest also supports the United Nations Global Compact 10 Principles, Universal Declaration of Human Rights, and Guiding Principles on Business and Human Rights, and is paying adequate attention to these principles of human rights and labor in its business activities.

Advantest's Human Resources Basic Philosophy

Regarding its employees as valuable management resources (assets), Advantest has formulated the following policies for implementing various human resources measures and has been making continuous efforts to achieve them.

1. Performance-based personnel system
Advantest will promote a personnel system where employees who overcome difficulties and achieve innovative results by challenging themselves are highly evaluated and fairly treated.
2. Fairness and consent
Advantest will ensure that all its policies and systems are objectively fair and gain consent from employees, so that the maximum and optimal results can be achieved with these policies and systems.
3. Active support for human resources development
Advantest will actively support employees who make continuous efforts to refine their skills, acquire greater expertise, and broaden their knowledge.

Efforts to Promote Diversity

Active participation of each employee is crucial for a company's sustainable growth. Thus, Advantest has "INCLUSION AND DIVERSITY" as one of its core values. We believe that creating a comfortable and inclusive workplace environment and instilling working practices that maximizes employee capabilities while balancing work and home is imperative to a company. Under this philosophy, Advantest actively works to create a workplace and corporate culture that allows each employee to maximize their capabilities and individuality, and continue to work with great enthusiasm.

Employment and Utilization of Global Human Resources

Advantest has consistently strived for success and growth by attempting to leverage our talented human capital on a global basis. One of the most notable examples of this is the integration of Verigy, acquired in 2011. This integration resulted in a major change in our workforce composition, with nearly half of our employees located overseas at that time. Today, this trend is even stronger, with approximately 60% of our workforce now located in our overseas bases. In the recent years, in order to further expand its business globally, Advantest has been recruiting personnel who have deep cross-cultural understanding and communication skills and can work in a global arena.

For instance, Advantest will continue personnel exchange among group companies so that employees can experience working in a global environment, and share their skills and know-how through routine work and training in each organization so that individual employees can acquire more advanced skills, including skills to adapt to various business environments.

In order to make personnel exchange easier, Advantest has been globally implementing the "Global Transfer Policy," a system that offers fair treatment and enables personnel exchange on a global level, regardless of job type.

In addition, as competition for human resources intensifies on a global scale, we are striving to retain excellent human resources by expanding the scope of stock compensation and grant.

As of July 2023, 13 out of 25 executive officers, who are management personnel, have foreign nationalities, and employees from 10 countries are currently working for Advantest Corporation. Advantest will give fair opportunities to talented personnel, regardless of their nationality, and promote global personnel development and organizational globalization through borderless personnel recruitment and exchange.

Support for Diverse Workstyles Through a Second Job System

Advantest acknowledges diverse workstyles for the sake of our employees' diverse lifestyles and individual growth. As part of this effort, in November 2022, we established rules for second jobs for all employees with the aim of improving employee skills and acquiring and retaining a wide variety of talents.

Advantest has a diverse group of employees with special skills. We believe that second jobs not only provide

employees with opportunities to improve and develop their skills, but also help to create innovation within the company by giving the company a grip on these talented skills.

On the other hand, second jobs naturally come with risks. For this reason, along with requiring employees to obtain approval to engage in second jobs, the company also requires that both the employee and his/her supervisor read the manual thoroughly and take an e-learning course to guarantee that they fully understand the precautions before starting a second job.

While due consideration is to be paid to the risks involved, second jobs are attractive not only to employees but also to the company itself as a way to develop and improve employees' skills and produce innovation within the company. We will endeavor to make the system meaningful while developing rules in response to the changes over time.

Promotion and Utilization of Female Employees

Advantest always accepts diverse values and is promoting the creation of a corporate culture where everyone can work regardless of race, gender, age, and nationality.

As of March 2023, the percentage of female employees to total employees is 21.2% (20.8% in the previous fiscal year), and the percentage of female managers to total managers is 9.0% (9.6% in the previous fiscal year). For Advantest Corporation (non-consolidated), the percentage of female employees is 16.1% (16.5% in the previous fiscal year), and the percentage of female managers is 3.6% (3.4% in the previous fiscal year). Although many indices show improvement over the previous fiscal year, increasing the number of female employees and managers still remains an urgent task.

Advantest has been recruiting students with a technical background, which has not motivated female students to take entrance exams for Advantest in recruitment activities. In light of these circumstances, Advantest has been strengthening public relations activities for women with a focus on conveying the attraction of Advantest to female students, particularly those with a technical background. Information on active female employees in the workforce has been disseminated through corporate websites and recruitment brochures, and at recruitment events, Advantest has explained about programs and career plans for women and introduced how our female employees are working at Advantest.

In fiscal 2021, Advantest participated in a roundtable discussion titled "Listening to Young Employees in the Semiconductor Industry", a joint project between SEMICON JAPAN and the manufacturing YouTuber "Monozukuri Taro" and asked one of our female technical employees to share her experiences working at Advantest. This video of a female employee freely offering her opinions on the content of her work creates an opportunity, especially for young people, especially women, to take an interest in the semiconductor device materials industry, including Advantest.

From FY2018, Advantest Corporation (non-consolidated) has set numerical targets to boost the ratio of women in management positions to meet or exceed the industry average based on the Act on Promotion of

Women's Participation and Advancement in the Workplace, and has been making efforts toward this goal. In November 2020, we acquired "Certification level 2 (two stars)" of the 'Eruboshi' certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace. We give consideration to the various changes in female employees' life stages, with a focus on providing support to enable good work-life balance through flexible working styles that correspond to each individual's circumstances.

Advantest will move forward with initiatives to raise the female employee ratio and establish systems for long-term employment toward increasing the ratio of female employees in management positions.

Active Utilization of Senior Employees (Japan)

Following the amendments to the Act on Stabilization of Employment of Elderly Persons in April 2013 and the increase in the minimum age for pension eligibility by the government, Advantest has revised its re-employment program for utilizing employees who retire at the age of 60. Advantest is actively utilizing the skills and know-how of experienced employees by employing senior personnel steadily and treating and assigning them to jobs with consideration towards their past experience and assigned positions during their working years. In addition, Advantest has established a system to reflect each individual's achievements in their wages to motivate senior personnel and expect them to produce results that match their wages. Furthermore, in FY2018, Advantest introduced a system where employees are allowed to reduce their working hours or days as desired and have a second job on non-working days.

In FY2022, of the 44 individuals who started with our re-employment program, one employee is working shorter hours and five are working shorter days. Advantest believes that this system will allow senior personnel to work more flexibly according to their lifestyles, contributing to further enhancing work-life balance.

Example

At Advantest, a senior employee with many years of experience in the Production Unit has begun holding a training course for employees at the Gunma Factory titled "What is a Tester?" since June 2022. When asked of his motives for developing this course, he mentioned that products are increasingly difficult to understand as they have evolved in complexity, and the psychological burden on employees has been swelling due to the spread of COVID-19 pandemic as well as by the challenges faced in parts procurement with production volume increasing rapidly. The senior employee planned the event hoping that by learning about testers, it would teach people the relationship between their own work and products, as well as between products and society as a whole, and ultimately, everyone could find their work rewarding.

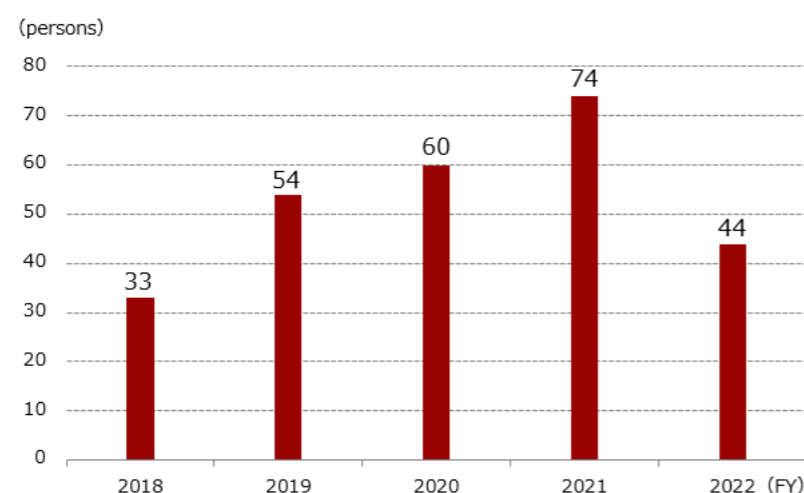
The training course is held in small groups, and the style of explanation is based on the level of understanding of the participants, making it an interactive learning experience for both the participants and the organizers. 47 sessions were held by April 2023, with 237 participants, more than half of the Production Unit employees.



With each session, the program has evolved to make it easier for employees to understand the relationship between their work and the products and how products are beneficial in society. We, too, feel that this has led to improved employee engagement.

From FY2023, employees who have shared their understanding of this activity through the internal newsletter have begun developing their own "What is a Tester?" courses for each of their tasks in and out of Japan.

Trends in the number of employees who use the re-employment program



* Boundary of data: Advantest Corporation (non-consolidated)

Advantest is tallying the number of employees who have started using the re-employment program. (These numbers do not include those who have been using the program since the previous year.)

Employment of the Disabled

In order to promote the employment of the disabled, Advantest established a special subsidiary company, Advantest Green Corporation, in September 2004. Since its establishment, this company has been working to promote stable employment of the disabled under the slogan of "Independence of individuals and growth of society."

Its core business includes landscaping, cleaning, front gate reception work, delivery, baking and sale of bread, and recycling promotion. Advantest Green is providing workplaces where its employees can work comfortably, and is also actively collaborating with local communities and relevant organizations to develop workplaces where disabled and non-disabled people can work together.

Currently, 13 highly motivated disabled employees are working at overseas affiliated companies.

As of March 2023, Advantest's employment rate of the disabled is 2.91%, which exceeds the mandatory employment rate. However, Advantest will continue to actively promote the employment of the disabled to address future amendments to the mandatory employment rate.

Efforts to Explore New Occupational Fields

Advantest promotes initiatives such as standardization of work procedures and work visualization to create a work environment in which employees with disabilities will be able to work to their full potential, and also refer our workplace as one in which people with various disabilities can actively participate to outlets such as special-needs schools. We also actively accept training and visitation requests for employment as well as consider new job categories and more.

Advantest introduced a paper-making machine, which produces new paper from used paper such as rejected documents, in order to launch a business that manufactures and provides items such as copy paper, business cards, and calendars made from recycled paper. We continue to support initiatives that promote employment and contribute to environmental improvement.

For more information on recycling using paper machines, please refer to "Recycling Resources" on the Environment page.

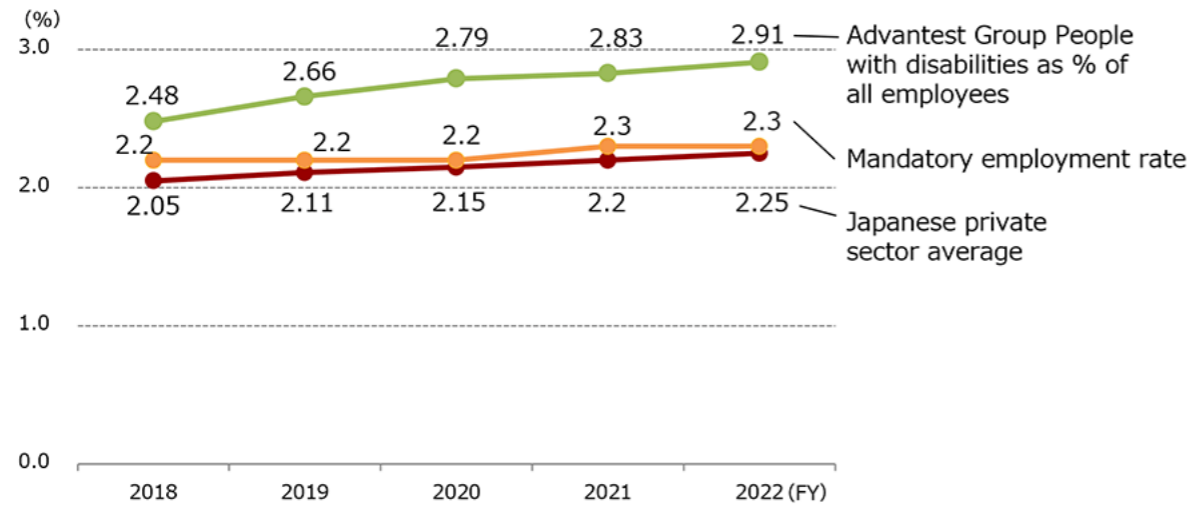
Efforts to Enhance Job Fulfillment

We also foster a culture of mutual respect and recognition by actively implementing initiatives through a goal or commendation system to enhance their motivation, such as "meaningfulness" and "job fulfillment," and established a "Monthly MVP" award system that involves evaluation and praise by others.

Additionally, Advantest assigns qualified staff including job coaches, counselors for the disabled, and career consultants at each workplace, along with conducting regular four-way meetings with support organizations, the company, and family members for early detection and information sharing on issues, in order to offer workplace support catered to the characteristics of employee disabilities.

In FY2021, these initiatives and the many efforts made by our employees over the years were recognized by Saitama Prefecture, and two Advantest Green employees received the President's Award from the Saitama Prefecture Employment Development Association as excellent workers with disabilities.

Trends in the percentage of disabled employees



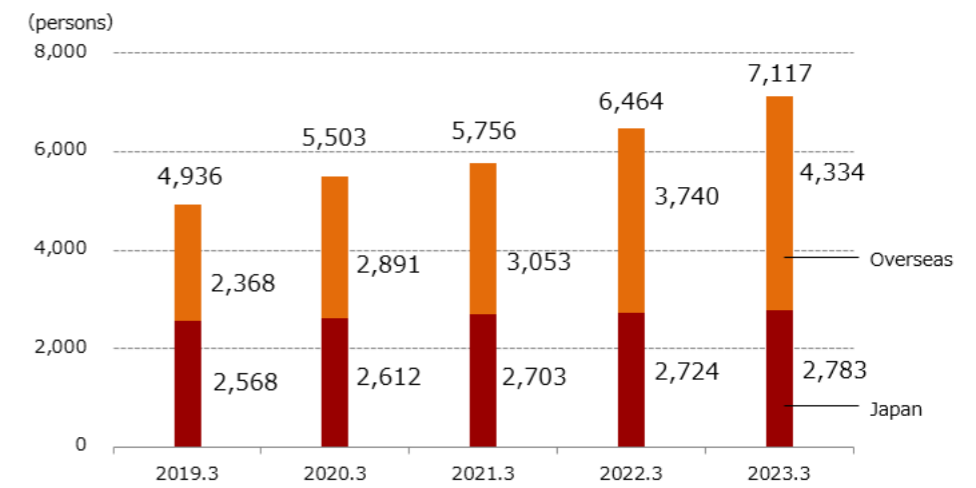
* Boundary of data: Advantest Corporation (non-consolidated) + Advanfacilities Co., Ltd. + Advantest Green Corporation

Employment Data

Advantest Group has formulated a basic policy to promise that it respects the human rights of individual employees, eliminate discrimination based on race, gender, age, nationality, religion, social status, disability, disease, sexual orientation, and so on. Advantest is also eliminating discrimination in employment and promotion and actively employing, developing, and promoting personnel who can play a leading role in global situations.

The graph below shows the trends in the number of employees.

Employment data



Number of employees by region

		FY2020			FY2021			FY2022				
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Percentage of female employees	Percentage by region
Japan	Japan	2,213	490	2,703	2,220	504	2,724	2,256	527	2,783	18.9%	39.1%
Overseas	Asia	905	290	1,195	959	321	1,280	1,088	372	1,460	25.5%	20.5%
	Europe	720	153	873	763	157	920	903	202	1,105	18.3%	15.5%
	North America	756	229	985	1,178	362	1,540	1,363	406	1,769	23.0%	24.9%
	Overseas total	2,381	672	3,053	2,900	840	3,740	3,354	980	4,334	22.6%	60.9%
Total		4,594	1,162	5,756	5,120	1,344	6,464	5,610	1,507	7,117	21.2%	

* Boundary of data: Advantest Group

Number of managers by region

		FY2020			FY2021			FY2022						
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Percentage of female employees	Percentage by region	Number of locally recruited employees	Promotion rate of locally recruited employees
Japan	Japan	486	15	501	465	18	483	465	20	485	4.1%	37.5%	484	99.8%
Overseas	Asia	226	43	269	225	45	270	237	45	282	16.0%	21.8%	272	96.5%
	Europe	200	19	219	214	23	237	223	25	248	10.1%	19.2%	243	98.0%
	North America	198	24	222	246	36	282	251	27	278	9.7%	21.5%	269	96.8%
	Overseas total	624	86	710	685	104	789	711	97	808	12.0%	62.5%	784	97.0%
Total		1,110	101	1,211	1,150	122	1,272	1,176	117	1,293	9.0%		1,268	98.1%

* Boundary of data: Advantest Group

* Definition of managers: Level 7 or higher in the 10-level qualification system. In this 10-level qualification system, Job Levels 1 to 6 are applied to general employees and Job Levels 7 to 10 to managers.

Number of employees by type

	FY2020			FY2021			FY2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time employees	4,242	1,019	5,261	4,739	1,202	5,941	5,194	1,350	6,544
Non-full-time employees	352	143	495	381	142	523	416	157	573
Total	4,594	1,162	5,756	5,120	1,344	6,464	5,610	1,507	7,117

* Boundary of data: Advantest Group

Number of employees by age

	FY2020			FY2021			FY2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age -29	443	156	599	627	215	842	884	262	1,146
Age 30-39	793	258	1,051	969	291	1,260	1,088	338	1,426
Age 40-49	1,347	334	1,681	1,328	356	1,684	1,325	382	1,707
Age 50-59	1,415	228	1,643	1,519	289	1,808	1,581	317	1,898
Age 60-	244	43	287	296	51	347	316	51	367
Total	4,242	1,019	5,261	4,739	1,202	5,941	5,194	1,350	6,544

* Boundary of data: Advantest Group (full-time employees only)

Number of new employees

		FY2020			FY2021			FY2022			Percentage of female employees	Percentage by region
		Male	Female	Total	Male	Female	Total	Male	Female	Total		
Japan	Japan	41	15	56	49	18	67	70	23	93	24.7%	8.1%
Overseas	Asia	110	30	140	147	45	192	209	60	269	22.3%	23.4%
	Europe	58	17	75	67	12	79	188	46	234	19.7%	20.3%
	North America	77	33	110	563	181	744	421	133	554	24.0%	48.2%
	Overseas total	245	80	325	777	238	1,015	818	239	1,057	22.6%	91.9%
Total		286	95	381	826	256	1,082	888	262	1,150	22.8%	

* Boundary of data: Advantest Group (full-time employees only)

Employee turnover

		FY2020			FY2021			FY2022			Percentage of female employees	Percentage by region
		Male	Female	Total	Male	Female	Total	Male	Female	Total		
Japan	Japan	13	2	15	21	4	25	25	5	30	16.7%	6.4%
Overseas	Asia	37	16	53	89	15	104	74	8	82	9.8%	17.4%
	Europe	9	4	13	17	6	23	30	3	33	9.1%	7.0%
	North America	84	9	93	144	48	192	247	78	325	24.0%	69.1%
	Overseas total	130	29	159	250	69	319	351	89	440	20.2%	93.6%
Total		143	31	174	271	73	344	376	94	470	20.0%	
Turnover rate		3.48%	3.30%	3.45%	6.39%	7.16%	6.54%	7.93%	7.82%	7.91%		

* Boundary of data: Advantest Group (full-time employees only)

* From December 2019, the method of aggregating the number of employee turnover has been changed from including month-end employee turnover in the number of employee turnover on that month to including them on the next month.

Supporting Diverse Working Styles

We create a work environment that facilitates the achievement of a good work-life balance in order to support our employees' diverse lifestyles and individual development.

Initiatives for Work-Life Balance

Advantest believes that the realization of a good work-life balance will ultimately contribute to the improvement of corporate value. We believe that a well-balanced workstyle is necessary to allow employees to maximize their capabilities while balancing their private life with work, and to maintain their motivation. Based on this philosophy, Advantest has continued to create good working environments that offer flexible working systems.

In Japan, Advantest has been promoting active use of existing systems, such as days to leave the workplace at the appointed time, use of annual paid leave, and flextime (for all employees). The ratio of employees using annual paid leave usage (23 days a year (22 days for employees with less than 10 years of continuous service)) has maintained a high standard at around 70% each year, marking 76.1% in fiscal 2022.

Moreover, a remote working system and a home office working system for all employees have been established, aiming to expand systems in which many employees will be able to conduct flexible and efficient work according to their tasks, workstyles, and lifestyles.

Remote Working System

The Advantest Group in Japan has introduced the remote working system since April 2020. We withdrew the restrictions on the maximum number of days that remote work is possible. We provide an environment in which most of the tasks can be done remotely in accordance with the basic information security policies.

The introduction of the remote working system has led to an expansion of new workstyles, helping employees, not only those who are raising children or caregiving family members, but also many others, to balance work and private lives.

Work-Life Balance Programs for Childcare and Caregiving

Advantest actively promotes support programs for balancing work and private life, providing flexible ways of working according to each individual's situation at various stages in employees' lives.

Examples of support programs in Japan

At Advantest, pregnant employees can receive 100% compensation during prenatal checkups and pregnancy complications leave, and are offered the choice to work shorter hours if instructed by a doctor. Advantest offers childcare leave and caregiving leave that exceeds legal standards. Childcare leave can be taken until the child reaches the age of two years and three months, and caregiving leave can be taken for

a maximum of three years. Other leave programs are also widely used, such as the accumulated holiday program, which can be taken for a variety of reasons, by fathers as well as mothers, including a spouse's childbirth, childcare, fertility treatment, and other caregiving responsibilities.

Furthermore, Advantest offers shorter work hours for employees who are raising children or looking after ill relations. Shorter working hours for childcare can be used until the employee's youngest child reaches the sixth grade, and is currently being used by many employees with children to balance work and childcare. There is no restriction on the period in which employees can work short hours in order to care for ill family members, so that employees can best balance their jobs with their home lives.

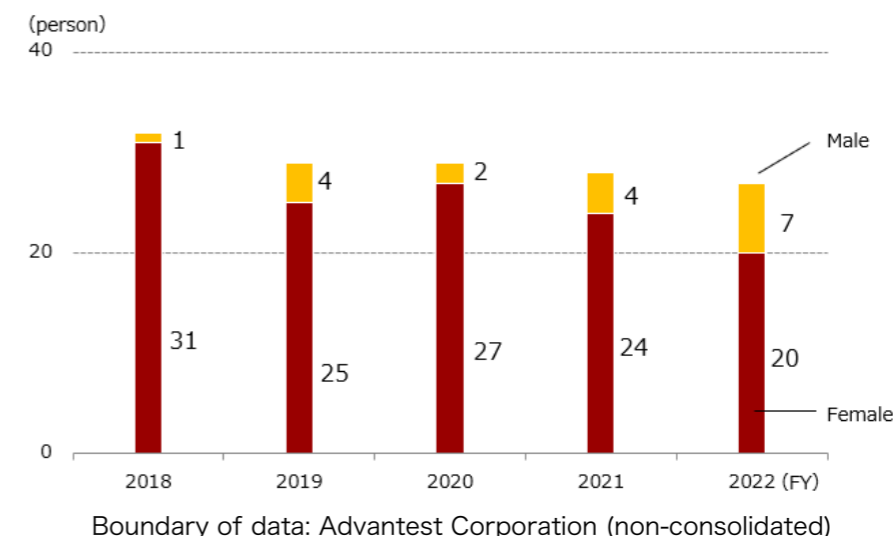
As there are cases in which employees resign their jobs during life transitions, such as marriage, childbirth, childcare, caregiving for the family, and spouse job relocation, Advantest has established a re-employment program for employees who meet a certain criterion.

We are also working on support for childcare participation for fathers, which includes the provision of personal consultations for male employees with children and their supervisors, guidance for childcare-related systems, and support for using childcare leave. In addition, starting in fiscal 2022, we have institutionalized a childcare leave subsidy of up to four weeks for employees who take childcare leave within eight weeks of the birth of their child.

It should be noted that re-employment of female employees following childcare leave as a result of these efforts, was 94% in fiscal 2022, and the ratio of male employees taking childcare leave in fiscal 2022 was 21%.

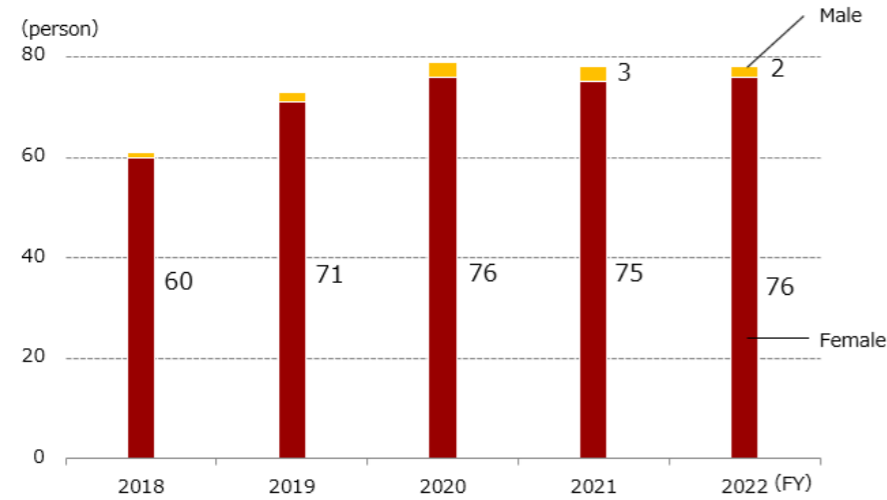
Advantest will continue to support fathers' participation in childcare by offering individual consultations for fathers raising children.

Number of employees using childcare leave



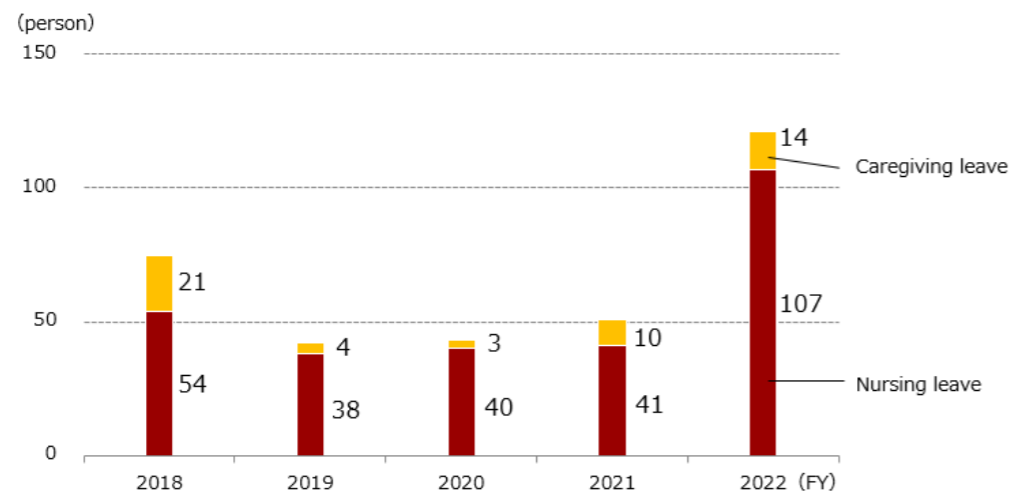
Boundary of data: Advantest Corporation (non-consolidated)

Number of employees using shorter working hours for childcare



Boundary of data: Advantest Corporation (non-consolidated)

Number of employees using caregiving and nursing leave



Boundary of data: Advantest Corporation (non-consolidated)

Evaluation of Activities Supporting Work-Life Balance

In Japan, based on the Act on Advancement of Measures to Support Raising Next-Generation Children, efforts were made (measures and initiatives to increase the ratio of fathers taking childcare leave and creating environments that support work-life balance, and initiatives to reduce overtime and promote the use of annual paid leave) in accordance with the action plan period from April 2022 until March 2024. These activities so far were recognized, and Advantest received its second "Kurumin" certification in October 2022.

We will continue to focus on each employee's work-life balance and promote various initiatives toward creating work environments in which diverse human resources can play active roles.

Promotion of Work-Life Balance Programs

In Japan, Advantest launched the "Work-Life Balance Support Guide" website on the company intranet, offering information on work-life balance programs that can be used according to one's lifestyle, and raising awareness of the various programs that Advantest provides and encouraging utilization of the same. In recent years, Advantest has actively announced the work-life balance program, posted experiences of our male employees taking childcare leave, and also developed an environment that allows easier consultation, such as establishing a consultation service, to promote an environment in which employees can use work-life balance programs with peace of mind.

Reducing Overtime Hours

Advantest strives to ensure employees work appropriate hours to protect their health and achieve a work-life balance.

The Advantest Corporation (non-consolidated) has set the goals specified below and 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 while striving to reduce the amount of overtime.

Our overtime reduction goals

Number of employees with a monthly overtime of 80 hours or more	0
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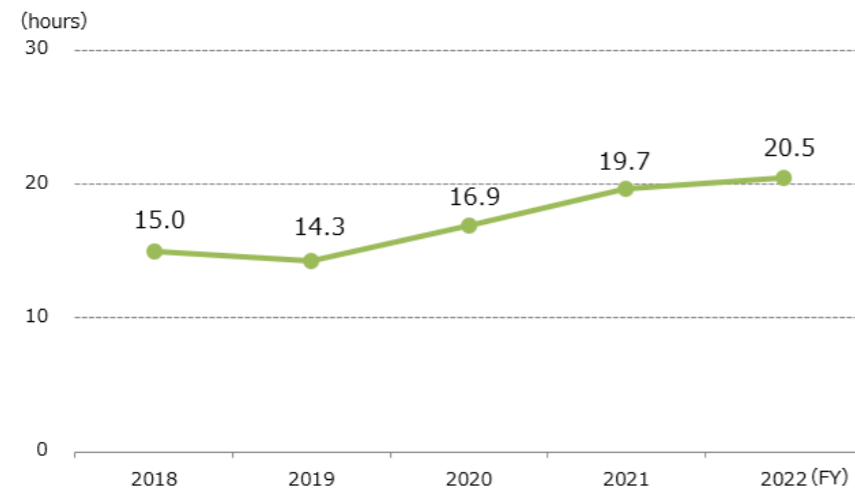
From fiscal 2020 onwards, we will continue to adopt the reduction of overtime work into our action plan under the Act on Promotion of Women's Participation and Advancement in the Workplace. We will raise awareness via the company intranet and promote initiatives to achieve flexible workstyles in order to further reduce the number of overtime hours.

Despite these initiatives, we were unable to achieve our company plan of zero employees working 80 hours or more of overtime per month for FY2022.

We were unable to achieve these goals due to keeping up with increased production and delivery support as well as dealing with unexpected problems.

The overtime hours per employee for FY2022 were an average of 20.5 hours as of March 2023. We saw an increase in our overtime hours due to the impact of COVID-19 as with last year, as well as due to increased demand and efforts to meet short delivery deadlines.

Average overtime hours worked per person



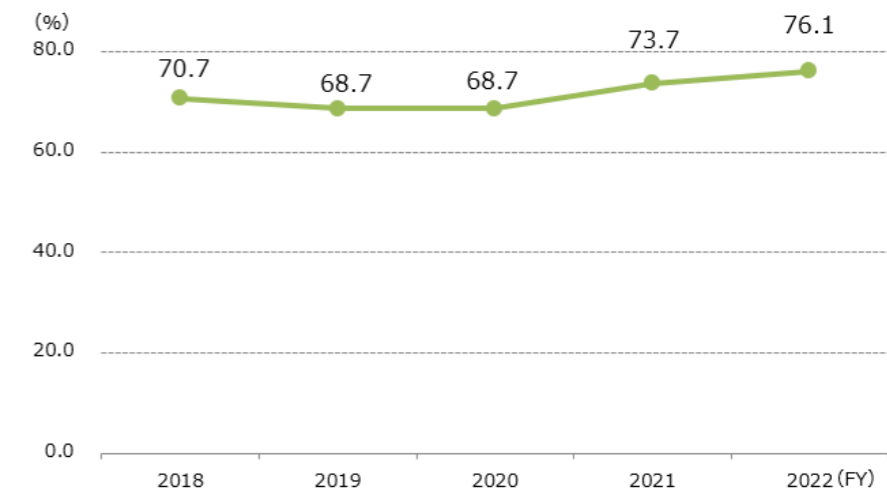
* Boundary of data: Advantest Group (Japan, China, Korea)

* Overtime hours are included for management positions with no subordinates (For Korea only).

Annual Paid Leave and Other Leave Systems

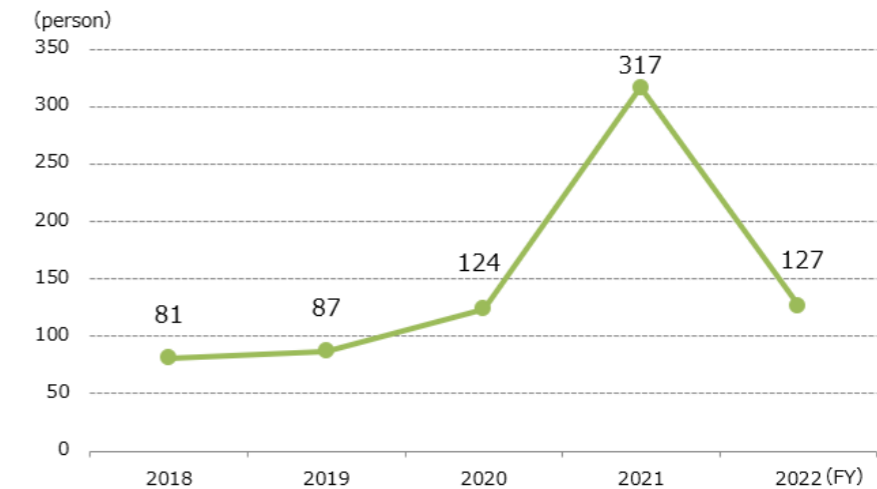
We encourage employees to take annual paid leave (up to 23 days per year) according to the job schedule of each person, work-life balance, and other work conditions to realize work-life balance at Advantest (non-consolidated). In addition to planned paid leave (6 to 12 days each year), we have also introduced multipurpose consecutive leave (3 days a year) and refresh leave (3, 5, and 8 days of leave given to employees after working continuously for 10, 20, and 30 years, respectively). Furthermore, annual paid leave that will be lost can be carried over as cumulative paid leave for 5 days a year up to a maximum of 30 days to use for reasons that include injury to the employees themselves or the need to take care of a child or family member as well as volunteering, self-development, infertility treatments, or to help with donor activities, and due to disasters.

Graph of paid leave taken



Boundary of data: Advantest Corporation (non-consolidated)

Number of employees taking accumulated holiday



Boundary of data: Advantest Corporation (non-consolidated)

Creating a Workplace with Higher Job Satisfaction

Advantest has been striving to realize good work-life balance for all employees and to create a work environment in which each and every employee can work with higher job satisfaction.

With the spread of remote work and the progress of globalization and workstyle reforms due to the current COVID-19 situation, the working environment has changed drastically, forcing us to recognize a need for a more diverse form of office use. Under such circumstances, we have been unceasing in our exploration for the very existence of the office that ensures comfort, safety, and productivity, and have prompted improvements to further enhance the work environment by renovating the office.

Office Building Renovated to Support New Workstyles

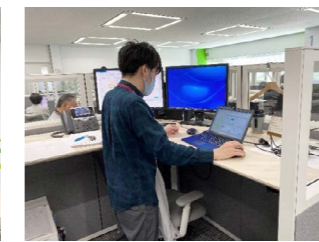
Advantest has been renovating offices at each of our sites to realize new workstyles. The Marunouchi Office, Advantest Laboratories at Sendai, and Advantest (Singapore) Pte. Ltd. were renovated in FY2021. In FY2022, we have begun office renovation at the Gunma R&D Center.

Gunma R&D Center began a complete renewal of its office floors against the backdrop of aging fixtures and fittings that have been in use since construction was completed (Building 1 in 1996 and Building 2 in 2001) and changes in workstyles, including an increasing trend in remote work and web conferencing.

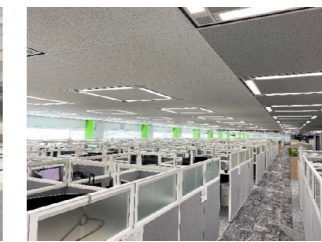
Up till now, we have introduced ABW (Activity Based Working) type free address system on a trial basis for the renewal of a corner of an office floor and common spaces. In order to promote the systematic renewal of all floors, we formulated renewal concepts and plans by interviewing the Executive Vice President of each division, conducting a employee survey, and holding workshops with employees selected from each division. Based on the renewal concepts and standard plan, we completed renewal work on two office floors in FY2022.



Semi-enclosed booth



Office seats: adjustable using the automatic raise/lower function



Office area



Fully enclosed booths



Semi-enclosed booth 2



Magnet space and copy machine corner



Booth seats



Café/Lounge



Graphic design 1



Graphic design 2

Concept of GRD floor renewal

- **Expected workstyles**

Employees are engaged in active discussions and are showing creativity. Furthermore, employees are excited and enjoy their work, producing output with a high level of productivity.

- **Offices that support the expected workstyle**

- A. Increases opportunities for communication and awareness
- B. Increases synergy through cross-functional interactions
- C. Respects diversity having a high degree of freedom of workstyles
- D. Increases concentration and speed of individual work
- E. Enhances mental and physical health
- + Installment of ICT equipment and operations to support the above

All office seats on the new floor have automatic height-adjustable desks for better mental and physical health and greater work efficiency. The common area has a café/lounge in the center for refreshment and interaction. There are focus spaces where individuals can concentrate, and spaces for meetings and communication with multiple people. In addition, in anticipation of upgrading to a high-speed networking

environment, we installed ICT equipment such as large displays and web conferencing systems, and also newly introduced a conference room reservation system. Going forward, we plan to renovate each floor sequentially.

Owing to the large-scale nature of this renewal, we are taking a long-term perspective and proceeding through a trial-and-error process to determine what kind of fixtures and layout will be effective in realizing the overall concept, while also conducting post-renovation verification of its effectiveness. In addition, in anticipation of the progression of global operations, the working environment will change dramatically in the future, and further diversity in working places and styles will be required. As one of the measures to consider what the company's offices should ideally be like, we hold regular meetings with facility managers at our regional units for active discussion. We aim to create a better environment by exchanging information on how to build an office that ensures comfort, safety, and productivity.

Promotion of Digital Workplace Activities #myADV

Advantest has been continuously improving the #myADV digital workplace (#myADV), which started in May 2020, in order to encourage and support global business development and a "hybrid" way of working for employees globally.

#myADV is promoted by the Global IT Collaboration team and supports volunteer #myADV guides (over 150 guides as of the end of February 2023). Specifically, the Global IT Collaboration team conducts regular coaching sessions for #myADV guides, as well as organization-specific use case analysis and training for specific business entities to support company-wide dissemination and use of collaboration tools.

With the introduction of latest tools and technologies to facilitate global collaboration, we have integrated our global intranet into Advantest's #myADV Digital Workplace. We also help establish a global work model on a company-wide, latest communication and collaboration platform.

Even after the COVID-19 pandemic, #myADV activities continue to progress well, adapting to the new hybrid work models. In addition, training for employees across the entire group have been implemented to boost the level of tool usage, along with the development of new tools and functions, aiming to maximize team collaboration using digital technology.

Awarded as a "Best employers in the category of "Information Technology and Communication"" (Germany Great Place to Work®)

Advantest Europe GmbH (AEG) has participated in the surveys of the international human resources consulting agency "Great Place to Work®" every other year since 2017. AEG has been recognized as one of the top 100 companies in 2017, 2019 and 2021 and ranked in the top 10 companies in Information Technology and Communication sector in 2023. Great Place to Work® evaluates companies of all sizes, industries, and regions, and annually releases a top 100 list of "Great Place to Work®" based on solid relationships of trust within the workplace and whether each employee can make the most of their potential. Awards are offered to companies that collaborate with their employees in a fair and sincere manner with a powerful sense of unity.



In addition, workstyle reform is being tackled in each Group company in order to create workplaces where all employees can work while having a sense of worthwhile.

Advantest Korea, 'Family Friendly Corporation' certified

In December 2022, Advantest Korea (ATK) was certified as a Family Friendly Corporation, a credential awarded by the South Korean government to exemplary companies that foster a family-friendly culture and successfully operate work-life balance programs. Certified companies are benefited from certification mark, extra points when participating in government projects, and discounts on public facilities for those employees.



ATK's employees have taken full advantage of the systems and benefits of the work-life balance program. Therefore, ATK is very proud to receive the certification, passing with high scores. In particular, ATK received perfect scores for the utilization of flexible worktime, maternity/childcare leave, reduced working hours for pregnant employees. Besides, employee satisfaction with the family-friendly culture turned out to be very high and ATK was assessed quite remarkable for vacation use, PC-off system, and inviting families to events.

Employee Engagement

Advantest conducted our first Global Employee Engagement Survey in 2018. Though the implementation of the survey was postponed due to the outbreak of COVID-19, three years later, in the fall of 2021, we repeated the Gallup survey (Next implementation scheduled for 2024).

Purpose of the Survey

Advantest continuously pursues a culture in which all employees are appreciated, respected, and work together to achieve common goals. The purpose of this survey is to provide employees with opportunities to share their thoughts on our company or organization. It stimulates dialog between the manager and the team, which ultimately leads to creating ideas for improving our company or organization from every level. The survey results provide a clue to knowing what the employees think of their work or work environment and how the company can support its employees. The survey makes it possible to identify the company's strengths and the fields that require improvement through open feedback from employees. In addition, we will take actions for improvements so as to raise the level of employee engagement in work and workplace environments, with the aim of improving the performance of the company as a whole as well as the performance of individual employees. Advantest believes that individual and organizational strengths are the two "wheels" that not only drive employee engagement but are needed to enhance the comprehensive strength of human capital.

Engagement and its Basics

Employee engagement refers to the emotional commitment of employees to their organization or its goals. An employee who is engaged in work does not only do what is minimally required, but goes about his/her work enthusiastically and energetically, with an effort to output more than what is required. According to a survey conducted by Gallup, Inc., engagement among employees worldwide is only 15%. In addition, it has become clear that there is a connection between employee engagement and the following indexes.

- Profitability, customer ratings, and productivity (in direct proportion)
- Turnover, absenteeism, safety incidents, and quality defects (in inverse proportion)

Implementation of the Survey and Future Plans

The survey during fiscal 2021 was conducted from October 12th to 26th for all employees of the Advantest Group who had been employed for three months or longer at that point. The response rate was 90%. The survey was conducted using the platform of Gallup, Inc. in an online format in which anonymity is ensured.

Results

The results showed significant improvements over 2018, including an increase in scores for all items in Q12 (12 questions for engagement measurement derived from the findings of Gallup, Inc.). The overall average score was 3.64, an increase of 0.16 points from the previous survey. This is by far the biggest improvement among companies who consecutively completed the Gallup survey. We also saw an improvement in

awareness and opportunities related to the category of Recognition (the need to know that efforts are recognized and valued) and Development that were highlighted during the previous survey, marking 26% for the ratio of Engaged (diligent) employees, a 6-point increase from the previous score. This survey confirmed that the engagement level of Advantest Group companies is considerably higher than the standard for each country. These are clear indications of each of our employees' efforts to understand the importance of engagement, and shows how they have embraced and implemented our corporate reforms such as "INTEGRITY" and "Leading with INTEGRITY," yielding measurable results.

Our overall score is not high, when compared to other companies participating in Gallup's survey, and there is still room for improvement. After sharing information with each department, where department leaders discussed the factors that may have led to these results, we drew up action plans to address each issue.

Future plans

A third Gallup survey is scheduled to be conducted in 2024. This survey plays a meaningful role not only in confirming activity results in numerical terms, but also in terms of instilling an awareness of engagement as part of our corporate culture. Engagement varies considerably depending on the customs and cultures of each country. While localized efforts are necessary, our INTEGRITY Core Values, which are the foundation of our corporate philosophy, The Advantest Way, are shared globally. We believe that it is essential to enhance engagement by executing action plans that address the characteristics and challenges of each department, sharing information about activities across the entire Group, and promoting investment in human and economic resources aiming to foster our corporate culture.

Company-wide Activities to Further Boost Engagement

The results of the 2018 Gallup employee engagement survey provided us an opportunity to reflect on our attitudes and mentality towards work.

Since 2019, we have held multiple workshops to deepen all employees' understanding of INTEGRITY Core Values, and since FY2021, we encouraged all our managers to participate in the Leading with INTEGRITY workshops. In addition, the "INTEGRITY Award" was also introduced, enabling Advantest employees to recognize and express their appreciation for colleagues who have demonstrated our corporate culture in exceptional ways.



In 2022, to further promote activities related to INTEGRITY, a "Culture Council" consisting of President Yoshida and several executive officers was established, and representatives nominated by each business unit, functional unit, and regional unit were appointed as "INTEGRITY Ambassadors". These Ambassadors will be responsible for planning and developing various activities to realize the transformation of our corporate culture over the next few years.

Cross-organizational Initiatives

"Cross 1on1" is a little different from the conventional 1on1, referring to a place where mentors (advisers) and mentees (those who are advised) can talk one-on-one across organizational boundaries. Mentees are able to gain insights that cannot be obtained from their own department or daily work alone, and foster their potential. Mentors also have the opportunity to improve their coaching skills, which is one of the most important elements of the leadership model.

What started as merely 10 participants in the ATE Business Group (Japan) in 2020, has increased in number over time with each round of 1on1 activity. This activity was selected as one of the President's Award winners of The INTEGRITY Award in FY2021, in recognition of its efforts to implement the EMPOWERMENT aspect of INTEGRITY core values, and the expanded network of communication. By the seventh round of FY2022, we had more than 140 participants.

Examples of Visualization Tools

From April 2021, the ATE Business Group (Japan) has incorporated an engagement visualization tool to survey the team, followed by team discussion and improvement activities every three months. These initiatives are managed by survey feedback activity promotion members who are volunteers from inside and outside the department, and their participation is optional, decided upon a consensus of the team. This platform of communication includes regularly inviting external lecturers who hold webinars and creating opportunities to share examples of each team's activities. These efforts have drawn interest among our young engineers who reported that work has become easier, requesting for more involvement in these activities.

In FY2022, 32 INTEGRITY Ambassadors (IAs) were appointed worldwide to further promote the transformation of our corporate culture on a global scale. Among them are two members of the promotion team. The survey feedback activities were shared through regular exchanges among the IAs, giving momentum to the development of the activities that transcend organizational walls. These activities, which began in April 2021 with 169 members (22 teams), have increased to 277 members (30 teams) as of March 2023, expecting further growth in our network of activities in FY2023.

FS Global Coffee Talk Offered to Foster Solidarity

Now in its third year, the Field Service (FS) Group's FS Global Coffee Talk has become a popular communication space with a total of 200 to 300 global members participating in hybrid experiences, both livestream and video sessions. In fiscal 2022, four FS INTEGRITY Awards and one FS MVP Award were presented, which not only recognized the dynamic customer activities of the global team, but also

spotlighted the logistical support provided to the support delivery team by individual (Single Contributor) efforts in a particular region.

In addition, starting in fiscal 2023, the FS Best-In-Best Award was established and presented by the FS Management Team for selected activities and achievements from the previous year's FS INTEGRITY Award and FS MVP Award winners. Recognition as the best activity and contribution of the year will further motivate members to actively participate in CX (Customer Expectation) improvement activities that drive the growth of FS's core business.

We have also changed the format of the sessions so that it is hosted by each region in rotation. The sessions are now run not only by the FS management team, but also by the global members, with everyone participating. The session moderator, who was not familiar with the format, was warmly supported by the participating members, which also encouraged more lively conversations. This made the session a place for interactive dialogue where a spirit of global teamwork and oneness among the Group could be felt even more.

Initiatives to Improve Engagement in the Production Division (Japan)

Since the production division varies in job types and organizational forms, we believe that measures to improve engagement and support systems should be tailored to each division. We feel that the organization is being revitalized through cumulative efforts of activities.

Starting in FY2019, we are using a survey tool that allows employees to report their monthly work, relationship, and health conditions and comments to their managers. By October 2021, the majority of members are using the tool. In August 2023, the tool will be made available to all production division employees aside from management.

Also, activities, which began in December 2020 amidst the COVID-19 crisis, where we listen to employees' conditions and opinions using the survey function of the collaboration tool are progressing. These activities include online distribution of messages from the Executive Vice President and introductions of initiatives implemented by each division, as well as monthly questionnaires asking employees for their impressions and opinions. The survey responses following the distribution of the messages are received from approximately 40% of the employees, and an interactive communication is realized while the Executive Vice President responds to the questions raised by the employees.

Such interactive communication has evolved to a new stage in 2022. A proposal by a senior employee led to the creation of a course called "What is a Tester?" which was well received that more than half of the employees in the production division took the course. In addition to the conventional activities to enhance the corporate climate and culture as well as the connection among employees, we were able to understand the connection between the work we do and the world, which can be perceived as a big step toward becoming a rewarding workplace. We will continue to promote these initiatives so as to improve productivity as a result of these series of activities.

[Active Utilization of Senior Employees \(Japan\)](#)

Change to the Culture of Praise & Recognition (Advantest Korea Admin Dept.)

As part of the Advantest's Group-wide Culture Change Journey, Administration department members of Advantest Korea made a small but very meaningful change.

As many psychological studies have shown, praise and recognition are critical to employee engagement. Despite its importance, in many organizations, employees' effort and contribution are often taken as something not special and praise and recognition are hardly seen. That's why the voluntary culture change that our praise and recognition activity created is inspiring.

The first step was to make "praise" the guiding principle and take concrete action. People were given their own compliment pads and stickers, and were guided to give a sticker to a colleague who did great job in a daily routine. We did this activity face-to-face not only to exchange stickers but also to give compliment and appreciation to each other.

The next step was to learn, talk, and empathize together about the meaning and impact of compliment. We regularly watched a variety of videos on compliment and also held workshops twice. Through open conversations, we were able to face underlying negative perceptions of compliment. By sharing positive experiences, we finally became more convinced of its effectiveness.

According to our own internal survey, the result for the question related to praise and recognition improved by 12% and the result for the question related to encouragement to develop improved by 13%. In addition, employees' subjective perception that praise and recognition are much more common and familiar in their culture than in the past is the most reliable evidence of change.

Human Resources Development, Fair Evaluation and Treatment

We develop professional employees with global-level skills. In addition, we actively support employees who diligently strive to undertake self-directed study.

Policies Regarding Human Capital

Human capital is the foundation for R&D capital, manufacturing capital, and customer relationship capital, which are necessary to realize our management strategies. Advantest promotes a variety of initiatives that focus on both the "individual strength" and the "organizational strength", the wheels needed to enhance the comprehensive strength of human capital. The Advantest Group, thereby, has established two basic policies regarding human capital development and internal environment development.

Basic Policy Regarding Human Capital Development

The Advantest Group ("Advantest") regards employees as human capital essential for its sustainable growth. Advantest strongly believes developing employees as human capital indicates an investment in human capital, and that the "individual strength" enhanced through the development and the "organizational strength" utilizing the enhanced individual strength are the two "wheels" that drive employee engagement and become the sources of future value creation. Accordingly, Advantest proactively, continually and fairly implements measures to develop human capital under The Advantest Way, INTEGRITY Core Values, technical and professional management strategies, and the skills required to grow within the development framework.

(1) Self-Directed Career Development

We encourage employees to be proactive in their career development, while Advantest provides the resources and support to acquire the experience and knowledge necessary to enhance their careers inside Advantest.

(2) Global Human Capital

From a long-term perspective, we are committed to developing human capital with a global viewpoint, this includes providing opportunities to enhance expertise and management literacy on a global scale.

(3) Leading-Edge Human Capital

To achieve our corporate mission statement, "Enabling Leading-edge Technologies," we aim to develop the strengths of every employee and foster high performers to take on leading-edge challenges.

(4) Advantest Development Framework

Under The Advantest Way and our management strategies, we have defined and provide resources for all employees to enhance their skills required to advance their careers within the Advantest Development Framework.

Established on April 25, 2023

Internal Environment Development Policy

The Advantest Group (“Advantest”) regards employees as human capital essential for its sustainable growth. Advantest also recognizes that maximizing the value of human capital will directly lead to increase its corporate value. Accordingly, Advantest proactively, continually and fairly implements measures to develop the internal environment for human capital under The Advantest Way, its management strategies, and this policy.

(1) Corporate Culture

We understand The Advantest Way is a corporate culture to bring together our diverse employees to a globally unified team. We continue efforts to instill The Advantest Way as a deeply-rooted corporate culture, aiming to ensure all employee's embody and practice The Advantest Way in our daily work life.

(2) Human Capital Development/Cultivation

We are committed to strengthening the development and cultivation of human capital to facilitate self-directed career development for motivated employees. We regularly conduct employee engagement surveys to gain a deep understanding of the strengths and issues of human capital and appropriately reflect the survey results in our measures and action plans to develop and cultivate the Advantest human capital.

(3) Health Management

Under our Health and Productivity Management (HPM) Policy, we are strategically committed to maintaining and improving employees' health from a managerial perspective.

(4) Workstyles and Work Environments

We accept, encourage, and support diverse workstyles which enables every employee to achieve a good work-life balance. In addition, we promote developing an office environments that provides the necessary resources and support for employees to enhance their remote work environments.

Established on April 25, 2023

Efforts to Develop Human Resources

Triggered by the employee engagement survey, which was conducted in 2018, we have launched our INTEGRITY Core Values, as a means to listen deeply to our employees' stories, and instilled them in everyone's hearts as a set of values that unite us. From the summer of 2019, we offered interactive INTEGRITY workshops for all our employees. This training, which incorporates the theme of the core values into daily work and encourages changes in the corporate culture, lasted until the end of FY2020 while avoiding the spread of COVID-19. Build upon a firm springboard, there were positive effects on internal communication and also offered a place where leaders thrive, and ideas prosper. In FY2022, as in FY2021, as a next phase of our cultural evolution, we worked on cultivating "leaders" who will drive the organization, and human resource development with a focus on the growth of individual employees.

The Leading with INTEGRITY Program

In an era of high uncertainty and unpredictability, leaders must understand and make decisions about how to effectively demonstrate their skills and expertise in various circumstances. A new Advantest Leadership Model was created for our leaders worldwide to further develop skills and expertise in the four key areas - LEADER, MANAGER, COACH and EXPERT, and Leading with INTEGRITY workshops were held. Over 1,200 Advantest leaders have participated in this learning opportunity. In this training, leaders from various organizations, transcending national borders or organizations, participate in the same workshop, form a group of two ("learning buddies"), and spend about five months together discussing their progress toward their skill development goals and their concerns. These workshops not only play a role in mutually inspiring our colleagues but also provides insight on diversity.

Four areas of the new Advantest Leadership Model

- Leader :** The core purpose is to set vision, mission, and direction, which requires visionary thinking and the ability to inspire others.
- Manager :** The core purpose is to organize and direct teams to achieve business objectives and ensure compliance, which requires the ability to orchestrate work in teams and excellent people and project management skills.
- Coach :** The core purpose is to enable others to perform at the highest level possible, which requires leaders to enable learning opportunities and encouraging others.
- Expert :** The core purpose is to provide domain expertise, which requires the education, teaching and mentoring of others.

Activities for Succession

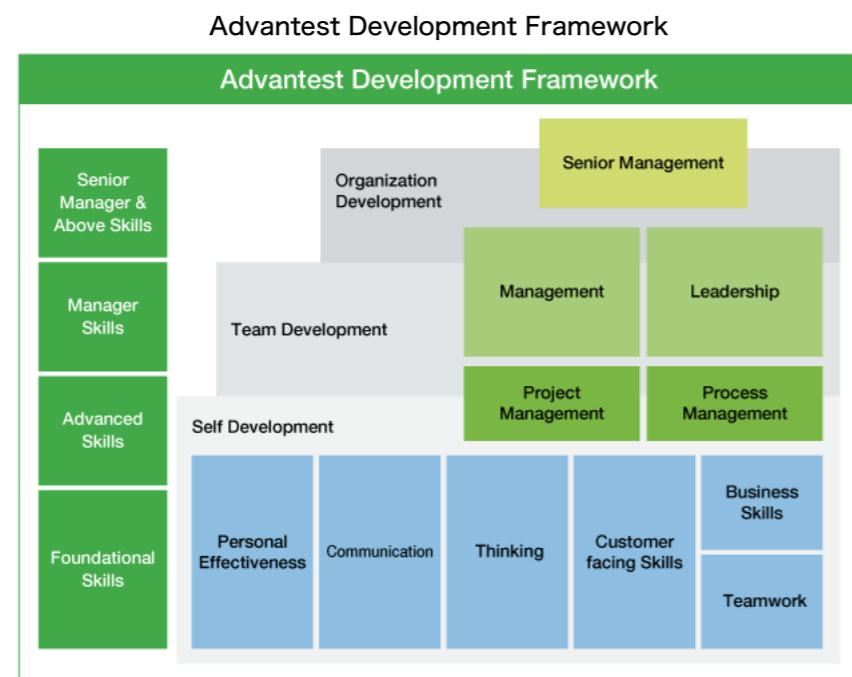
In order to pool human resources and retain the best talent in the industry who will be our future leaders of the company, we implemented a "talent management program" for nine months, including a curriculum in management, finance, and liberal arts, for members selected from among our managers from FY2021. In FY2022, we have expanded the scope of the program to include participants from group companies in each country and are implementing a "Global Talent Management Program" for 13 months starting in September 2022.

Through group work activities, in which participants were asked to consider Advantest's challenges and its countermeasures propose them to the management, the participants were able to form strong connections with the management and members outside of their own departments. These training activities also helps Advantest to become a "learning organization" - one of our long-term goals.

Visualization of Skills Expected for Employees and Support Systems

In order to improve corporate value over the long term, each employee must clearly understand the roles they play and improve their individual capabilities. In addition, we are required to combine these individual strengths and fully demonstrate them as an organizational strength in the global business playing field. With this in mind, Advantest has established the Advantest Development Framework which defines the foundational skills, advanced skills, manager skills, and senior management skills that Advantest seeks for in all levels of our employees, and shared it among all employees globally in January, 2022. In conjunction with the development framework introduction, we also introduced two new online learning platforms which are intended to provide all employee's and manager's access to training classes to further enhance the skills for their career advancement. Since some of these should be adapted to local customs and rules, the HR in each country decides the details of operation.

Advantest promises to actively support our employees who constantly strive to better themselves and seek to acquire advanced expertise and broad education.



* The implementation will be adapted to local rules and practices

Introduction of a Peer-to-Peer Program: The INTEGRITY Award

To further foster the corporate culture introduced during the 2019 reform, the INTEGRITY Award, a peer-to-peer program that offers Advantest employees worldwide a platform to recognize and express appreciation for colleagues who have exemplified excellence at work by adopting INTEGRITY as our company values, was introduced.

In FY2022, the award was received by a team of employees who worked together to carry out the "Newcomer Camp" at Advantest Taiwan Co., Ltd. In recent years, the company has hired an increasing number of new employees with diverse backgrounds. With these, the challenge was how to integrate them into Advantest's culture and to retain them. Through a variety of activities, the new employees were welcomed to the company, while the company has succeeded in attracting top talent by organizing training programs ensuring that the newcomers could be able to access the information and resources they need.

Education and Training System and Implementation Status

Advantest has prepared a training program that anyone can participate in, and where a wide range of topics can be learned, from basic knowledge up to the latest technology trends. In addition, we will continue to make improvements to adapt the training program to the changing environment, providing industry-leading superior human resource training, and attracting the best talent in the industry through this program, in cooperation with Advantest Academy, which specializes in employee education.

To adapt to the business environment that is drastically changing due to globalization, we are strengthening the human resources development training system in line with our mid/long-term management policy. To make this training even more effective, we are forging and implementing new programs, including the expansion of 1-on-1 communication trainings. New programs will also be delivered by specialists to make them more effective, and we will selectively use in-house or external lecturers depending on the program content.

At each Group company, we will also provide a wide range of education to increase the skills and expertise of individuals based on the needs in each country and region in addition to education through day-to-day operations.

For example, Advantest Europe GmbH (AEG) hosted the AEG Application Days, an event where over 100 participants, including all AEG application engineers, as well as employees from other areas such as sales were invited to join to learn about new solutions. The event not only allowed our employees to share application relevant information, exchange ideas, and learn about new market trends and new solutions, but also allowed them to grow and improve their daily work. We aim to develop and instill a system that boosts the level of the entire Advantest Group by sharing information on these efforts between Group companies.

Training in Japan

In FY2022, we continued to offer events that integrated both virtual and in-person as a flexible hybrid program due to restrictions by COVID-19 issue. We incorporated web conferencing systems to provide opportunities to learn despite the pandemic, offering environments for training that did not require coming in to work. By increasing online group work activities, which proved to be effective in boosting employee motivation, we were able to promote mutual awareness building across departments and expand connections regardless of work location.

In terms of language education, we focused on strengthening in-house marketing by introducing courses to employees and holding pre-learning sessions to solicit a wide range of participants. While spending most of the time at home due to the COVID-19 pandemic, we introduced micro-learning, allowing employees to effectively use their spare time, making it easier for learners to secure time to study. A total of 961 employees, 5% more than last year, participated to improve their language skills.

As part of our leadership development initiatives, we introduced a liberal arts educational program to cultivate a sense of culture and have newly appointed managers obtain the "power to think" by themselves. As we enter a new post-pandemic era, this initiative develops the big picture of what is necessary for leaders from wide perspectives that include religion and philosophy. Through the three training sessions, group members deepened their awareness of issues and exchanged opinions, while also revitalizing exchanges in preparation for the presentation of their results.

As a demonstration of "Inclusion and Diversity," one of Advantest's core values, we have made it possible for working mothers who have returned from childcare leave and are working shorter hours to participate in outside seminars, mainly career education, from FY2021. Advantest is a tech company, and naturally, the number of female employees is not as large as that of male employees. The program is designed to offer participants an opportunity to think about balancing childcare and work, in other words, their own careers, while sharing opinions with other working mothers outside the company who are in the same situation, and to learn how to communicate effectively with their supervisors and coworkers.

Training Time

At the Advantest Corporation (non-consolidated) in FY2022, a total of 5,229 employees received training of some kind, and the average number of training hours per employee was 8 hours for 42,007 hours of total lesson time. A total of 59,031 people took part in e-learning globally, including Japan, and the average number of training hours per employee was approximately an hour for 51,351 hours of total lesson time. In total, the average training hours per employee was approximately 9 hours.

Training category	Target	Number of trainees	Lesson time (hours)
Business Training (human resource management, etc.)	Managers, General	831	6,384
Technical Training (technology)	Managers, General	501	1,192
e-learning (human resource management, etc.)	Managers, General	2,770	1,137
New Employee Training (by job level)	General	47	17,603
Language/TOEIC (global)	Managers, General	961	14,262
Outside seminars (e.g., on business skills, etc.)	Managers, General	119	1,430
Total		5,229	42,007

* Data range for tabulation: Advantest Corporation (non-consolidated) data

Development of Engineers (Japan)

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 FY2022, 501 engineers participated in the various technology seminars and technical training that were provided.

Some of the programs include courses in which Advantest's senior engineers appear as internal trainers. For example, one of the seminars featured 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. Courses are held by inviting instructors from outside the company based on themes requested by engineers or management-level personnel, so as to support them in adapting to a rapidly changing business environment.

The program acts as a means of imparting not only technical knowledge but also Advantest's corporate DNA to future generations.

Software-Related Education

We have been conducting software engineering forums six times a year for the past 30 years. In these forums, cutting-edge information on topics such as agile, continuous integration (CI), Graphics Processing Unit (GPU), as well as security-related information and current affairs in the world are shared by internal and external instructors, from domestic and overseas. In October 2019, Advantest Engineering Friday was established as a place where employees can share their findings with each other on a continuous basis. Multiple subcommittees have been started from here, and they regularly meet up on Friday afternoons as a separate community from the organization where they can learn from each other. In FY2022, presentations were offered from a wide range of internal departments, including IT, operations, and production divisions. The "Software Engineering Forum" has acted as a bridge for employees "wanting to know and spread" their knowledge, information, and initiatives held within the company, and as an opportunity for internal technical exchange.

Other Courses on Advanced Technologies

We invite external instructors to provide course on themes and the latest trends that are of great interest to our employees, which also serve as a means to pass on technical know-how to the next generation. In FY2022, Advantest cosponsored the D2T Symposium by the Systems Design Lab (d.lab) of the School of Engineering at the University of Tokyo, and the EMC Technical Seminar with partner companies. We devised ways to provide lectures and symposiums on a wide range of topics, regardless of whether they are related to work or not, providing opportunities to broaden one's scope as an engineer and to increase their motivations.

We are planning to increase the number of participants not only by holding various trainings and lectures, but also by establishing an environment where participants can learn what they wish to learn (on-demand education), and encourage employees to learn independently.

New Employee Education and Training (Japan)

Advantest's training program for new employees starts with one month of basic business training 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. Engineering employees first learn the basics of design, and then go on to learn the necessary skills as Advantest engineers through basic technology training to obtain the basic knowledge required, hardware training, software training, and device test training. New administrative employees receive basic training for administrative operations to learn the basics of administration and brush up on their administrative skills, while learning the contents of the Group's business and how the divisions are interrelated.

We review the training programs each year to ensure that they reflect the characteristics of new employees and the policies of the company as a way to cultivate the basic skills of junior employees. Since new employees in FY2022 joined the company while adjusting to the new normal in the era of the pandemic, we conducted face-to-face team-building training immediately after they joined the company so that they could bond together in a better manner.

Prior to their assignment, they take a "talent assessment" together with their OJT leaders, of which data is used as reference information for mutual understanding.

By having new employees experience diverse types of training in this manner, we are able to ensure that they will clearly understand their own roles, and will recognize the importance of teamwork with other divisions. Our training period for new recruits acts as a key formative phase in their professional development as Advantest employees.

New employees training

	April	May	June	One year after assignment
Engineering roles	Combined group training	Basic engineering training ● Safety training ● Quality assurance training ● Hardware training	● Software training ● Device test training, etc.	OJT period
Administrative roles		Basic administrative training ● Microsoft training ● Manufacturing training, etc.		
Manufacturing roles, Others		Manufacturing training ● Screw tightening, Soldering, etc.		

Fair Evaluation and Treatment

Performance assessments and career development are conducted under a common global system. Goals are set at the beginning of the fiscal year, communication with superiors is conducted as necessary during the year, and an evaluation interview is conducted at the end of the fiscal year. This interview is conducted not only for full-time employees but also for some contract and temporary employees.

Advantest Resource Management System (ARMS)

With overseas sales ratio of over 90%, and more than 60% of our employees located in overseas affiliated companies, this allows Advantest to grow as 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 are for 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 our diverse personnel have opportunities to develop 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 the new common global system, with every employee receiving an evaluation/cultivation interview at least once a year.

Since the introduction of our global human resources system, during which efforts have been made to increase the number of employees seconded from Japan to overseas postings and the number of personnel exchanges with overseas affiliates; this system has contributed to invigorating the organization and improving corporate performance.

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.

Starting from fiscal 2014, we have established a global personnel database, which is effectively utilized for project team composition and smooth personnel changes on a global scale. Beginning in fiscal 2015, we began using a new global personnel evaluation system to replace the existing personnel evaluations. In the future, we will be setting up human resource development schemes with a worldwide reach, promoting employee diversity through active efforts to hire and promote employees with different backgrounds, and taking decisive steps toward forging an employee recruitment strategy that is in accordance 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.

Reflection of the core values in the evaluation system

Since the launch of the INTEGRITY Core Values in 2019, we dedicated a section of the evaluation sheet in the personnel evaluation system to the core values, providing an opportunity to reflect on our actions during the term.

Specifically, the nine values of INTEGRITY (Innovation, Number One, Trust, Empowerment, Global, Respect, Inclusion & Diversity, Teamwork, and Yes) are used as the behavioral evaluation items on the evaluation sheet, where employees describe their own actions for each of the items on the sheet. Employees are encouraged to discuss with their supervisors during the evaluation interview, and their supervisors provide feedback with comments after the interview.

It is crucial for us to not only understand our core values in words through trainings or other means, but also act for it by linking these values to our own actions. Reflecting on them during the evaluation process will ultimately encourage changes in each employee, which help realize an organization that can flexibly address various issues.

Pension system

Domestically, Advantest has introduced a point system to determine retirement benefits. In addition, Advantest has introduced a fund-type defined benefit corporate pension system as part of the retirement benefit system, where the retirement benefit can be received as pension under certain conditions.

In fiscal 2018, Advantest incorporated a defined contribution corporate pension system as part of its defined benefit corporate pension system and started the defined contribution corporate pension system in addition to the point-based retirement benefit system.

As a result, retirement benefits will be divided into a retirement lump sum paid by the Company, the benefit from the fund which can be paid out as pension according to the years of service and the defined contribution.

Employee Health and Safety

Based on our belief that employee health as well as safety and health management are priority issues in all business operations, Advantest has committed to health management and safety as well as health activities.

Promotion of Health and Productivity Management

Thus far, Advantest has implemented various initiatives for employee health and productivity, including measures on lifestyle disease prevention, mental health, and abstinence from smoking. To further promote these initiatives, we have decided to incorporate Health and Productivity Management, and in September 2019, we formulated a Declaration of HPM Policy.

Since establishing the Declaration of HPM Policy, Advantest, our domestic Group companies, the health insurance association, and labor union have come together to promote health check-ups, boost the implementation rate of specified health guidance, and introduce a health portal site, along with various other activities that directly affect employee health. These activities include online dieting/smoking cessation programs, encouraging exercise using a mobile app-based health promotion, and health literacy training.

We have also actively made efforts to encourage work-life balance. In November 2020, Advantest obtained the "Eruboshi" certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace, and in February 2021, we obtained the "Kurumin" certification mark based on the Act on Advancement of Measures to Support Raising Next-Generation Children. Advanfacilities Co., Ltd. also obtained the "Eruboshi" certification in July 2022.

Furthermore, we have taken thorough measures to prevent the spread of COVID-19 infection, such as issuing notifications from top-level management to prioritize health, and thorough implementation of remote working. As a result of these efforts, Advantest has once again been recognized under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program, which is jointly implemented by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi (Japan Health Council), as one of the organizations in the large enterprise category. At the same time, METI has certified Advantest as one of the "White 500"-the top 500 corporations recognized under the program—for the third consecutive year. In addition, all seven group companies in Japan have been certified as well for the first time.



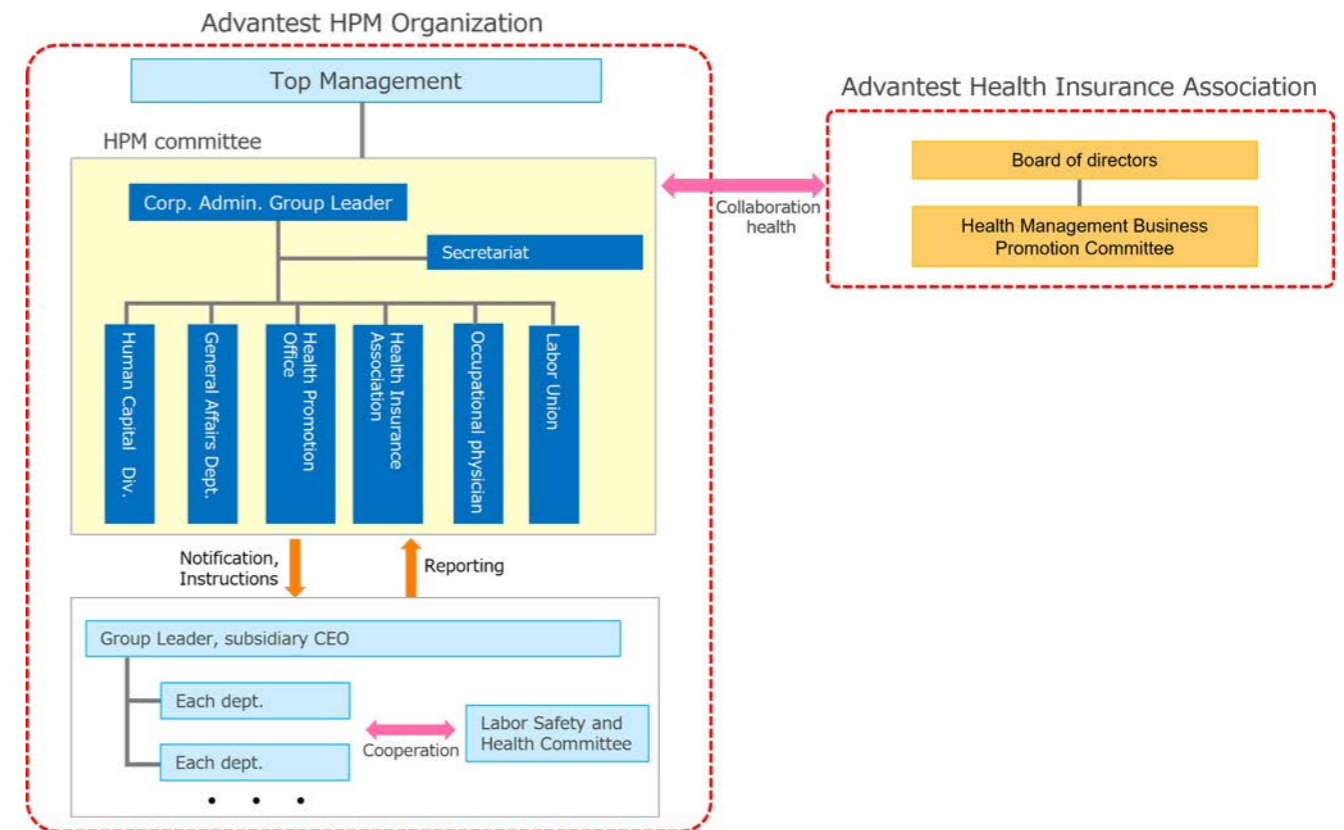
Declaration of Health and Productivity Management Policy

In order to realize Advantest's mission, we will strive to create a workplace where every employee can work in good health, both physically and mentally, to contribute to the achievement of a sustainable society as a corporate citizen.

Based on HPM policy, promote HPM from the following three viewpoints.



Organization



Mental Health

At Advantest we believe that a vigorous workforce makes for a vigorous workplace. Accordingly, our Health Promotion Office supports efforts to ensure both the mental and physical health of our workforce, so that we can provide a safe and comfortable workplace environment. We introduced stress checks in FY2012 before they became required by law because we consider preventative measures as the key to our mental health activities. By quantifying stress (thus making it visible), we promote stress awareness among everyone in our workforce, which is useful for self-care.

In the 2022 stress check, which achieved 85% response rate, 6.6% of the employees with the highest diagnosed stress levels were referred to mental health consultations, and 5.2% of them actually received consultations. We also held seminars (during FY2022, e-learning seminars were held) to reinforce self-care, and the participation rate was 95%.

Organizational analysis stated that high stress workplaces decreased from 17.2% in FY2017 to the 2% range (2.2% in FY2022). From fiscal 2019, this initiative was narrowed down to target only managers in high stress workplaces and offered more practical training for workplace environment improvement. We continuously work on improving stress levels by following up on the implementation situation to create a workplace that mitigates the occurrence of mental health disorders.

We have also formulated recovery plans with occupational physician from the latest reports as well as provide support for employees to return to the workplace after taking a leave of absence, enabling them to take time off without worry if their mental state worsens due to a variety of stress. In addition, an eight-step process (which includes status reports, consultation with occupational physician, return to work planning, and follow-up interviews after returning to work) has been set up to avoid oversteering people and the workplace.

Health Consultations

At Advantest's Health Promotion Office, a comprehensive range of health professionals (including occupational physician, clinical psychologists, public health nurses, nurses, and industrial counselors) provide counseling services for physical and mental problems of all kinds. Applications for counseling can be submitted easily by telephone or e-mail, or via the company's intranet. In fiscal 2022, counseling services were provided on 835 occasions.

Health Check-ups and Health Guidance

Advantest and its domestic Group companies provide regular health check-ups to maintain and improve the health of employees in addition to regular physicals through subsidies from the health insurance association. We provide health check-ups once or twice each year both in domestic and overseas bases. We have achieved a 100% health check-up ratio since FY2018 for domestic employees, with a 60.8% ratio of individuals undergoing thorough examination in FY2022 (55.6% in FY2021) and 76.0% ratio of individuals who received specific health guidance in FY2021 (67.0% in FY2020).

In FY2022, 97.7% of our employees received health literacy training (97.2% in FY2021), while 23.3% of our employees are using health promotion applications. Advantest is also promoting projects that allow employees who do not have the habit of exercising to start doing so (ratio of employees with exercise habits: 29.7% in FY2022) by holding walking events using this health promotion application.

The Health Promotion Office provides health guidance, email support, and staff/occupational physician consultations for employees who have received a diagnosis through checkups. Furthermore, employees with a history of brain and heart disease are interviewed regardless of their health check-up results, and work restrictions are put into place to ensure their safety.

Promotion of Occupational Health and Safety

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.

Promotional System

At Advantest, every year we convene the "Health and Safety Committee Meeting" which decides the health and safety direction and policy for the whole group. The approach to health and safety is based on the main activity themes decided on at this meeting, upon which the health and safety committees at each location set their annual targets and plans.

We also regularly hold health and safety committee secretariat meetings throughout the company, and strengthen each location's health and safety activities through this sharing of information about relevant activities.

Japan's company-wide Health and Safety Committee is made up of the heads of the Health and Safety Committees at each business location, which are officers and presidents of domestic Group companies. Furthermore, the Health and Safety Committees at each business location are composed mostly of representatives of both the company and union employed at the business location.

Organization of Health and Safety Management (Japan)



ISO45001:2018 Certification obtained at the Gunma Factory

On April 19, 2023, Advantest obtained ISO45001 certification, an international standard for occupational health and safety management systems, at Gunma Factory.

ISO45001 is a global standard for occupational health and safety, established in 2018 by the International Organization for Standardization (ISO), and is a universal framework that defines the establishment and operation of systems to prevent work-related accidents and disasters and to achieve the provision of safe and healthy workplaces.

Advantest will continue its effort to improve our working environment and create a comfortable workplace.

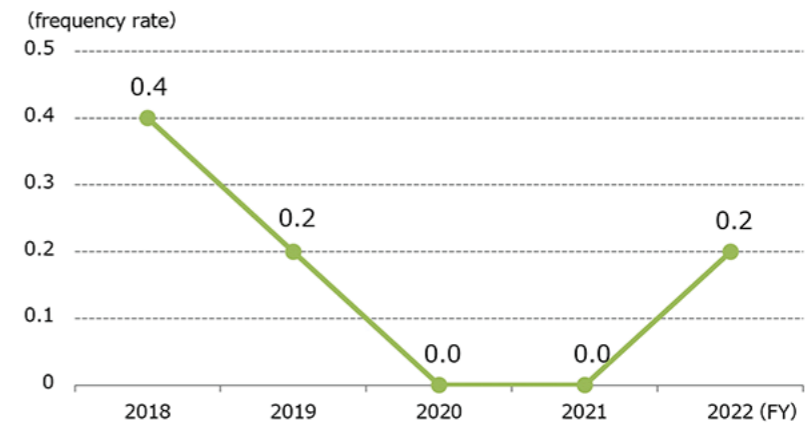


Bureau Veritas Certification (copy)

Advantest Corporation ISO45001 certification scope

Applicable standards	ISO45001 : 2018
Certification number	JP023542
Certification scope	Manufacture of semiconductor and component test systems, mechatronics-related products and maintenance services, other related equipment and electronic components, electronic circuit boards
Certifying body	Bureau Veritas Certification Holdings SAS
Date of first certification	April 19, 2023
Applicable business locations	Gunma Factory (including subsidiaries at the site)

Occupational accident rate in Japan (frequency rate*)



* Frequency rate: Number of injuries or deaths due to labor accidents per one million of actual total working hours

* Boundary of data: Advantest Group (Japan)

* From FY2019, the data includes temporary employees.

There have been no fatalities in operations in the last five years.

In addition, the rate of occupational accidents (frequency) was 0.5 for FY2022 when including both domestic and overseas Group companies.

Occupational Health and Safety Education

The Advantest Group regularly conducts occupational health and safety education and strives to build a safe workplace where everyone can work with peace of mind by preventing occupational accidents before they happen and raising awareness about occupational health and safety. E-learning has been incorporated to some areas of Advantest's unique health and safety education. We will strive towards further participation from employees.

Occupational health and safety results achieved in fiscal 2022

Education category	Target employees	Number of trainees (Total)	Hours of education
General education	Managers, General employees	10,837	5,510
Specialized education	Managers, General employees	1,214	6,008

Respecting and Protecting Human Rights

Under "The Advantest Group Declaration of Human Rights," we believe that the rights of our employees, who are a valuable resource to the company, should be protected along with the rights of all individuals affected by our business activities.

Human Rights Policy

Advantest Group Human Rights Policy

The Advantest Group contributes to humanity's safe, secure and comfortable existence by "Enabling Leading-edge Technologies." We recognize that the human rights of all the people we touch must be protected in our global business activities. This is stipulated in "The Advantest Way," the Advantest Group's code of ethics, and this Advantest Group Human Rights Policy (hereinafter "this policy") expresses the Advantest Group's responsibility to respect human rights, based on "The Advantest Way."

(1) Respect for international norms

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

(2) Responsibility to respect human rights

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

(3) Scope of application

This policy applies to Advantest Group officers and all employees (including full-time employees, contract employees, and dispatched employees). In addition, if a negative impact on human rights caused by a supplier, employees of an outsourcing partner, other business partners, or related parties, is directly linked to the business activities of the Advantest Group, we will take measures to prevent infringement of human rights based on dialogue and consultation with the other party.

(4) Compliance with applicable laws and regulations

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

(5) Human rights due diligence

We will continue to build and implement due diligence mechanisms for human rights to address any apparent or potential negative impact of our business activities on human rights.

(6) Education

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

(7) Disclosure of information

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

(8) Dialogue / discussion

We will appropriately implement top-priority issues related to human rights as the separately defined "Advantest Group Priority Issues Related to Human Rights," based on this policy. We understand that these priority issues need to be reviewed as appropriate to reflect changes in social and business trends.

July 1, 2021

Yoshiaki Yoshida

Representative Director, President & CEO

 [Advantest Group Priority Issue Related to Human Rights \(PDF 63KB\)](#)

Efforts in the Workplace

Focused around the Corporate Ethics Office and the Human Rights Protection and Personnel Mediation Committee, Advantest strives to promote and set policies on human rights issues and deal with complaints about discriminatory treatment.

We share the Advantest Supply Chain CSR Promotion Guidebook with our suppliers, and endeavor to ensure that they are fully aware of the need to respect human rights (including the prohibition on forced labor, child labor, and discrimination).

Creating a Workplace that Respects Human Rights

Advantest believes considerations to human rights are a vital element in expanding businesses globally. We support international standards related to human rights such as the Universal Declaration of Human Rights while complying with the laws and regulations in each country and region.

In addition, we have signed the United Nations Global Compact (UNGC), a global sustainability initiative, and participated in Global Compact Network Japan, a local network in Japan. We support the "Ten Principles of the UN Global Compact," which are universal principles covering human rights, labor, the environment, and anti-corruption that companies should abide by, and promote efforts in each of these fields.

The Advantest Way incorporates a pledge that we will respect human rights without discriminating on the basis of race, gender, age, nationality, religion, social origin, physical disabilities, disease, sexual orientation or any other factors. We have established a manual for human rights and discrimination and prevention guidelines for harassment as well as promoted the protection and respect for human rights.

In FY2013, we launched an e-learning program on the Advantest Way for all Group employees. In FY2022, this training was completed by all employees in the Advantest Group, both in Japan and overseas.

 [The Advantest Way](#)

Freedom of Association and Labor-Management Dialogue

Advantest respects the basic human rights of freedom of association and collective bargaining. In countries and regions permitting the formation of labor unions, Advantest recognizes the right of a union to organize, the right for collective bargaining and the right to hold strikes through labor agreements. Even in countries and regions which do not permit the formation of unions due to laws and regulations or labor practices, we strive to build sound relationships and solve problems through dialogs between labor and management with the goal of fostering freedom of association and collective bargaining.

Organizations include the Advantest Labor Union at Advantest and its domestic subsidiaries. In FY2022, 78.0% of employees, excluding managers and others, are members of labor unions at Advantest. All unions engage in discussions on labor and management.

Furthermore, safety, health, and settlement of grievances are described in the labor agreement with the Advantest Labor Union, and both sides cooperate to respond to issues such as Health and Safety Committee operations, human rights issues, and personnel grievance settlements at each business base.

Reporting and Consultation Framework (Whistleblower Office) for Human Rights Issues

Advantest has set up a Corporate Ethics Helpline to address human rights issues and concerns that are not readily resolvable in the workplace, designed so that those facing such issues can report to and consult with our Corporate Ethics Office. We have adopted a system that allows anonymous report and consultation, which are accepted in 16 languages. Posters with QR codes have also been posted at each business location for reporting and consultation via mobile devices like smartphones. Reports and consultations are overseen mainly by the Corporate Ethics Office, and every precaution is taken to prevent those employees seeking help from suffering any disadvantage or retribution. Additionally, we have established an external law firm (lawyer) as a contact point in order to make it easier for our employees to consult with or report to the helpline. The helplines and contact point can also be used from overseas, and links are available on the Global Intranet page.

Moreover, in Japan, we have established a Human Rights Protection and Personnel Mediation Committee together with the labor union to oversee consultations about domestic human rights issues. There is one harassment-related consultation received by the Helpline and Human Rights Protection and Personnel Mediation Committee in FY2022 (already resolved). The Human Rights Protection and Personnel Mediation Committee properly responds to all incidents to seek a rapid resolution while giving due consideration to the privacy of the employees concerned.

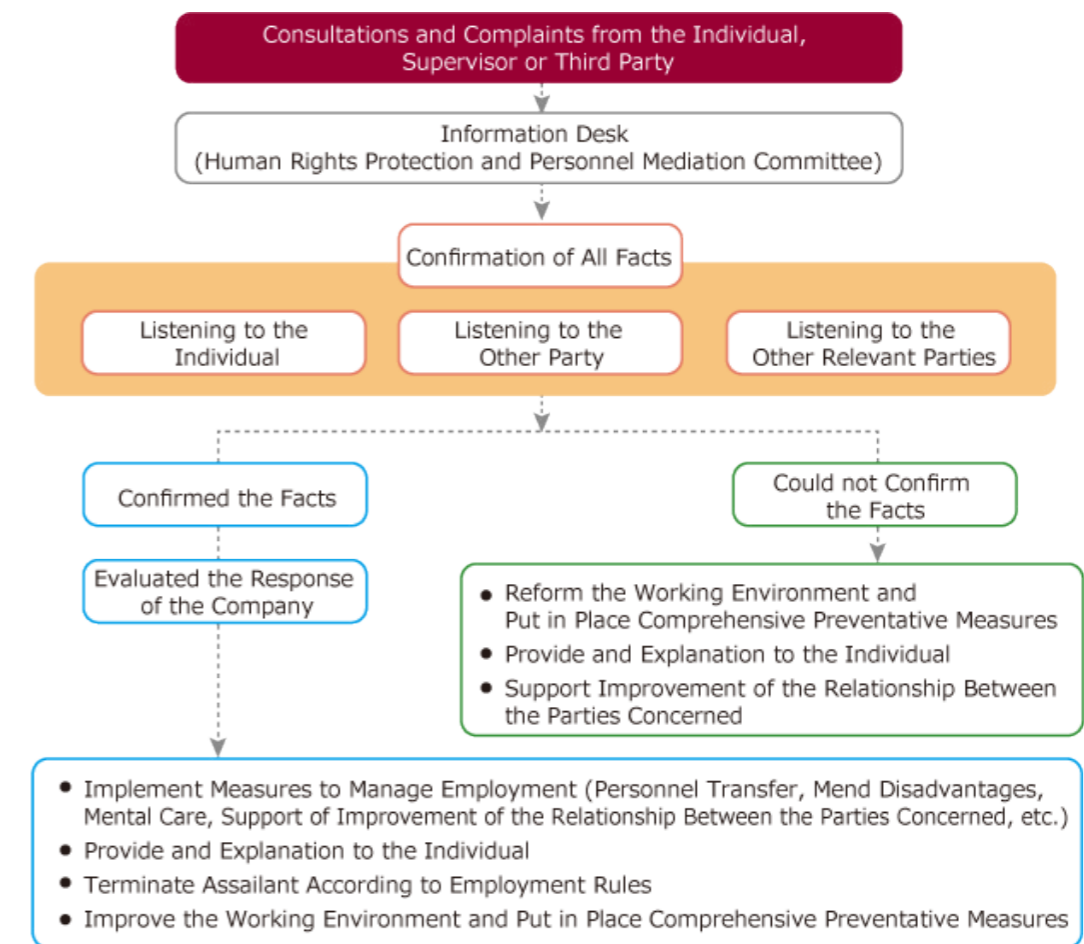
Through this activity, Advantest aims to foster a workplace environment in which employees can work with peace of mind while respecting each other's human rights.

Efforts Within Japan

The Human Rights Protection and Personnel Mediation Committee responds to consultations and complaints received in a flexible manner which cause no disadvantage to the consultants, while taking into consideration the consultants' intentions and the contents of the hearing.

When the Human Rights Protection and Personnel Mediation Committee receives a consultation or complaint from the person concerned (or from the head of the department or a third party), a primary contact person is selected from among the committee members according to the content of the hearing. The committee members and the labor union then conduct hearings with the "person concerned (victim)," the "other party (perpetrator)," and the "bystanders". The following actions are taken depending on the factual situation.

<p>If the facts are confirmed</p>	<p>After reviewing the company's response, the following actions are taken:</p> <ul style="list-style-type: none"> ▶ Measures in terms of employment management (personnel relocation, recovery of damage, mental care, support for improving the relationship between the parties involved, etc.) ▶ Explanation to the person concerned ▶ Disciplinary action against the perpetrator in accordance with employment regulations ▶ Improvement of the workplace environment and implementation of recurrence prevention measures
<p>If the facts are NOT confirmed</p>	<ul style="list-style-type: none"> ▶ Review of the workplace environment and thorough implementation of prevention measures ▶ Explanation to the person concerned ▶ Support for improving the relationship between the parties involved



Harassment Prevention

In July 1999, Advantest created a manual to prevent harassment, and has since made efforts to prevent all forms of harassment. This manual has been revised and expanded following amendments to laws and regulations to include pregnancy, childbirth, and parental leave. The manual is published on the intranet to offer easy access to employees.

The key points are as follows.

1. Recent harassment trends
2. Sexual harassment in the workplace
3. Workplace bullying in the workplace
4. Workplace pregnancy, childbirth and parental leave harassment
5. Impact of harassment
6. Harassment from a legal and regulatory perspective
7. Harassment prevention measures
8. Dealing with harassment

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

To boost employee understanding of harassment prevention, every year starting from April 2006, training for new employees and new managers has incorporated training on harassment prevention as well as human rights education. Furthermore, training on the topic of harassment was conducted for all management personnel from FY2019 to FY2020.

Community Activities

We bear in mind our responsibility as a member of civil society, and work to actively contribute to regional communities.

Efforts Toward Social Contribution Activities

The social contribution activities of the Advantest Group focus on "preserving the global environment," "developing the next generation," and "contributing to local communities" under our basic policy of "We will respect our stakeholders, promote harmony with society, and contribute to the SDGs in order to achieve a sustainable society" within the "ESG for Sustainability" established in July 2019.

In addition, we use our business activities to meet the needs of our stakeholders and of society, and to fulfill our social responsibilities as a group throughout the world.

Academic Support and Next-generation Development Support

Enabling Leading-Edge Technologies: the business activities of Advantest are supported by the skills of many engineers from around the world and the understanding of the communities in which we operate. With this, Advantest supports academia and science education, mainly in regions that host our research and development sites, to contribute toward the development of human resources for science and technology. For example, in Japan, we have established "The Advantest D2T Research Division" at the Tokyo University Systems Design Lab (d.lab), to provide students in Japan studying design technology of very large scale integration (VLSI) with an integrated education environment from VLSI design to testing, with the aim of developing specialist in test design and supporting research activities for SoC (System on Chip) design. Advantest also makes efforts to promote mutual understanding and exchange between international students and Japanese society, etc. through supporting (by making donations to) the Foundation of Corporate Friendship Network for Foreign Students with the aim of supporting students from around the world studying in Japan. We also are continuing our community-based activities while under the limitations due to the COVID-19 pandemic, such as holding science craft classes for children in elementary schools near our Japan business bases, and hosting "Girl's Day" workplace experiences by inviting German female students interested in electronics to our offices.

Humanitarian Support

Advantest has been involved with many social support and charitable activities around the world for many years, rooted in "The Advantest Way."

In 2022, when the disruptive effects of the war in Ukraine intensified, we donated a total of JPY 90 million to UNICEF and four other domestic and international organizations as crisis relief efforts aiding people afflicted by difficult situations. In addition to these donations, our German subsidiary has set up an in-house "Ukraine Task Force Team," which is carrying out volunteer activities such as providing accommodation, clothes, and hygiene-related goods to refugees from Ukraine via local aid organizations in Europe.

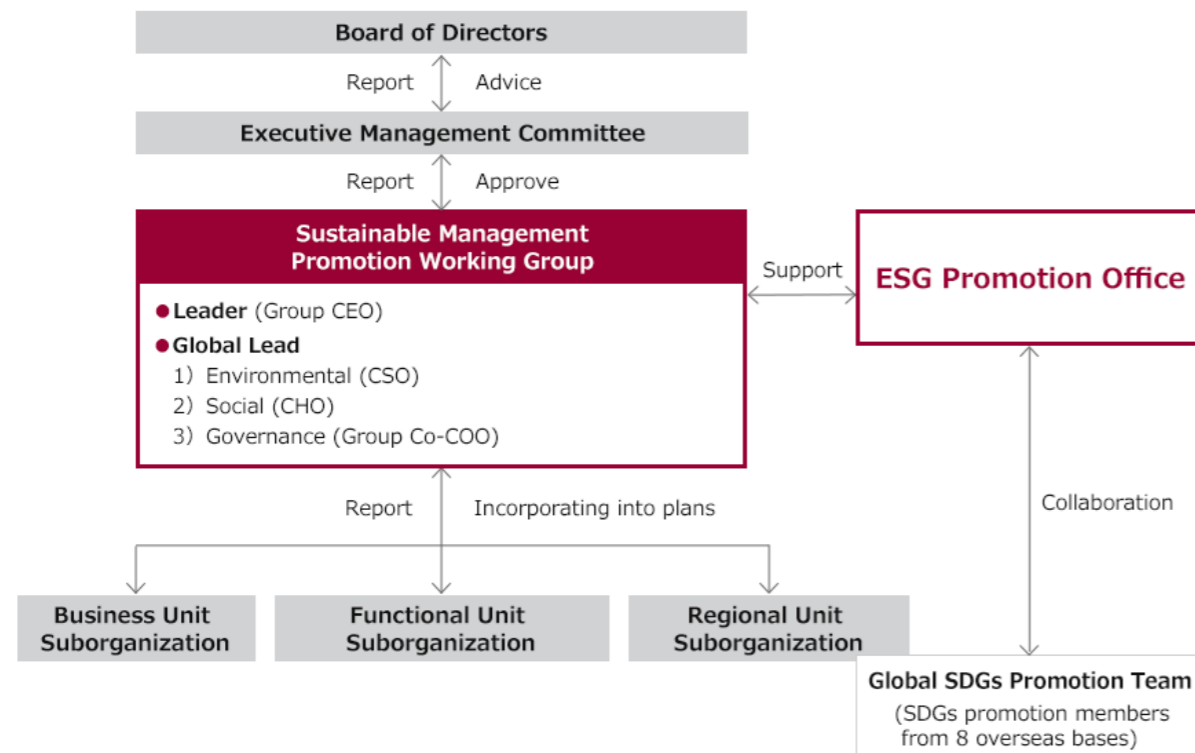
In 2020, when the COVID-19 pandemic spread across the world, Advantest increased its donation budget

across the group to support medical assistance and socially vulnerable citizens in need in Japan, the U.S., Germany, and Singapore, through donations to organizations such as medical and nursing associations, medical institutions, Red Cross Societies, and NPO organizations.

Along with support activities related to the pandemic, Advantest also supports victims of major disasters. Furthermore, Advantest employees around the world continue to engage in charitable activities along with their business activities in order to support disabled people, refugees, and people facing economic hardships.

Promotional Structure

Advantest has promoted CSR and environmental initiatives in every country and region. However, the importance for more global CSR and environmental initiatives is increasing as a company that contributes by itself or through its supply chain to a broader range of societies. We continue contributing to global societies through our CSR and environmental initiatives.



Framework to promote employee participation

The Advantest Group actively advocates for employee participation in volunteer activities. Volunteer activities for giving back to society recruit participants through systems such as an intranet message board. Reports on activities in each region are also published in our internal newsletter and social media (My LIFE. ON.), which contributes to attracting new participants. Employees can save up their unused paid holidays that would otherwise not be carried over to the next year and use them for volunteer activities.

For details on My LIFE. ON., please refer to "Global Educational Activities on Our Internal Social Networking Platform "My LIFE. ON."" (Environmental Education page).

Examples of Social Contribution Activities in Fiscal 2022

The Advantest Group is engaged in a variety of social contribution activities at its locations around the world so that each individual employee contributes to the betterment of society. In addition to providing diverse support to various regions, many employees participated in nature conservation activities in FY2022 in relation to contributing to biodiversity, one of the key themes of the "E-Environment" aspect of the ESG Action Plan.

Below are a few examples of our social contribution activities.

Nature Preservation

U.S.A. (AAI): Trail Build at Coyote Ridge Open Space Preserve

Advantest employees partnered with Open Space Authority to build a new hiking trail segment at Coyote Ridge Open Space Preserve in California. The Coyote Ridge Open Space Preserve provides critical habitat for endangered plants and animals such as the Western burrowing owls, golden eagles, and many more. Under the direction of the Open Space Authority field staff and with the support of expert Trail Master volunteers, the employees used hand tools to create nearly 850 feet (approximately 260 meters) of a new hiking trail; ultimately, contributing to the preservation of nature.



A view of trail building

China (ATC): Bamboo Forest Conservation Activity

Advantest cooperated with Zhejiang Future Smile Charitable Foundation in carrying out bamboo forest conservation activities at Longwang Village, Anji. While bamboo forests have a huge carbon sequestration capacity, if bamboos over a certain age (usually more than six years) is not maintained and harvested, it is said to affect the growth of other bamboos and plants. The employees learned and identified aged bamboo and worked together to harvest them. They also reinforced and maintained the mountain paths with the harvested bamboos, contributing to reducing the risk of forest fires.



How a participant is cutting a bamboo

Singapore (ASP): Tree Planting Activity

Advantest held a collaborative tree planting event with local Nanyang Technological University (NTU) at the campus's vicinity. This event is aligned with Singapore National Park's One Million Trees movement which is a key component of Singapore's conservation plans, as an effort to transform Singapore into a City in Nature by 2030. A total of 100 participants, including Advantest colleagues, Singapore National Parks team, NTU leadership, staff, and students, gathered for the event. ASP was the corporate sponsor donating 100 trees (SGD15,000 equivalent) for the event.



A scene during the tree planting event

Welfare Support

U.S.A. (AAI): Housing Project

Advantest employees, their families and friends volunteered with Habitat for Humanity East Bay/Silicon Valley (EBSV) at Habitat for Humanity's Esperanza Place location. This activity aims to build stronger communities by empowering families through affordable housing solutions. The employees, together with future homeowners and other volunteers helped various tasks including installation of a sub-floor, insulating doors, and others.



During the housing project

Japan: School Meal Support for Developing Countries

In Advantest, we participate in the TABLE FOR TWO (TFT) program (a global meal-sharing initiative where one school meal is donated to a developing country for every healthy menu item or beverage purchased in developed countries) as one of our SDGs activities. For every set meal and beverage purchased by an employee at a cafeteria or kiosk at a business site in Japan, 20 yen will be donated. In FY2022, we were able to donate a total of 200,040 yen to TABLE FOR TWO International, a non-profit organization.



TABLE FOR TWO

Singapore (ASP): Soup Kitchen

Advantest's employees participated in a non-affiliated charity Willing Heart's (an activity where meals are provided for free to the needy) Soup Kitchen and helped in cutting vegetables and distributing food. Willing Heart's kitchen operates 365 days a year, that prepares, cooks, and distributes approximate 11,000 daily meals to the needy in Singapore. Advantest has been actively participating this event for years.



Cutting vegetables

Developing the Next Generation

Japan

The Japanese government has proposed an IP creation education* to enhance society by having children and students understand and enjoy "creating something new" and "respecting what has been created". Schools and communities need to work together to create educational materials in order to promote IP creation education with consideration for their development stage.

Advantest has held classes and workshops based on the concept of invention and great inventions in the history of Japan for elementary school students from 2021. The children learned that people's lives have been enriched by inventions, garnering positive feedback from their schools. We will continue our activities so that more children can receive IP creation education.

*: For details of IP creation education, please refer to the materials on IP creation education of the Cabinet Office.

<https://www.kantei.go.jp/jp/singi/titeki2/tizaikyoiiku/pdf/s-1.pdf>

Held Science Craft Classes and Nature Observation Event

We conduct various educational support activities in the areas where our offices are located, with the aim of supporting the education of schoolchildren who are future leaders of our society and contributing to local communities. In FY2022, while taking measures to prevent the spread of COVID-19, our employees taught elementary school students in the vicinity of Advantest Gunma R&D Center how to make a mechanical kitchen timer whose parts are mostly made of wood. In addition, we held science craft classes such as speaker making at elementary schools in Gunma and Miyagi prefectures where our business sites are located. We also held a nature observation event for local elementary school students at the Gunma R&D Center biotope, one of the largest company owned biotopes in Japan, as an opportunity to learn about biodiversity.



Educational workshop held at an elementary school

25,000 Sheets of Recycled Paper Donated to Local Elementary Schools

Advantest Gunma R&D Center has installed a [dry process office recycle machine](#), which processes discarded copy paper into recycled paper. We also made notebooks from these recycled paper and distributed them to local elementary school students who visit our biotope and to students and teachers at special needs schools who visited our company as souvenirs. In FY2022, we donated 25,000 sheets of recycled paper to a local elementary school.



Handover of recycled paper

Usage of The Interactive Digital Globe

We have installed an interactive globe at Advantest's Gunma R&D Center, displaying real-time Earth data, for use in environmental education for children who, we believe, are the generations that will bear the responsibility of shaping the world's future, our employees, and our stakeholders. This tool not only allows us to learn about global atmospheric temperature changes, but also about the past, present, and future of the Earth.

In FY2022, this globe was also set up in the ESG corner of our booth at SEMICON Japan, a premier international exhibition offering latest insights into semiconductor manufacturing equipment and materials. It was well received by our visitors and provided an opportunity to discuss various social issues such as climate change. Likewise, we used the globe for environmental learning during the training of new employees in FY2023, following on from FY2022. We will continue to make effective use of this tool for environmental learning for a wide range of our stakeholders.



Interactive digital globe

Advantest Participates in Edu Town SDGs Alliance

In addition to science classes for elementary school students, Advantest has also participated in the "EduTown SDGs Alliance" (produced by Nikkei Business Publications and TREE / operated by Tokyo Shoseki) project since fiscal 2021, which provides education on the SDGs to elementary and junior high school students.

The "EduTown SDGs Alliance" is a project that supports the development of creators of a sustainable society, and has created and operates the educational website "EduTown SDGs" as well as freely distributes supplementary materials (booklet).



[Advantest's page on the EduTown SDGs website](#)

[Advantest's page on the EduTown Ashitane website](#)

China

Under the theme of "Social Contribution", Advantest (China) Co., Ltd. continuously strengthen the collaboration with universities and research institutes to develop talents for IC industry, especially on their IC test knowledge, even amid the COVID-19 pandemic and also in the post pandemic era.



In 2022, our engineers, together with our partners (from universities, research institutes, and private companies), carried out IC test trainings online 3 times, covering more than 90 trainees. Also, we developed a new partnership with a university and opened "CloudTesting™ Service based IC test fundamental" class.

In 2023, we visited several universities and invited the professors to our office to discuss new collaboration opportunities. As of May 2023, we opened IC test classes in 3 universities for more than 60 students. We also have a busy worklist for near future; prepare seminar with professors focusing on IC test class setup in universities, develop more partner universities and look for various collaboration models.

Other Examples of How We Support the World

Malaysia (AMY & ASM): COVID-19 Humanitarian Give Back Society

Through its corporate social responsibility (CSR) initiative, Advantest has donated RM20,000 to the CovidCareMy 3.0 Covid-19 Response Fund, an immediate crisis response initiative launched by the Malaysian non-profit organization Development of Human Resources for Rural Areas (DHRRRA). The contribution will go towards supporting families across Malaysia whose livelihoods have been impacted by the pandemic. Also, we contributed emergency aid baskets worth RM150 comprising groceries, food items, face masks and sanitizers to DHRRRA Malaysia.



Recipients of the Food Aid

Malaysia (AMY & ASM): Contribution to The National Autism Society of Malaysia

Advantest decided to give contribution-in-kind to help to meet the needs of the people living with autism and donated stationeries, bookshelves and fans to the National Autism Society of Malaysia (NASOM). We also donated goodies bags using cash collections at approximately RM 2,000 (approximately 60,000 yen/470USD) from our employees containing a variety of toys, snacks, beverages, stationeries, and home accessories. Moreover, environmentally friendly bags made from 80% recycled from plastic bottles were used to pack these items.



Packing goodies bag

Korea (ATK): Donation of Fixed-asset Disposal Profits

Advantest donated fixed-asset disposal profits of 2,474,800 KRW, raised by selling steel waste, to Cheonan City Welfare Foundation. Retired 10 devices of 4-year-old laptops were contributed to our local community and were delivered to people in need such as local students.



During the handover

Germany (AEG): Donated Laptops to Ukraine Refugees

After the outbreak of war in Ukraine in February 2022 many women, children and older people fled to Germany with only few belongings and no money. AEG management and members chose to help and support these very unfortunate refugees, and provided used laptops to Freundeskreis Degerloch, an organization that helps refugees. Upon receipt, the refugees were not only able to access schooling material and but also empowered them to prepare diverse applications (job, recognition of qualifications, flat etc.) they need to submit.



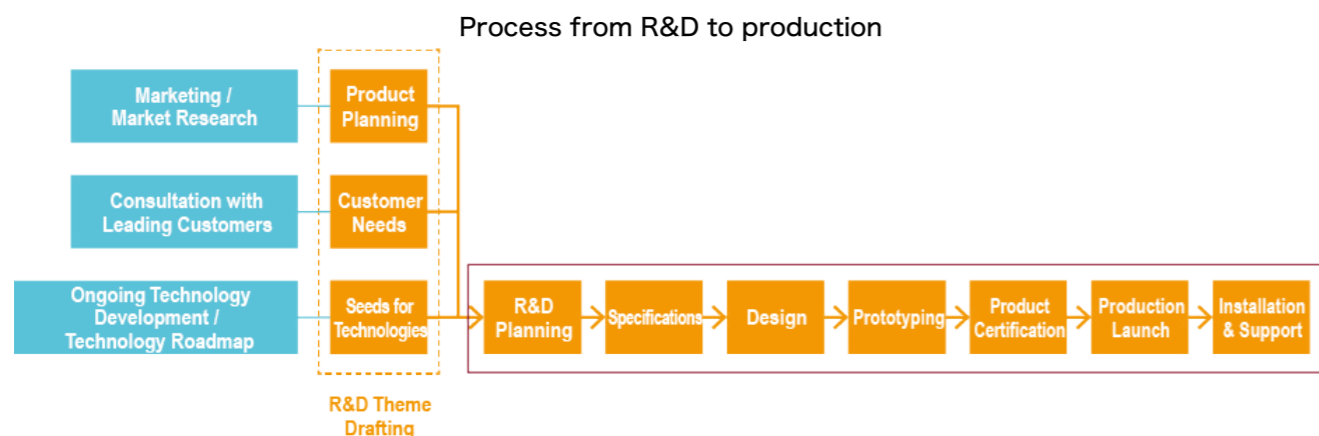
Using the laptop provided by AEG

Taking Responsibility for Our Products

We constantly aim for improvement in customer satisfaction in various areas such as design, manufacturing, sales, and service.

Supporting Product Safety and Quality

The process from product planning to completion of development and transfer to the production department requires collaboration with various departments such as marketing, sales, quality assurance, manufacturing, and service. In this section, we explain how we face the challenges of improving product safety and quality with the aim of enhancing customer satisfaction.



Initiatives to Secure Product Safety and Quality

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

To achieve the above, we formulated the “Product Safety Promotion Regulations” and established a company-wide committee as an organization to promote advances in product safety. From May 1995 to the present, this committee has continued to actively take part in product safety improvement initiatives.

In FY2022, we commissioned external specialists to undertake inspections of the safety and durability of 13 major Advantest products.

The results indicated that there was no need for further revision of improvement of Advantest's safety specifications.

It should be noted that, in fiscal 2021 there was one case in which the standards specified in Advantest's Product Safety Promotion Regulations were violated. This case has been rectified by changing the product design in order to comply with the relevant regulations.

Advantest operates a 10 m Radio Anechoic Chamber (EMC Center) that complies with the EMC Act

required for the sale of products worldwide.

Europe (CE Marking) and South Korea (KC Marking) in particular have strict EMC laws and regulations.

Even in The United States, Advantest takes measures to comply with American EMC laws and regulations (FCC) due to a risk of litigation caused by noise in the surrounding environment when operating products as well as due to customer requirements.

The EMC Center is run by staff who have acquired the ISO17025 international standards regulating the operation of test facilities, in addition to EMC engineers who have been certified under the International Association for Radio, Telecommunications and Electromagnetics (iNARTE), which allow internationally recognized in-house EMC certified testing.

The facilities of the EMC center also put in place an environment that is capable of testing large industrial machinery that is only available in a few places in Japan thanks to equipment that include a turntable with an 8-meter diameter to equip with products, a 3-phase power supply able to supply a total of 148 KVA power capacity that can withstand 10 t, and equipment that can provide water cooling.

It is necessary to keep an eye on the latest legislative trends for each country of origin particularly for EMC laws and regulations. Advantest collects information about EMC laws and regulations by participating in the KEC Electronic Industry Development Center (KEC) working group. We also provide EMC regulatory information to the semiconductor manufacturing industry through the Semiconductor Equipment Association of Japan (SEAJ).

Advantest Group Quality Policy

Customer satisfaction is the ultimate goal of all our activities.

- (1) We maintain product quality for the entire life cycle of our products and services and satisfy our customers' requirements throughout the value chain.
- (2) We fulfill our social responsibility and increase stakeholder satisfaction through continuous improvement of our quality management system to optimize business processes, while complying with all applicable laws and regulations.
- (3) We provide technologies, products, and services that satisfy customers in a timely manner.

Quality Management System

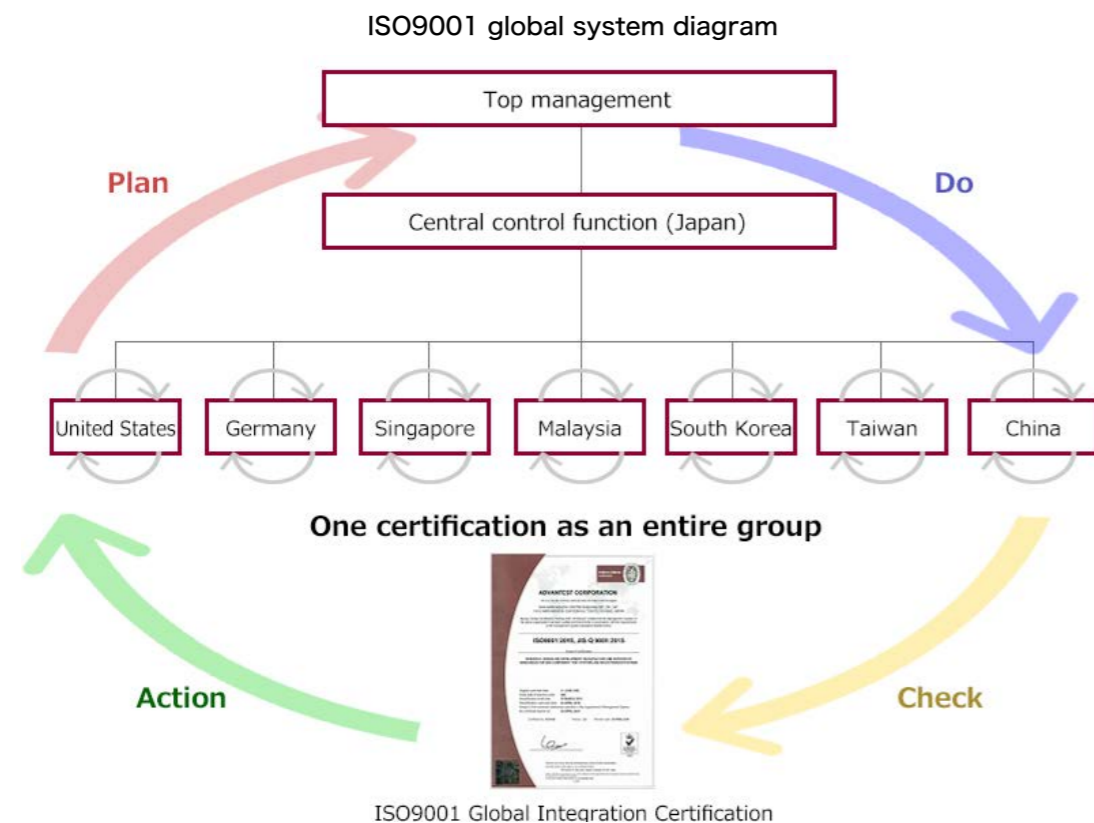
In keeping with our product quality plan where customer satisfaction is the fundamental basis of all our activity, we have designed our quality management system to comply with the international quality assurance standard ISO9001 throughout the Company.

We have established an organization to promote the system within the company-wide framework, led by the Quality Assurance Manager under the supervision of the 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 we maintain and improve our systems through regular internal audits.

Furthermore, the entire Group (eight countries and 21 sites) is advancing system integration and has acquired the ISO9001 Global Integration Certification as of April 25, 2018 to strengthen global quality management systems.

By FY2022, system integration has expanded further to eight countries and 24 sites.

The number of product recalls in FY2022 was zero with the help of this quality control system. In the future, we aim to strengthen and expand quality control while maintaining this framework.



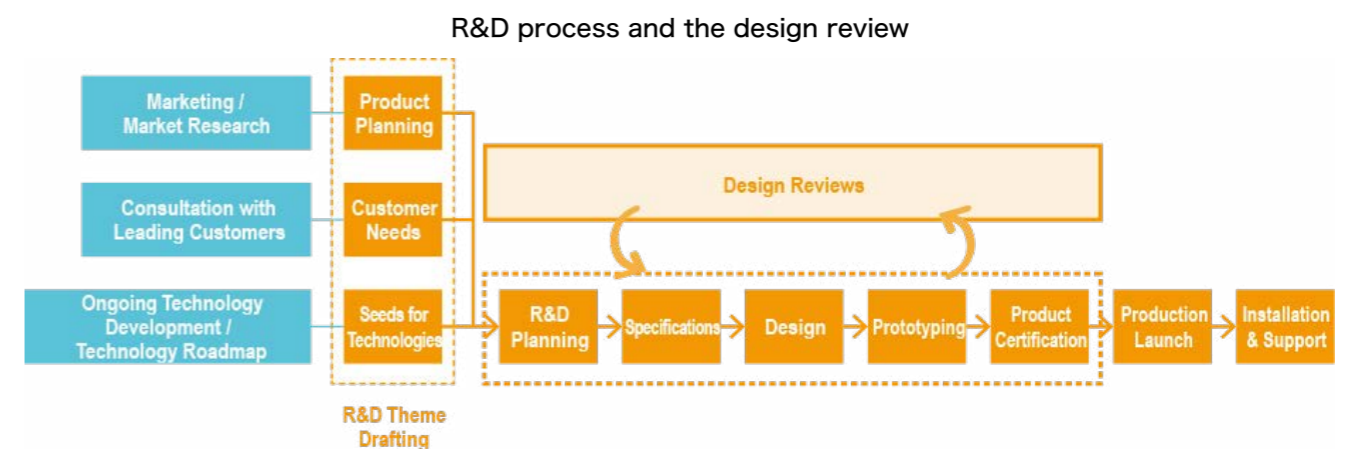
Design Review System Aimed at Improving Quality

Customers constantly require functionality, performance, and quality in Advantest products. In response, our circuitry has become increasingly larger and complex. 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 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, so that reviews are conducted regularly.
- We changed the system so that the relevant staff and the project leader, as well as the quality assurance group, carry out monitoring to prevent follow-up omissions, by enabling the 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 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 some cases in which problems that should have been detected by the designer ultimately found their way into the design review or the post process.

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



Activities to Improve Component Quality (SQE Activities)

We are committed to the belief that individual components underpin overall product quality, and therefore the quality of each and every component has to be exceptional. Based on this belief, 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 200,000 to 3,000,000 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.
- Ensuring that tolerances are maintained in component design: We aim for component design benchmarks determined on the basis of tolerances rather than standard specifications.

In this way, by running SQE activities from the product development stage, we can reduce problems with components in the manufacturing process and the risk of component problems reaching the marketplace, which contributes to greatly reducing the risk of losses. The results of this approach can be seen in the smooth running of our end users' processes and in the increased security that our clients enjoy when using our products.

In addition, by decreasing the number of rejected parts, we decrease the need for their exchange and disposal, and thus contribute to reducing the environmental impact.

Availability

Advantest is committed to helping its customers achieve higher levels of productivity by offering them products that guarantee high availability – meaning that they are unlikely to malfunction, and 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 systems will operate without malfunction over longer duration of use, while also reducing MTTR^{*2} so that systems will be more readily serviceable when a malfunction does occur.

*1 To improve MTBF: MTBF: Mean Time Between Failure

*2 To reduce MTTR: MTTR: Mean Time To Repair

Initiatives Aimed at Improving Software Quality

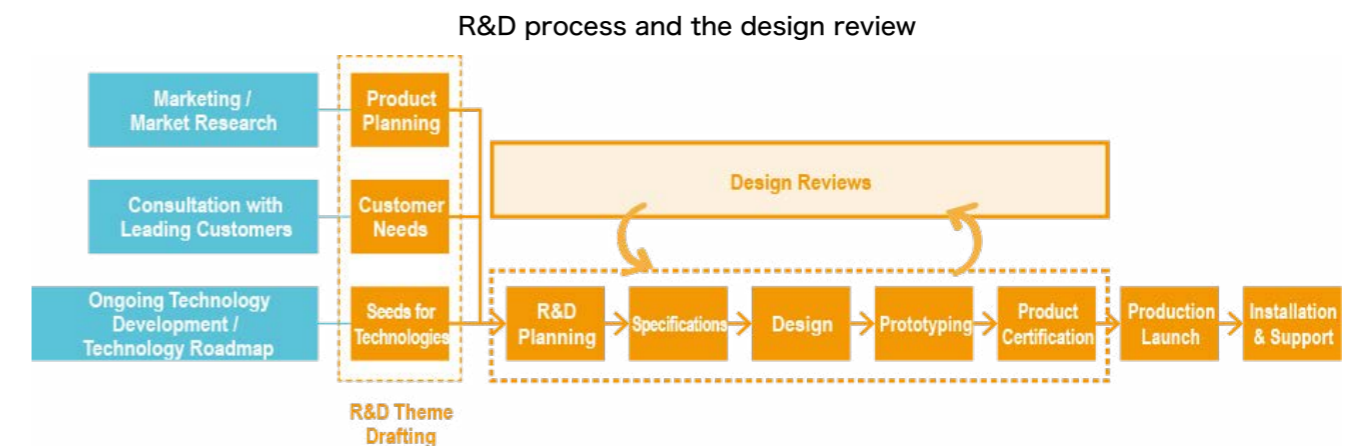
Advantest continues to implement initiatives aimed at improving software quality. Software for test systems, handlers and other such systems shipped by Advantest first goes through a process that involves quality verification by the Quality Assurance Group. The specification sheet, a parallel product of development, is examined by the Quality Assurance Group in real time and feedback is given, which helps to ensure quality at upstream stages of development. The examination is implemented before development is completed, and after it has been confirmed that quality standards have been met, products are shipped.

Advantest promotes the incorporation of Automotive SPICE^{*1} into the development process in order to ensure the quality of embedded automotive software. In 2021, we obtained Automotive SPICE Level 1 certification for the V93000 system software SmarTest. We are also working to obtain Automotive SPICE Level 2 certification for T2000 system software. These initiatives help to bring about the timely delivery of even better products.

*1: Stands for "Automotive Software Process Improvement and Capability Determination", which is an automotive industry standard software development process model

Efforts to Improve Customer Satisfaction

To improve customer satisfaction, we strive to develop and manufacture products that satisfy customers' needs, keeping abreast of market trends. In order to develop products that exceed customer expectation, we conduct appropriate design reviews in the process of product development including various departments; not only Manufacturing Division and Quality Assurance Division but also Sales Group, Field Service Group, Marketing Division, and other related departments who directly communicate with our customers. We will continue to serve our customers by quickly responding to customer needs as our customers deal with the ever-changing markets and the development of competitive next-generation technologies.



Basic Policy for Improving Customer Satisfaction

Customer satisfaction is the most fundamental principle underpinning Advantest's business.

- (1) We maintain product quality for the entire life cycle of our products and services and satisfy our customers' requirements throughout the value chain.
- (2) We fulfill our social responsibility and increase stakeholder satisfaction through continuous improvement of our quality management system to optimize business processes, while complying with all applicable laws and regulations.
- (3) We provide technologies, products, and services that satisfy customers in a timely manner.

By sharing the above product quality policy throughout the Group, we strive to offer products that provide 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, by providing an ever higher level of guaranteed quality, top-notch service, and support on a global scale.

Sales and Marketing Practices to Ensure Higher Customer Satisfaction

In the semiconductor market, where technology continues to evolve, our customers consistently take on the challenges of addressing environmental and social issues. Advantest believes that a proactive and speedy provision of comprehensive solutions is crucial in increasing customer value while our customers keep striving ahead for new challenges. As part of our efforts to increase customer value, we have been improving sales and marketing organizational structure. Advantest integrated marketing function of our business units, which was responsible for product strategy and new product planning, into our sales headquarters in December 2016 and we also integrated system solutions department, which provided semiconductor test system support, in June 2017. The integration of marketing department into the sales headquarters has enabled sales units to provide timely feedback to the marketing units on needs gathered through communication with customers, enabling more efficient development and delivery of products to customers. In addition, the integration of system solutions into the sales headquarters has also helped us to provide prompt technical support for our customers.

Furthermore, the sales and marketing units within the sales headquarters were integrated in March 2020 to create a system that can more speedily and accurately reflect customer needs in product development.

We aim to further improve customer satisfaction by taking measures in response to changing market and customer needs.

Sales and Marketing Activities to Improve Customer Satisfaction

Not only do we provide test solutions, but also keep our customers up-to-date on the latest technology and product information related to the market so as to stay committed in supporting our customers' technical innovations. Due to the impact of COVID-19, we held our conventional face-to-face exhibitions and customer events online; however, beginning in 2022, we are resuming in-person events while taking vigilant measures to prevent the spread of infection. In May 2023, we successfully held the VOICE - Advantest Developer Conference in Santa Clara, California, USA. VOICE is run by a committee made up of Advantest and voluntary customers, serving as an international community where users and strategic partners related to our product portfolio gather and grow together, and celebrated its 15th anniversary this year. The conference is also a place for participants to deepen their insights and build lasting relationships by discussing the efficiency and productivity of semiconductor testing and learning about the latest technology trends and applications.

Promoting Customer Support

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

Our basic policy is 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 customer 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 service provision and elsewhere.

Better Customer Support with a Global Focus

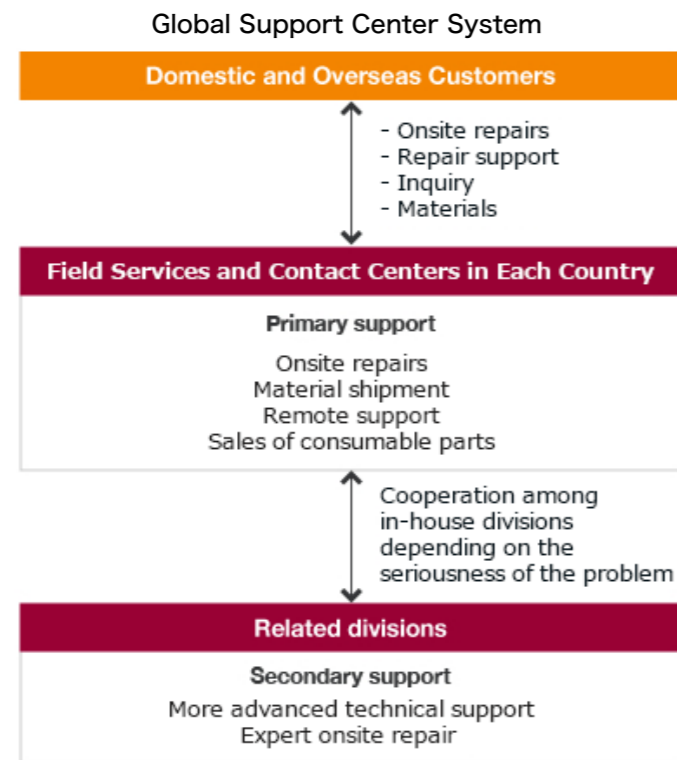
Advantest is building a global support framework capable of responding effectively to a variety of customer support requests and inquiries from customers. While responding to routine inquiries through customer contact centers in each country, as well as by telephone and e-mail, we are also implementing primary support consisting of technical service and onsite repairs by field service engineers.

We place expert global support teams in product development bases to carry out secondary support, allowing us to respond appropriately based on the content and degrees of difficulty of customer support. This way, we are working to improve customer satisfaction while building relationships of trust with customers through a system that can provide high-quality services.

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 field service engineers improve their professional skills and raises the quality of our support. This two- to three-year human resource development 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 engineering consulting and solutions regarding productivity issues as well as training and proposal services regarding device measurement, aiming to increase customer value through collaborative creation with our customers.



Strengthening the Recycling and Remarketing Businesses

Advantest Finance Inc. (AFI) changed its name to Advantest Pre-Owned Solutions Co., Ltd. (APO) in January 2022. Therewith, the company marked its transition from its leasing/rental business and sale of pre-owned (used) Advantest equipment to one which focuses on business including after-sale services as a part of the Field Service BU (FS BU). This has enabled us not only to respond to long delivery times for new products but also to propose and provide purchase/resale services as a complete solution. Despite recycling being a domestic Japan-only solution, we will continue to consider its global applications and expand our activities.

Advantest will contribute to our customer's test capacity management together with FS BU. One stop shopping, quick upgrade and End-to-End test cell integration expert support will be provided for all Advantest products.

*Remarketing business: Business that puts second-hand goods back on the market ("remarket")

[Product Recycling](#)

Advantest Named THE BEST Supplier of Chip Making Equipment and #1 ATE Supplier for 4th Consecutive Year by TechInsights (formerly VLSIresearch)

Advantest aims to grasp customer needs accurately and strives to provide customers with high-performance, high-quality total test solutions in a timely manner.

We make efforts to gain a better understanding of our customers' needs through information that we acquire from our daily business activities, and also through yearly participation in the customer satisfaction survey conducted by TechInsights (formerly VLSIresearch), a company renowned for its semiconductor market research.



In the 2023 Customer Satisfaction Survey, Advantest captured the No.1 spot of global semiconductor companies for the fourth consecutive year. The company has also been named on the 10 BEST Suppliers list of large suppliers of test equipment for the 35th consecutive year. Advantest also achieved superior customer ratings for Recommended Supplier, Trust in Supplier, Technical Leadership, Partnering, Field Engineering Support, and Commitment and was once again the only ATE supplier to receive a TechInsights Five-Star designation.

<Some reviews from our customers>

- [Advantest Collaborates with Synopsys to Deliver Real-Time Data Analytics for Semiconductor Test](#)
- [Advantest Introduces Industry's First Flexible DUT Interface Enabling Increased Parallelism on V93000 EXA Scale Test Systems](#)
- [Advantest Rolls Out ACS Adaptive Probe Cleaning to Optimize Probe Card Cleaning Efficiency](#)
- [Advantest's TAS7500 Terahertz Spectroscopic Imaging System Wins Laser Industry Award for Excellent Product](#)

Related News

- [Advantest Ships 10,000th V93000 SoC Test System](#)
- [Global Customers Rank Advantest THE BEST Test Equipment Supplier in 2023 and the #1 Large Supplier of Chip Making Equipment in Annual Customer Satisfaction Survey](#)

Innovation Initiatives

With the aim of "enabling leading-edge technologies," Advantest conducts research and development of fundamental technologies and products that will lead to greater value creation in the area of measurement technologies that support the semiconductor industry, the electronics industry, and the information and telecommunications industry. The results of these R&D activities contribute to the evolution of the semiconductor value chain on which our business is based on. In addition, we contribute to the realization of a safe, secure, and comfortable society by promoting the widespread use and social implementation of semiconductors with high performance and economic efficiency. Since R&D activities are a direct source of not only our own growth, but also of expanding our contribution to society, we have positioned R&D as an area of investment of utmost importance, and have invested a large amount of capital over the long term.

Summary of Innovation Initiatives

We wish to continue to be a company that provides high-value, world-class, state-of-the-art semiconductor test technology to all of our semiconductor customers. Our customers include many of the world's technology leaders, including the world's leading semiconductor manufacturers and IT companies, and their future success leads to the success of Advantest. On the other hand, in order to continue to create products and solutions that meet the high expectations of these customers, we must overcome a number of technological hurdles, which requires long-term, sustained, large-scale R&D management with a timeframe of 5 to 10 years. Our R&D management is based on a medium- to long-term roadmap, which is formulated based on the future technology needs and investment forecasts gathered through close communication with our customers, as well as market research on future technology trends and demand forecasts in the semiconductor-related market.

We are also engaged in developing new measurement solutions for medical devices and other applications outside the semiconductor value chain that leverage our electronic and optical measurement technologies.

Expansion of Direct Contributions to the Realization of a Sustainable Society through Innovation

At Advantest, all products undergo a product environmental assessment. In addition, we are committed to incorporating the improvement of environmental performance, such as power consumption efficiency, into our R&D process for new products, in view of contributing to a decarbonized society. Our contribution to the realization of a sustainable society is therefore integrated with our business activities.

Major basic technology developments in the most recent fiscal year

- Development of optical semiconductor devices, light sources, and optical integrated circuits for optical measurement and collective optoelectronic device test systems
- Development of sensor technology, algorithm technology, and application technology for ultra-sensitive magnetic measurement

- Elemental technologies such as pin electronics, pattern and timing generation, and DC test resources for semiconductor and component test systems
- Development of compound semiconductors such as low-distortion devices and high-speed, high-frequency devices for use in semiconductor and component test systems
- Development of technologies that enable testing of next-generation protocols and optical signal interfaces, including multi-level transmission
- Development of calibration methods capable of simultaneously adjusting the timing and waveform quality of ultra-high-speed signals with multiple pins
- Development of data linkage and analysis methods throughout the semiconductor supply chain, from the design process to the test process

[Green products](#)

Test solutions appealing to diverse customer needs

V93000 Series

The requirements of today's industry for even higher speeds, performance and pin counts means that test systems must offer greater functionality while maintaining low cost of test. With its scalable platform architecture, the V93000 tests a wide range of devices, from low cost IoT to high end, such as advanced automotive devices or highly integrated multicore processors. It also requires not only innovative technology, but also a system architecture with a long use-life, high scalability, and high investment efficiency.



V93000

The V93000 tests a wide range of devices, from low cost IoT to high end, such as advanced automotive devices or highly integrated multicore processors. Staying focused on the single scalable platform strategy, the V93000 is widely accepted at the leading IDMs, foundries and design houses. Outsourcing IDMs and fabless companies find V93000 test capacity installed in all leading OSATs worldwide.

[Advantest Introduces Industry's First Flexible DUT Interface Enabling Increased Parallelism on V93000 EXA Scale Test Systems](#)

[Advantest Launches Compact Test Station for V93000 Platform, Enabling 4X Capacity Increase in IC Engineering Labs](#)

[Advantest Launches Universal VI and Power Supply Card for V93000 EXA Scale SoC Test System](#)

T6391 Test System

Display driver ICs (DDIs) control operations of display panels, used in various electric apparatus such as smartphones and televisions. Advantest's T6391 is the latest addition to the T6300 series, the industry standard for DDI testing, with an installed base of more than 2,500 units worldwide. The T6391 is the latest test platform designed to address various needs for the next-generation DDI technology trends including increasing pin counts, faster interfaces, and multifunctionality.



T6391

The new LCD HP (high-performance) per-pin digitizer and comparator module has been developed for use with the T6391 display driver test systems featuring two key performance improvement. First, it improves measurement precision 5x compared to the previous module, making it ideally suited to accommodate the testing demands of advanced display driver ICs (DDICs) for high-end smartphones and augmented/virtual reality (AR/VR) applications. Second, it can handle high-voltage testing up to ±40V, enabling the module to address the high-reliability testing demands of brand-new automotive DDICs.

[Advantest Expands T6391 Display Driver Tester Capabilities with New Per-pin Digitizer and Comparator \(LCD HP\)](#)

inteXcell

Test solutions for next-generation memory devices, which are becoming both faster and larger in capacity, will require not only high-speed and massively parallel testing capability, but also a scalable test environment that is highly automated, leading to a smaller system footprint.



inteXcell

Advantest launched [inteXcell](#), a new line of minimal-footprint test cells designed to address demanding final-test requirements presented by the increasing bit densities, lower power consumption and faster interface speeds of future memory devices. inteXcell is the first ever fully integrated and unified test solution to combine broad test coverage with high-throughput handling in a highly flexible system architecture.

[Advantest Introduces New inteXcell Series of High-Performance, Economical Test Cells for Advanced Memory ICs](#)

Advantest Cloud Solutions™ (ACS)

With the aim of expanding and growing corporate value, Advantest is extending its solutions by enhancing test solutions and introducing new technologies. As an example, Advantest has been promoting [Advantest Cloud Solutions™ \(ACS\)](#), which integrates data generated through customers' semiconductor manufacturing processes with semiconductor testing data, which is then analyzed to generate new value.



The Advantest Cloud Solutions™ (ACS) ecosystem helps customers accomplish intelligent data-driven workflows. The ACS open solution ecosystem, a family of cloud-based products and services, is based on a single scalable data platform, which enables customers to develop or procure market-leading solutions from Advantest and its partners. Using these real-time machine learning, market-leading solutions, customers can automate turning insights into production actions in an easy-to-use and accessible way across the entire semiconductor value chain.

- [Advantest Rolls Out ACS Adaptive Probe Cleaning to Optimize Probe Card Cleaning Efficiency](#)
- [Advantest Collaborates with Synopsys to Deliver Real-Time Data Analytics for Semiconductor Test](#)
- [Advantest Announces New ACS University Program Allowing University Partners to Participate in the ACS Open Solution Ecosystem](#)
- [Advantest Launches ACS Solution Store to Enable Real-Time Data Analytics Solutions for Semiconductor Test](#)
- [Advantest Launches Unique AI-Powered Software Solution to Accelerate Yield Improvement Throughout IC Engineering and Production](#)

System Level Test Systems

As a new test solution, Advantest is developing products that support [system level testing](#) to guarantee the performance of the final product. While System Level and Burn-In tests are not new methodologies, both are gaining more momentum particularly for production test.



T5851-STM16G

- [Advantest Adds System-Level Testing Capability for Advanced Memory ICs Used in High-Growth Automotive Market](#)
- [Advantest Enables PCIe Gen 5 NVMe & CXL Device Testing on Proven MPT3000 SSD Test Systems](#)

E5620

The E5620 Defect Review Scanning Electron Microscope (DR-SEM), its newest mask SEM product for reviewing and classifying ultra-small defects on photomasks and mask blanks. With its high-accuracy, high-throughput defect review capability, the E5620 DR-SEM is expected to contribute appreciably to production quality improvements in next-generation photomasks and shorter mask manufacturing turnaround times.



E5620

The E5620 implements Advantest's highly stable image capture technology to easily import defect location data from mask inspection systems and automatically image the locations. The system has a number of improvements over its predecessors, specifically to target review of masks for the next generation of EUV lithography.

[Advantest Unveils E5620 DR-SEM for Review and Classification of Ultra-Small Photomask Defects](#)

Photoacoustic Microscope

We have released "Euclid", a three-dimensional image viewer that can display 3D images by superimposing data on melanin in the skin, the vascular network, and the skin structure, as measured by a Hadatomo™ Z tool. Advantest is also accumulating new research results with Hadatomo™ Z photoacoustic microscope.



WEL5200

[Advantest Launches new "Euclid" 3D Image Viewer](#)

[Hadatomo™ Z 2 New Research Achievement Articles Added](#)

Terahertz Spectroscopic / Imaging System

Terahertz spectroscopy and imaging systems are used to perform non-destructive analysis of pharmaceuticals, chemicals, communications materials, etc., without requiring a specially constructed analysis environment, and is expanding the range of applications for our customers.



Left) TAS7500IM
Right) TAS7500SP

[Advantest's TAS7500 Terahertz Spectroscopic Imaging System Wins Laser Industry Award for Excellent Product](#)

External Collaboration

Advantest aims to contribute not only to semiconductor testing but also to the entire semiconductor value chain by promoting innovation through industry-academia collaborations and other external collaborations, as well as through human capital development initiatives.

[Advantest Announces New ACS University Program Allowing University Partners to Participate in the ACS Open Solution Ecosystem](#)

[Advantest and Singapore Polytechnic Jointly Establish New Test Engineering Centre to Boost Capabilities of Integrated Circuit Test Engineers in Southeast Asia](#)

[Advantest, NXP and Arizona State University Collaborate to Launch New Test Engineering Curriculum](#)

In addition to the above, we have established "The Advantest D2T Research Division" at the Tokyo University Systems Design Lab (d.lab), with the aim of developing specialist in test design and supporting research activities for SoC (System on Chip) design.

Together with the University of Tokyo, Advantest has begun working on research and development of new, advanced system technologies from April 1, 2023 in the Research Association for Advanced System (abbreviated as RaaS, hereafter referred to as RaaS^{*1}) (Chairperson: Professor Tadahiro Kuroda, Director of the System Design Lab (d.lab) of the Graduate School of Engineering, the University of Tokyo). The six members of the cooperative, the University of Tokyo, Advantest, Toppan Inc., Hitachi Ltd., Mirise Technologies Corporation, and Japan's RIKEN Scientific Research Institute, will work together to do R&D on a next-generation leading-edge semiconductor development platform that can be shared among the members.

*1 RaaS

An acronym of the Research Association for Advanced Systems. It advocates the provision of semiconductors not as components (products) but as core system knowledge (services), and reads "Raas". It also stands for "research as a service".

[Advantest & Other Members of the Research Association for Advanced Systems Launch Advanced Semiconductor Design Platform R&D Project for Democratization of Access to Silicon Technology](#)

Intellectual Property Protection

The guiding principles underlying Advantest's intellectual property management emphasize compliance with intellectual property right laws and regulations and the need to respect the intellectual property rights of third parties.

Basic Stance Toward Intellectual Property

The basic principles of Advantest's intellectual property management are compliance with intellectual property laws and regulations and respect for the intellectual property of third parties.

Organization of Intellectual Property Management

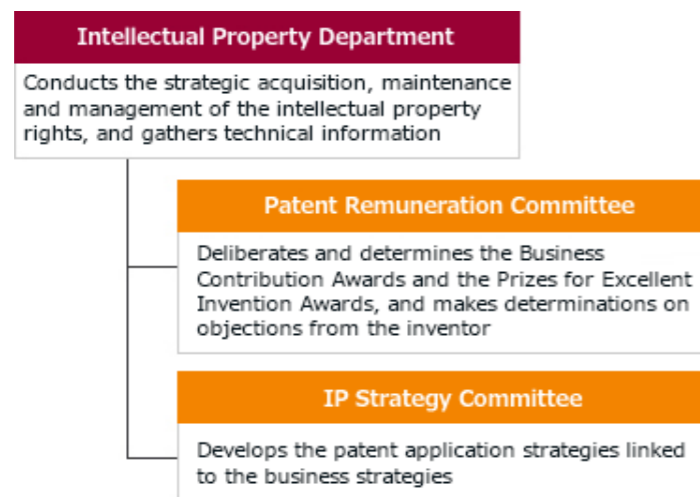
Advantest establish the intellectual property management systems seen below and we manage appropriately the intellectual property with cooperation of business units, Advantest laboratories and corporate planning department (cooperating organizations, universities, etc.) in Japan, Germany and the U.S., our major development bases.

The Intellectual Property Department conducts monthly online meetings with intellectual property managers in Germany, the U.S., Singapore and China, joining forces with the IP Strategic Committee in each area to promote intellectual property activities in accordance with business unit, research and management plans.

The Patent Remuneration Committee consists of members in Japan, Germany and the U.S., and the members meet together to determine the Business Contribution Awards and the Prizes for Excellent Invention Awards every year.

The IP Strategic Committee is selected from among the various business unit, laboratories and corporate planning department in Japan, Germany and the U.S., and develops the patent application strategies linked to the business strategies.

Organization of intellectual property management



Providing Information to the Management and the Business Units

The strength of Advantest is our state-of-the-art technological capabilities. Therefore, we believe protecting our intellectual property as the source of our competitiveness vital to persist as an enterprise. In recent years, Advantest has been working to protect and manage our intellectual property, as well as to leverage our and other companies' intellectual properties. For instance, Advantest promotes an IP landscape and provides information on intellectual property to the management and each business unit.

Intellectual Property Education

Advantest conducts education on intellectual property every year and strives to raise each employees' awareness of intellectual property.

In fiscal 2022, we conducted a two-day training, including a series of hands-on training, for new technical employees to acquire knowledge on intellectual property necessary for engineers. In addition, we provided intellectual property training on our ethical standards, stipulated under "14. Protection of Assets and Confidentiality" of [The Advantest Way](#), for all employees of the Advantest Group via e-Learning.

As part of our Efforts Toward Social Contribution, we held classes and workshops for elementary school students to promote IP creation education. Please refer to "[Community Activities](#)" for details.

Disputes and Litigation Relating to Intellectual Property

As of March 31, 2023 there were no such disputes.

Supply Chain Management

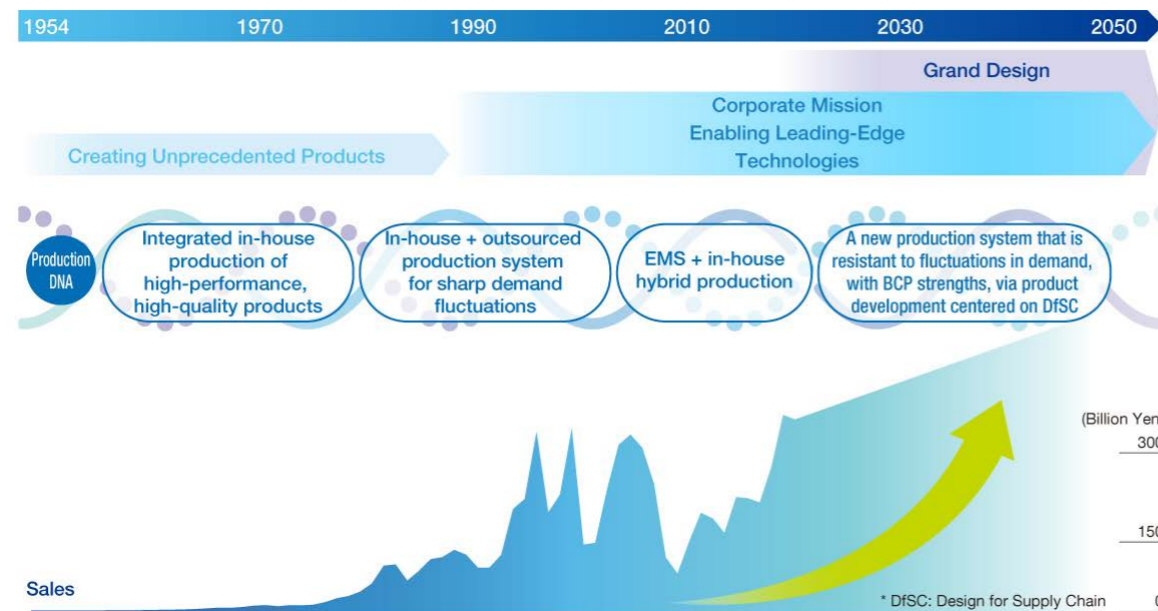
Cooperative relations with our business partners are the foundation of all our businesses. We value communication with our business partners, and maintain fair business dealings with them based on related laws and regulations.

Advantest effectively combines three different production methods: all-in-house production, EMS production by a company that handles the entire supply chain, and outsourcing to partners that handle only the manufacturing of products. With the slogan Design for Supply Chain (DfSC) in mind, we aim to build a manufacturing system that is resilient to supply-demand fluctuations and BCP, while exploring ways to maximize the benefits of each method.

The Gunma Factory, our in-house production facility, is evolving into a “mother factory” that operates the entire manufacturing process in collaboration with our outsourcing partners. Now, we have expanded the ratio of outsourced production to more than 80%.

A cooperative relationship with our business partners is essential for developing the best supply system based on three different production methods. Advantest upholds fair business relations in accordance with relevant laws and regulations while maintaining close communication with our business partners.

Manufacturing Capital — Design for Supply Chain



In-house Initiatives for Supply Chain Management

Advantest upholds collaboration and cooperation with our suppliers in our ESG Initiatives Basic Policy. We place value on open communication with our business partners, which will ultimately lead to building trusting relationships and mutual development.

In order to maintain fair business relationships in accordance with relevant laws and regulations, we have established a Basic Procurement Policy, to which we have shared and sought cooperation from our suppliers. We have also prescribed the [Supply Chain CSR Promotion Guidebook](#) and [Green Procurement Guidelines](#), and endeavor to build a supply chain with the need to respect human rights, occupational safety, and environmental considerations.

[Advantest Procurement Policy](#)

[Supply Chain CSR Promotion Guidebook](#)

[Green Procurement Guidelines](#)

Supply Chain Management System

Advantest's Supply Chain Division and the Global SCM Division are responsible for formulating and implementing procurement, outsourcing, logistics strategies, and other additional services. Moreover, we procure parts, which have been certified by each global base, in a timely and appropriate manner based on globally standardized evaluation criteria for parts selection.

ESG Action Plan 2021-2023

Based on the Mid-Term Management Plan (MTP2), Advantest has established an ESG Initiatives Basic Policy, upon which the ESG Action Plan 2021-2023 has been set up in accordance with this policy. In the supply chain, we are working together with our business partners in order to promote CSR procurement, with the goal of realizing a sustainable society by promoting activities for climate change, respecting human rights, occupational safety, fair trade, and observing compliance.

[Our Activities in FY2022](#)

Education for Implementing Fair Trade

Advantest offered education on the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors for all employees of group companies in Japan, along with company-wide compliance education. As a result, we saw an upliftment of the levels of consciousness among all employees in Japan, irrespective of the department they belong to.

Going forward, we will continue to maintain fair trade through ongoing employee education and individual support.

Efforts to Address Our Supply Chain

Supply Chain CSR Questionnaire

Based on our ESG Action Plan 2021-2023, we conducted a CSR Questionnaire for business partners who account for 85% of the transaction value of all Advantest Group companies (Supply chain due diligence). The contents of the FY2022 questionnaire mainly referred to the "Supply Chain CSR Promotion Guidebook" in line with international norm and initiatives such as the RBA Code of Conduct* while asking to submit reports on the introduction of renewable energy and limitation of greenhouse gas emissions with the goal of mitigating climate change as in the previous fiscal year.

Having in mind that the entire supply chain should address social issues, we aim to enhance supplier engagement not only by providing materials summarizing the results of the questionnaire for each business partner, but also supplying feedback on points that were highly evaluated as well as requests for improvement, and by holding seminars for business partners who mentioned difficulties of reporting their greenhouse gas emissions.

The 2022 questionnaire was conducted in March 2023, to which we were able to obtain responses from all of the companies that received the questionnaire. We will continue to work with business partners who find it difficult to report their greenhouse gas emissions or whose measures to mitigate climate change remained undecided.

In Japan, we also evaluate the QCD* of our business partners every quarter aimed to ensure the stable supply of products while maintaining and improving quality.

FY2022 Implementation of CSR questionnaire (Global)

Survey period	March 2023
Implementation of seminars	March 2023
Feedback to business partners	July 2023 (planned)

FY2022 Business Partner QCD Evaluation (Japan)

Evaluation period	Quarterly (July/October 2022, January/April 2023)
Feedback to business partners who require improvement	Quarterly (August/November 2022, February/May 2023)

* RBA Code of Conduct: A code of conduct pertaining to social responsibility advocated by the Responsible Business Alliance.

* QCD: An acronym of Quality, Cost, and Delivery.

Establishment of a Contact/Reporting Window

We ask for reports to be made through the [contact window](#) on our webpage if there is any action by an Advantest employee, etc. that violates the code of conduct, business contracts, or laws and regulations, or any other action deemed to be suspicious. There were no complaints filed (no cases) in FY2022.

Note that Advantest will not subject the whistleblower, nor the whistleblower's company, to any disadvantage. If an investigation finds any issues, the relevant action shall be stopped and measures shall be taken to prevent recurrence.

[Contact Window \(https://www.advantest.com/about/procurement/contact\)](https://www.advantest.com/about/procurement/contact)

Announcement of the Declaration of Partnership Building

Advantest and Advanfacilities Co., Ltd. have agreed to and endorsed the Declaration of Partnership Building and announced our framework on Declaration of Partnership Building* in the fall of 2021.

The Declaration of Partnership Building declares, in the name of the representative of the company, that it will build new partnerships by promoting further collaboration and prosperous coexistence with business partners in the supply chain and encourage businesses that create value. The following are few examples of matters to observe for the promotion of partnership building.

- Leveraging information technology to promote operational efficiency throughout the supply chain
- Working together with suppliers and vendors to improve quality and productivity, aiming for mutual development
- Working together towards the realization of a decarbonized society throughout the entire supply chain, including Advantest.

* The Declaration of Partnership Building was founded by the Council on Promoting Partnership Building for Cultivating the Future, which consists of representatives from business circles and labor organizations including the Chairman of Keidanren, the Chairman of the Japan Chamber of Commerce and Industry, and the Chairman of the Japanese Electrical Electronic & Information Union as well as related ministers (Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism).

Examples of ESG promotion with our business partners

Advantest supports the philosophy of the Declaration of Partnership Building and promotes various ESG activities together with our business partners.

Introduction of environmentally friendly pallets

The Gunma Factory introduced environmentally friendly pallets for parts storage in 2022 in response to a proposal from Alps Logistics Co., Ltd., to whom we outsource parts warehousing. These pallets are made from a blend of marine plastic waste, with logos of "Plastics Smart" printed on the sides, an initiative to reduce marine plastic waste lead by the Ministry of the Environment. Using these pallets represent our commitment towards our contribution in combating marine plastic debris from a logistics perspective.



Awarded from the Tokyo Metropolitan Government for eco-driving

Musashiseki Unyu Co., Ltd., our freight forwarder who transports our products via eco-drive technology, was awarded the highest rating of "three stars" for the second consecutive year in the 2022 "Tokyo Freight Transportation Evaluation System" (evaluation of efforts, such as eco-driving, of freight forwarders based on actual driving fuel efficiency and consumption), and was also selected as one of the top five highest rated forwarders. Advantest has set the reduction of greenhouse gas emissions throughout the value chain as one of its key themes. We believe that the fact that our business partner won such an outstanding award shall be a further driving force for ESG promotion, as we continue to promote efforts to reduce supply chain emissions.

Implementation of activities and educational campaigns to promote the Pink Ribbon Movement

Advantest Japan supports the Pink Ribbon Campaign, an international campaign to raise awareness about breast cancer and promote early detection, diagnosis, and treatment of the disease. During the Pink Ribbon Month in autumn, 2022, we conducted educational and promotional activities ((1) on-demand streaming of a seminar on breast cancer awareness, (2) two walking events, and (3) fundraising) in collaboration with one of our business partners.

During the walking event, pink towels (original towels with ADVANTEST and business partner's logos), symbolizing the Pink Ribbon Movement, were created and distributed to all participants. Fundraising activities made a total of ¥93,752 which we donated to J.POSH, an authorized NPO. In addition, we created original pin badges for the Pink Ribbon Campaign, made from eco-friendly biomass resin, and gave them to those who donated over a certain amount as souvenirs.

Examples of consultations on business continuity and SDGs activities

In November 2021, Meisei Corporation, a partner company of Advantest, consulted Advantest about their business continuity plans and SDGs initiatives. We shared our initiatives and opinions regarding the global trends, with a particular emphasis on the promotion of initiatives that match the company's collective goal. After thorough discussion within Meisei Corporation, which stimulated their willingness to engage in contributions for the world, they drew out the following initiatives.

- Participate in the CoCoLo Project* to promote decarbonization and contribute to society by introducing solar power generation on factory roofs
- Disclose SDGs Declaration
- Promote female leader development education to for better tapping the high ratio of women

* CoCoLo Project: A project initiated by the West Group, which converts the environmental value created by companies into credits through the J-credit system* and utilizing them for various donation activities as efforts to promote the reduction of CO₂ emissions and regional revitalization.

* J-credit system: A system in which the government certifies the amount of CO₂ emissions reduced through the introduction of energy-saving equipment and the use of renewable energy, and the amount of CO₂ absorbed through appropriate forest management as credits.

Efforts for Procurement

Measures against procurement risks

In addition to the stagnation and confusion of logistics due to Russia's invasion of Ukraine and the prolonged lockdown in China, climate change and natural disasters are causing supply chain disruptions that has never been experienced before. On top of the ongoing visualization of the factory (visualization of processes and information from parts procurement to production and shipping), we have established a system to predict requirements in real time to enable prompt and appropriate response. Furthermore, at our global bases, executives are spearheading partnership agreements with our suppliers, exchanging information at the top level, and boosting cooperation with EMS.

Advantest promotes procurement from multiple companies in principle as a contingency for the procurement of components from the perspective of BCP.

We created a BCP map of our suppliers and manufacturing bases to speed up information collection and countermeasure examination in case of a disaster.

Responsible mineral procurement

Although Advantest is not subject to Section 1502 of the US Dodd-Frank Wall Street Reform & Consumer Protection Act (Conflict Minerals Clause), we are voluntarily addressing the issue of conflict minerals. Since 2013, Advantest has been implementing an annual mineral procurement survey of our business partners using the Conflict Minerals Reporting Template (CMRT) tool developed by the Responsible Minerals Initiative (RMI)*. In FY2022, we conducted a survey of our business partners and verified the smelters/refiners listed on the CMRT with the information disclosed by the RMI. The results are as follows.

Survey (CMRT) collection rate	99%
• Total number of refineries/smelters	351
• Number of conformant certified refiners/smelters	229
• Number of refineries/smelters without conformant certification (including pending refineries/smelters)	122

In total, the ratio of conformant smelters was 65.2%.

We will continue to seek cooperation from our business partners who we are yet to confirm.

In FY2023, we will enhance our system so as to aim for 100% of our suppliers who are conflict-mineral-free.

* RMI: [Responsible Minerals Initiative](#)

Governance

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Corporate Governance

We aim to achieve a sustainable level of business development and enhancement of our corporate value through transparency of management and proactive disclosure of relevant information.

Management Structure

Our Basic Policy of Corporate Governance

Advantest's Purpose & Mission is "Enabling Leading-Edge Technologies." Advantest constantly strives to improve so that we can offer products and services that will satisfy customers around the world, and contribute to the future of society through the development of the most advanced technologies.

In accordance with the corporate mission described in the preceding paragraph, by being open, honest and respectful at all times with all stakeholders, Advantest aims to achieve a sustainable level of business development and enhance corporate value over the mid-to-long term. Advantest always strives to find the best solution to issues, by seeking out root causes and defining their "essence". To that end, Advantest will establish a fair, efficient and transparent governance system.

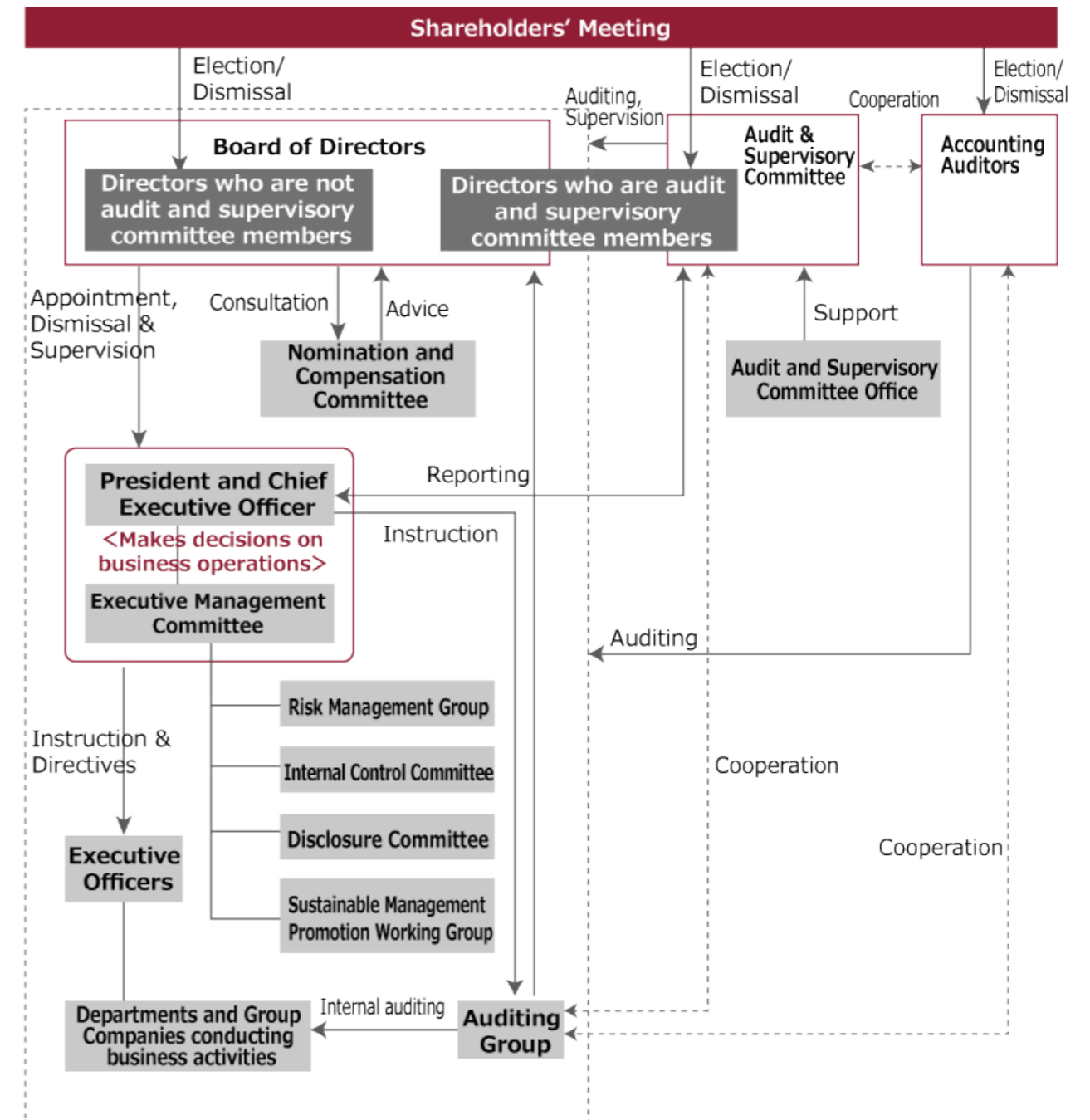
 [Advantest Corporate Governance Policy \(PDF 183KB\)](#)

Corporate Governance System

The global business environment is changing more rapidly than ever before, due to factors such as technological advancement and impact of geopolitical risks. To continuously increase our corporate value and competitiveness in today's world, we emphasize swift decision-making and execution. We also place an emphasis on sound, highly transparent business operations in compliance with relevant 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.

We have become a company with an Audit and Supervisory Committee since June 2015. Advantest further strengthened its corporate governance and Board of Directors' audit function as a company with an Audit and Supervisory Committee, where the committee members use their voting rights in Board of Directors Meetings with the aim of further increasing our corporate value. Furthermore, we have established a structure that can quickly respond to the rapidly changing business environment, and in order to strengthen our corporate governance, we introduced an Executive Officer system in 2003.

Corporate governance structure



List of Governance Systems (As of June 24, 2022)	
Structure	Company with an Audit and Supervisory Committee
Number of Directors	9
Number of Outside Directors	5(55.5%)
Number of Non-Japanese Directors	2(22.2%)
Number of Female Directors	2(22.2%)
Term of Office for Directors who are Not Audit and Supervisory Committee members	1 year
Term of Office for Directors who are Audit and Supervisory Committee members	2 years
Number of Directors who are Audit and Supervisory Committee members	3
Number of Outside Directors	2
Chairperson of Audit and Supervisory Committee	Outside Director
Nomination and Compensation Committee	In place
Nomination and Compensation Committee Members	3 Directors (Two of which are outside Directors)
Nomination and Compensation Committee Chair	Outside Director
Performance-linked Remuneration System	In place
Executive Officer System	In place
Executive Officers	25
Non-Japanese Executive Officers	13

Please see the information below for the Corporate Governance Report.

 [Corporate Governance Report \(PDF 838KB\)](#)

Board of Directors

The Board of Directors of Advantest, as the management decision making body, shall make decisions on significant matters with respect to the management policies and management strategies for Advantest Group, and in its capacity to supervise management, the Board of Directors shall monitor and supervise the status of exercise of duties by Executive Officers. Advantest strengthens the oversight and supervisory functions of the Board of Directors so as to appoint multiple outside directors as members of the Board of Directors.

Regular Board of Directors meetings are held once a month and last about 3 to 5 hours, giving directors time to discuss important matters. In addition, Advantest holds offsite meetings where board members discuss mid-to-long term issues that cannot be discussed within the time limits of Board of Director meetings. The Board of Directors met 14 times at the office and twice off-site in FY2022, and all members attended all meetings. At the Board of Directors meetings, directors with a wealth of knowledge and experience expressed their opinions from each point of view on various agendas, and active discussions took place.

In FY2022, the main discussion and reporting items of the Board of Directors meetings and offsite meetings were as follows.

- The Board of Directors discussed the progress of the Second Mid-Term Management Plan (MTP2), confirmed the importance of growth investments such as M&A and digital transformation, and reviewed the financial model of MTP2.
- Advantest's changing business environment, including changes in the semiconductor market and geopolitical risks caused by the US-China conflict, were reported on and measures to address the issues were discussed.
- Monthly reports on the current status of sales, profits, inventory levels, cash flow and other relevant factors are made to the Board of Directors to monitor the execution of business operations.
- More effective financing methods were discussed in the agenda of commitment line agreements and long-term borrowing.
- M&As were discussed as growth investments, and the Board decided on the M&A of CREA [Collaudi Elettronici Automatizzati S.r.l.] and Shin Poo Technology Co., Ltd..
- Internal audit reports and compliance reports were made to the Board of Directors twice a year. The reports included reports from Advantest's internal audit system, items pointed out by internal audits and compliance incidents from helpline notifications.
- IR reports were made to the Board of Directors twice this year, which included status of communication with investors and investors' awareness of issues.
- ESG reports were made to the Board of Directors twice this year, which included status of Advantest's climate change initiatives and other ESG initiatives.

Attendance at meetings of the Board of Directors and important committee meetings in fiscal year 2022 is as follows.

Classification		Name	Attendance at Board of Directors meetings (14 times)	Attendance at Nomination and Compensation Committee meetings (14 times)	Attendance at Audit and Supervisory Committee meetings (13 times)
Inside Director	Executive Director	Yoshiaki Yoshida	100% (14 times)	100% (14 times)	—
		Douglas Lefever	100% (14 times)	—	—
		Koichi Tsukui	100% (14 times)	—	—
		Soichi Tsukakoshi	100% (14 times)	—	—
		Atsushi Fujita	100% (14 times)	—	—
Outside Director	Non-Executive Director	Yuichi Kurita	100% (14 times)	—	100% (13 times)
		Osamu Karatsu	100% (14 times)	—	—
		Toshimitsu Urabe	100% (14 times)	100% (14 times)	—
		Nicholas Benes	100% (14 times)	—	—
		Kouichi Nanba	100% (14 times)	—	100% (13 times)
		Sayaka Sumida	100% (14 times)	100% (14 times)	100% (13 times)

As of June 27, 2023, the Board of Directors is composed of 3 executive directors (inside directors), 1 non-executive director (inside director), and 5 non-executive directors (outside directors) for a total of 9 members (including Directors who are Audit and Supervisory Committee members), of which 2 directors have non-Japanese nationalities, and 2 female directors. In order to maintain seamless communication despite the diversification of Directors, Advantest has arranged for simultaneous interpretation at the Board of Directors meetings so that Board members can speak freely in both Japanese and English. Materials and minutes are also translated into English.

Evaluation of the Board of Directors' Effectiveness

At a Board of Directors' meeting, all directors answered a questionnaire to evaluate the effectiveness of their roles and obligations. Their opinions on the structure of the Board of Directors, operation, and discussion status were collected and analyzed.

(Results in FY2021 and action in FY2022)

Our evaluation of the effectiveness of the Board of Directors in FY2021 indicated that greater awareness of the external environment was required in reporting to the Board of Directors, the method of evaluation itself should be reviewed, and more time should be devoted to discussion versus to reporting. In response to the above, Advantest implemented the following measures in FY2022.

- Regarding the evaluation of the effectiveness of the Board of Directors, the questions have been significantly revised to address the following points:
 - whether the Board of Directors was able to appropriately incorporate external knowledge, and
 - whether the discussions at the Board of Directors were being utilized by the executive side
- We are trying to allow more time for discussion by the Board of Directors by requiring presenters to use an executive summary and provide a concise statement.

(Results in FY2022)

Our directors have diverse backgrounds. In our FY2022 effectiveness evaluation, revising some questions revealed that each director often discusses matters from a different perspective than other members. The company believes that this shows that the diversity of the Board of Directors has been ensured and has advantages. On the other hand, the following points were raised as improvements to make the Board of Directors more effective.

- Regarding changes in the external environment (changes in the business environment of our company), Advantest management is already accustomed to a certain degree of sensitivity to cycles in the semiconductor testing industry to which our group belongs. On the other hand, it is advisable that the company's sensitivity to other aspects of the external environment (i.e. society, politics, economy, industry in general, etc.) should be enhanced.
- It is preferable that matters to be discussed should be clearly stated in materials reported to the Board of Directors.

Skill Matrix

In the nomination and selection of Directors and Senior Executive Officers, the Company recognizes that noteworthy issues around the corporate management and communication with stakeholders have to be taken into consideration, in addition to our Purpose & Mission, management strategies, and business strategies. Our business is indispensable for the manufacturing of semiconductors, which support the development of our society, and also assumes the important function of supporting the stable operation of the facilities and systems in our society and industries, creating great opportunities for growth even in the surrounding areas. The Company has selected the following nine areas for management activities which are considered important for the Company to grow the business in the medium to long term and realize the improvement of our corporate value: "Management & Corporate Strategy," "Semiconductor," "Technology," "Sales & Marketing," "Finance & Accounting," "Legal & Compliance," "Human Capital Management," "Global Business," and "Digital Transformation." The Board of Directors and the Nomination and Compensation Committee have discussed the essential "insight and experiences" required for the execution of duties and the fulfilment of the responsibility of supervision in the nine areas, and established the required skill sets for Directors and Senior Executive Officers.

Details of Skill

Areas for management activities		Items	Experience, knowledge, and abilities expected
①	Management & Corporate Strategy	Top management	Management experience at a company or legal entity (as a chairperson, president, representative director or equivalents)
		Management strategy	Experience as a head of a management strategies department ^{1,2}
		Experience and knowledge of business investment and M&A	Experience and knowledge of business investment and M&A
②	Semiconductor	Knowledge of the semiconductor-related industries	Experience in semiconductor-related industries and knowledge of the semiconductor industry
③	Technology	Knowledge of the industries & technologies (incl. Environment and Energy)	Knowledge of the electrical/electronics related industry and ICT technologies
		Research & development	Experience as a head of an R&D department ^{1,2}
		SCM ³ , production, and quality assurance	Experience as a head of SCM ³ , production, production engineering, and quality assurance departments ^{1,2}
④	Sales & Marketing	Sales and marketing	Experience as a head of a sales and marketing department ^{1,2}
⑤	Finance & Accounting	Finance and accounting	Experience as a head of a finance and accounting department ^{1,2} or as a certified public accountant
		Communication with the capital market	Experience as a head of the department responsible for communicating with investors and shareholders ^{1,2} , such as a head of IR (Investor Relations) or SR (Shareholder Relations) department
⑥	Legal & Compliance	Legal affairs, risk management, and compliance	Experience as a head of a legal affairs, risk management, or compliance department ^{1,2} or as an attorney at law
⑦	Human Capital Management	Human capital management	Experience and knowledge as a head of an HR department ^{1,2} , or in recruiting & developing human capital, and talent management
⑧	Global Business	Global business	Experience at a global organization or experience working in a foreign country
⑨	Digital Transformation	IT & DX	Experience as a head of an IT department ^{1,2} , and as a head of a DX promotion department ^{1,2}

*1 The head of a large company or a company with complicated businesses or operations

*2 The executive of a specialized service company in the relevant field

*3 Supply Chain Management

The skills of the Directors and Senior Executive Officers will be as shown in the table below.

		Basic management activity areas that are important for the execution, guidance, and supervision of the Company's management														Areas of particular importance to the Company's immediate management issues			
		① Management & Corporate Strategy				② Semiconductor	③ Technology			④ Sales & Marketing	⑤ Finance & Accounting		⑥ Legal & Compliance	⑦ Human Capital Management	⑧ Global Business	⑨ Digital Transformation			
		Attributes				Management		Experience and expertise in business investment and M&A	R&D/Semiconductor industry/ Industry/Technology			SCM/ Production/ Quality assurance	Sales & Marketing	Interaction with Finance/Accounting/ Capital Markets		Legal affairs/ Risk management/ Compliance	Human Capital Management	Global Business	IT・DX
		Gender	Nationality	Audit and Supervisory Board Member	Independent Director	Top management	Business Strategy		Insight of semiconductor related industries	Industry and technology know-how and expertise (including global environment and energy)	R&D			Finance/ Accounting	Interaction with Capital Markets				
Inside	Yoshiaki Yoshida	Male	Japan			○	○	○	○				○		○			○	
	Douglas Lefever	Male	United States			○	○	○	○	○			○					○	
	Koichi Tsukui	Male	Japan			○	○		○				○		○			○	
	Yuichi Kurita	Male	Japan	○			○	○	○					○	○			○	
Outside	Toshimitsu Urabe	Male	Japan		○	○	○	○								○		○	○
	Nicholas Benes	Male	United States		○		○	○						○	○			○	
	Naoto Nishida	Male	Japan		○				○	○	○	○						○	
	Sayaka Sumida	Female	Japan	○	○									○		○		○	
	Sayaka Sumida	Female	Japan	○	○										○			○	

* Skills of the Senior Executive Officers (excluding those concurrently serving as Directors) as of June 27, 2023 are as follows.

Basic management activity areas that are important for the execution, guidance, and supervision of the Company's management																	Areas of particular importance to the Company's immediate management issues										
① Management & Corporate Strategy																	② Semiconductor	③ Technology			④ Sales & Marketing	⑤ Finance & Accounting		⑥ Legal & Compliance	⑦ Human Capital Management	⑧ Global Business	⑨ Digital Transformation
		Attributes				Management		Experience and expertise in business investment and M&A	R&D/Semiconductor industry/ Industry/Technology			SCM/ Production/ Quality assurance	Sales & Marketing	Interaction with Finance/Accounting/ Capital Markets		Legal affairs/ Risk management/ Compliance	Human Capital Management	Global Business	IT・DX								
		Gender	Nationality	Audit and Supervisory Board Member	Independent Director	Top management	Business Strategy		Insight of semiconductor related industries	Industry and technology know-how and expertise (including global environment and energy)	R&D			Finance/ Accounting	Interaction with Capital Markets												
Senior Executive Officer	Soichi Tsukakoshi	Male	Japan					○			○	○					○										
	Keith Hardwick	Male	United States				○	○					○			○	○										
	Yasuo Mihashi	Male	Japan				○	○				○		○			○										
	Juergen Serrer	Male	Germany					○		○							○										
	Sanjeev Mohan	Male	United States					○				○					○										
	Richard Junger	Male	Germany					○			○						○	○									
	Yong Xu	Male	China					○				○					○										
	Makoto Nakahara	Male	Japan					○			○	○					○										

Reasons of Appointment of Outside Directors

Name	Reasons of Appointment
Toshimitsu Urabe	Mr. Toshimitsu Urabe has extensive management experience at a leading Japanese general trading company and a nonbank financial institution, particularly overseas experience in the United States and Asia, experience in business investment decisions, etc., and extensive experience in administrative management, for example human resources and IT. He is expected to reflect his knowledge in Advantest Group's global management, thereby contributing to the sustainable enhancement of corporate value and invigorating the activities of the Board of Directors. Thus, Advantest believes that he is a suitable person as an outside director.
Nicholas Benes	Mr. Nicholas Benes has extensive knowledge and experience about corporate governance matters, and experience in investment banking including M&A transactions. He is expected to reflect his knowledge of corporate governance and the shareholder-oriented perspective in Advantest Group's global management, thereby contributing to the sustainable enhancement of corporate value and invigorating the activities of the Board of Directors. Thus, Advantest believes that he is a suitable person as an outside director.
Naoto Nishida	Mr. Naoto Nishida has a wealth of knowledge and experience as a laser technology expert, in addition to his experience in the fields of technology, supply chain management (SCM), production, and research & development at a global company deeply involved in semiconductors. He is expected to reflect his insights into our business, industry and technology and the perspectives on strategic innovation in Advantest Group's global management, thereby contributing to the sustainable enhancement of corporate value and invigoration of the activities of the Board of Directors. Thus, Advantest believes that he is a suitable person as an outside director.
Sayaka Sumida	Ms. Sayaka Sumida has not been directly involved in the management of a company in the past, but she has a wealth of knowledge and experience in finance and accounting gained through her engagement for many years in accounting/auditing services and internal control-related services as a certified public accountant at an accounting firm. She is expected to reflect her knowledge of finance and accounting in Advantest Group's audit and supervision, thereby contributing to the enhancement of corporate accounting and internal controls. Thus, Advantest believes that she is a suitable person as an outside director who is an audit and supervisory committee member.
Tomoko Nakada	Although Ms. Tomoko Nakada has not been directly involved in the management of a company in the past, she has a wealth of experience and a high level of expertise in law as a judge and as a lawyer, engaging in the practice of corporate legal affairs, general civil cases, and domestic and international inheritance cases. She is expected to reflect her knowledge of laws in Advantest Group's audit and supervision, thereby contributing to the enhancement of compliance. Thus, Advantest believes that she is a suitable person as an outside director who is an audit and supervisory committee member.

[Directors and Executive Officers](#)

Director Training

It is stated in the "Director Training Policy" as follows;

Director Training Policy
1. Advantest provides and arranges following actions for new Directors to acquire necessary knowledge on the Advantest's business, finances, organizations and other matters so as to enhance their understanding of their roles and responsibilities: (1) To explain the roles and responsibility required for Directors; (2) To explain Advantest group's business, finances, organizations, major internal regulations, corporate governance structure, and internal control systems; (3) To update above (1) and (2) for incumbent Directors as necessary. 2. Advantest should provide and arrange training opportunities suitable for each director as necessary.

In FY2022, Advantest provided explanations for our foreign directors on their responsibilities under Japanese law. All Executive Directors have taken an external training program on governance. Because governance skills are important, we are expanding the scope of the training to Executive Officers who are not directors.

Audit and Supervisory Committee

Pursuant to the audit policies, audit plans, priority audit items, allocation of duties, etc., and in coordination with the internal audit division and other relevant departments with jurisdiction over internal control, members of the Audit and Supervisory Committee attended important meetings such as Executive Management Committee, Business Plan Meeting, Internal Control Committee, received reports from Directors, Executive Officers and employees on the performance of their duties, requested further explanations as deemed necessary, reviewed important approval-granting documents, and inspected the state of business operations and assets at the head office and other important branch offices. With respect to subsidiaries, members of the Audit and Supervisory Committee communicated with and exchanged information via interviews with directors of the subsidiaries and opinion exchange meetings with corporate auditors of the subsidiaries and received business reports from subsidiaries as deemed necessary, and conducted audits of Advantest's main consolidated subsidiaries overseas (by interviewing via face to face or web conferences), and confirmed their state of business operations and assets. As a result of these investigations and audit activities, members of the Audit and Supervisory Committee shared our views with the directors and department heads on what we recognized as issues needing feedback.

Advantest's Audit and Supervisory Committee is composed of 1 inside director and 2 outside directors whom are Audit and Supervisory Committee members (of which one is a full-time Audit and Supervisory Committee member)* and is chaired by an outside director. Directors who are Audit and Supervisory Committee members are appointed by the General Meeting of Shareholders separately from other Directors who are not Audit and Supervisory Committee members. The Audit and Supervisory Committee, the Auditing Group and other internal control departments, the Accounting Auditors, and the corporate auditors

of each Advantest Group company collaborate with one another so as to carry out regular discussions and timely meetings.

* The number of people given is correct as of June 27, 2023.

Accounting Auditors

Accounting Auditors perform accounting audits of the consolidated financial statements, accounting documents, etc., and produce an audit report. Regarding accounting audits, Advantest has audited with Ernst & Young ShinNihon LLC and received predetermined audits. EY Shin Nihon LLC Audit Corporation (formerly Daiichi Audit Office) has been conducting listing audits of Advantest since 1983, when Advantest was listed on the Second Section of the Tokyo Stock Exchange. The certified accountants who executed the accounting audit work of Advantest in 2022 are Mr. Toshiyuki Matsumoto, Mr. Minoru Ota and Mr. Hiroyuki Nakada. The rotation of the certified public accountants is conducted appropriately at Ernst & Young ShinNihon LLC and no certified public accountants are involved in accounting audits of same company for more than seven consecutive fiscal years. Lead certified public accountants are not involved in accounting audits of the same company for more than five consecutive fiscal years. If a certified public accountant is involved in accounting audits of the same company for seven consecutive fiscal years, he or she will be involved in accounting audits of that company only after an interval of five fiscal years. Lead certified public accountants who are involved in accounting audits of the same company for five consecutive fiscal years will not be involved in accounting audits of that company again. In addition, assistants performing Advantest's accounting audit work include those with expert knowledge such as system experts, with CPAs as the main constituents.

Internal Audits

Advantest has established an internal auditing team that comprises the Auditing Group in head quarter and overseas subsidiaries. To verify whether the company's day-to-day operations are carried out appropriately and efficiently in accordance with the requirements of relevant domestic and overseas laws ordinances, and internal rules, the internal auditing team implements operational auditing, compliance auditing and internal controls auditing. Besides evaluating the efficiency of the internal controls system, the internal auditing team also provides support to assist in making improvements at individual business locations, when necessary. The internal auditing team hold appropriate qualifications (such as Certified Public Accountant, Certified Internal Auditor, or Qualified Internal Auditor), and all team members are committed to enhancing auditing quality.

Nomination and Compensation Committee

In 2005, Advantest established a Nomination and Compensation Committee as a discretionary institution. The Nomination and Compensation Committee consists of three Directors (including two outside Directors selected by the Board of Directors' resolution), with an outside Director serving as the chairperson of the committee. The Nomination and Compensation Committee, in consultation with the Board of Directors, discusses matters related to the nomination and compensation of Directors and Executive Officers, and makes proposals to the Board of Directors. The Committee met 14 times during FY2022. All the members were present at every Nomination and Compensation Committee meeting.

* The number of people given is correct as of June 27, 2023.

The main discussion agenda of the Nomination and Compensation Committee is as follows.

- **Candidates for Directors and Executive Officers and the Management Structure**

Under the structure of directors and managing executive officers since June 2022, the Committee has considered appropriate candidates and proposed them to the Board of Directors. The management structure for strengthening the CxOs was discussed and proposed to the Board of Directors.

The Committee discussed management structure in response to changes in the business environment including business expansion, acceleration of further growth, and preparation for future generational changes, and proposed transition to a three-member representative director structure to the Board of Directors.

Under the organizational structure for directors and managing executive officers after June 2023, the Committee considered appropriate candidates and a management structure with three representative directors, and proposed them to the Board of Directors.

- **Succession Plan for CEO**

After analyzing management issues and personnel requirements for the CEO and management team, the Committee held discussions after receiving reports and assessment of some of the Senior Executive Officers and a survey on external human resources from an external HR consulting firm. In these discussions, the Committee referred to the annual CEO assessment by non-executive directors and interviews with non-executive directors and Senior Executive Officers. Based on discussions with the non-executive directors, the Committee decided on a succession candidate and a transition plan and proposed both to the Board of Directors.

- **Experience, knowledge, and abilities required of Directors and Senior Executive Officers (skill matrix)**

Recognizing that the Skill Matrix is a tool to consider the most appropriate executive team and board structure, the Committee has set the elements of experience, knowledge, and abilities required of Directors and Senior Executive Officers based on discussions with non-executive directors.

- **Operation of Fixed Compensation, Performance-based Bonuses and Stock Compensation**

Individual evaluations of executive bonuses for FY2021 were discussed and finalized.

The Committee discussed and proposed to the Board of Directors the fixed compensation, performance indicators for performance-linked bonuses and stock compensation for FY2022.

In addition, the Committee established a process to define the roles and expected performances of each Director/Officer and evaluate the results.

Based on that, the Committee discussed fixed compensation for FY2023.

We have established a policy and procedures to assure the objectivity and transparency of the nomination and compensation of Directors, which are publicly available on the website.

 [Directors and Executive Officers Nomination/Dismissal Policy and Procedures \(PDF 180KB\)](#)

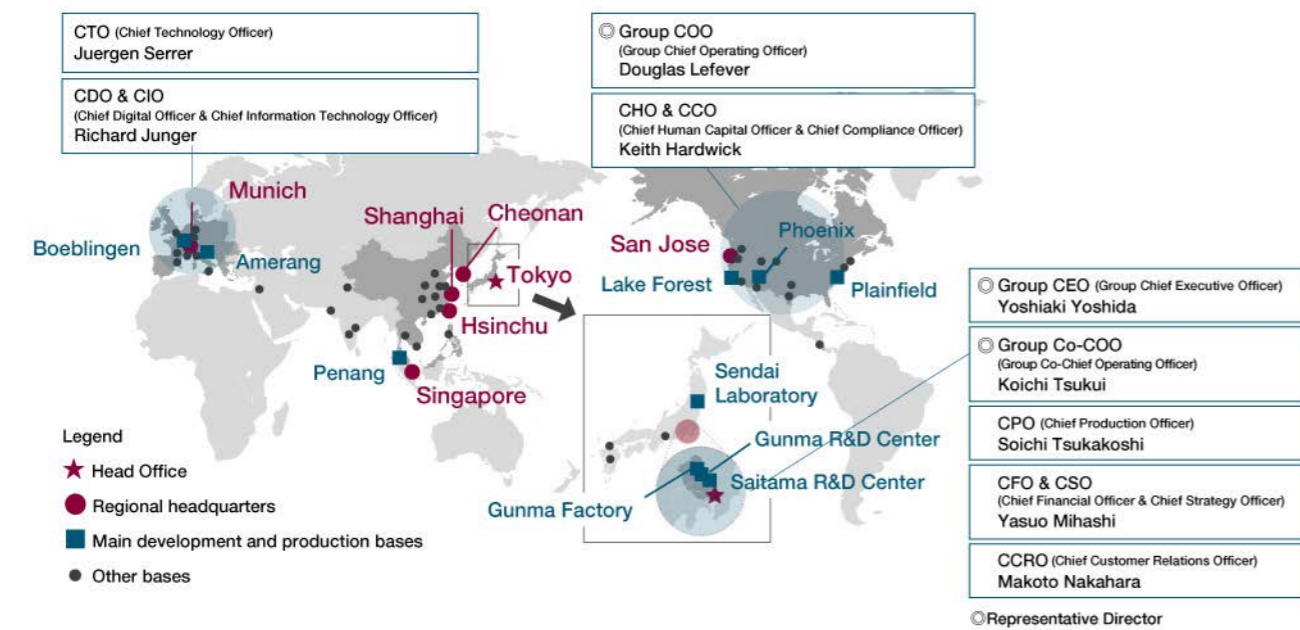
 [Policies and Procedures for Determining Compensation for Directors and Executive Officers \(PDF 61KB\)](#)

Executive Management Committee

Advantest delegates the necessary authorities to ensure the prompt and efficient performance of duties and the Executive Management Committee is positioned as a decision-making body for Advantest's important business execution matters. Among Executive Officers, those who are deemed capable of leading the group management are nominated as Senior Executive Officers who serve as members of the Executive Management Committee. Half of the members are executive officers of non-Japanese nationality, and Mr. Yoshiaki Yoshida is the chairperson. Meetings of the committee are held about twice a month, mainly online.

CxO System

We have introduced a CxO system to clarify management accountability in order to reinforce a global HQ management system further. As of July 2023, six CxOs are responsible for nine CxO functions, with the Group CEO, Group COO, and Group Co-COO sharing responsibility for each CxO. We have designated the CxOs as individuals who are suitable to assume these functions from a global perspective, and strive to build a system that enables management as a unified group.



Management

Executive Compensation System

Advantest's executive compensation system consists of fixed compensation (monetary), performance-linked bonuses (monetary), and stock compensation (non-monetary). The Nomination and Compensation Committee proposes our executive compensation system to the Board of Directors, which is operated following approval by the Board of Directors and the General Meeting of Shareholders.

[Policies and Procedures for Determining Compensation for Directors and Executive Officers \(PDF 61KB\)](#)

Basic Concept of the Executive Compensation System

The basic concept of the executive compensation system is as follows.

1. Establish a compensation mix and level that attracts international human resources who can support our global business development
In order to continue growing in the semiconductor industry, which is complex and swiftly-evolving on a global level, we will appoint talented human resources from all over the world and compensate them according to global standards.
2. Well-balanced bonuses linked to performance
Given that Advantest's business performance fluctuates, we will reward the contribution of officers when business performance is good, and reduce the burden on our company when business performance is declining.
3. Stock compensation that encourages executives to share the shareholder perspective and promotes a medium/long-term perspective on management
We combine restricted stock compensation (RS), which encourages executives to pursue the medium/long-term corporate value improvement that shareholders desire, and performance share unit compensation (PSU), which encourages the achievement of medium-term management goals that lead to the improvement of corporate value.

Compensation Structure

As the ratio fluctuates depending on business performance, the ratio of remuneration is as follows, using standard remuneration as an example. However, if s/he concurrently serves as a director, director remuneration will be paid separately.

Senior Executive Officers (including the president)	Fixed compensation: performance-linked bonuses: stock compensation = approximately 1:1:1
Other Executive Officers	Fixed compensation: performance-linked bonuses: stock compensation = approximately 1:0.8:0.8

Fixed Compensation

Fixed Compensation (cash compensation) for the Directors and Executive Officers (including the president) shall be set at an appropriate level according to individual duties and responsibilities, and will be paid monthly, with reference to external objective data.

Performance-linked Bonuses

Advantest believes that performance-linked bonuses for the Directors and Executive Officers (including the president) should improve corporate value by increasing the range of linkage.

Performance-linked bonuses are short-term incentives for the results of a single year, and are paid once a year after the performance of the Advantest Group for the relevant business year is confirmed. The distribution according to performance indicators and individual evaluations is as follows:

Performance indicators	With the annual profit plan target achievement rate as a KPI, bonuses vary from 0% to 200% of the individual's standard amount. * The standard amount of Senior Executive Officers is 100% of fixed compensation. The standard amount of other Executive Officers is 80% of fixed compensation.
Individual evaluation	Up to 30% of the total amount of performance-linked bonuses for executive officers is redistributed based on individual evaluations conducted by the president. Evaluation and redistribution proposals are discussed and approved by the Nomination and Compensation Committee and reported to the Board of Directors. In principle, the president's performance-linked bonus is calculated based on the results of performance indicators, but if the Board of Directors deems it necessary and clearly states their reasoning, it may be increased or decreased.

Stock Compensation

As far as stock compensation for the Directors and Executive Officers (including the president) is concerned, in order to encourage management from a medium/long-term perspective, we have introduced a restricted stock compensation plan (RS), which is granted on the condition that the company holds shares during the term of office, and performance share unit compensation plan (PSU), which is based to the achievement status of the mid-term management plan.

Restricted Stock compensation (RS)

- 50% of stock compensation for the Directors and Executive Officers (including the president) is RS.
- It is granted every year, with restrictions on transfer during the recipient's term of office (obligation to continue holding).

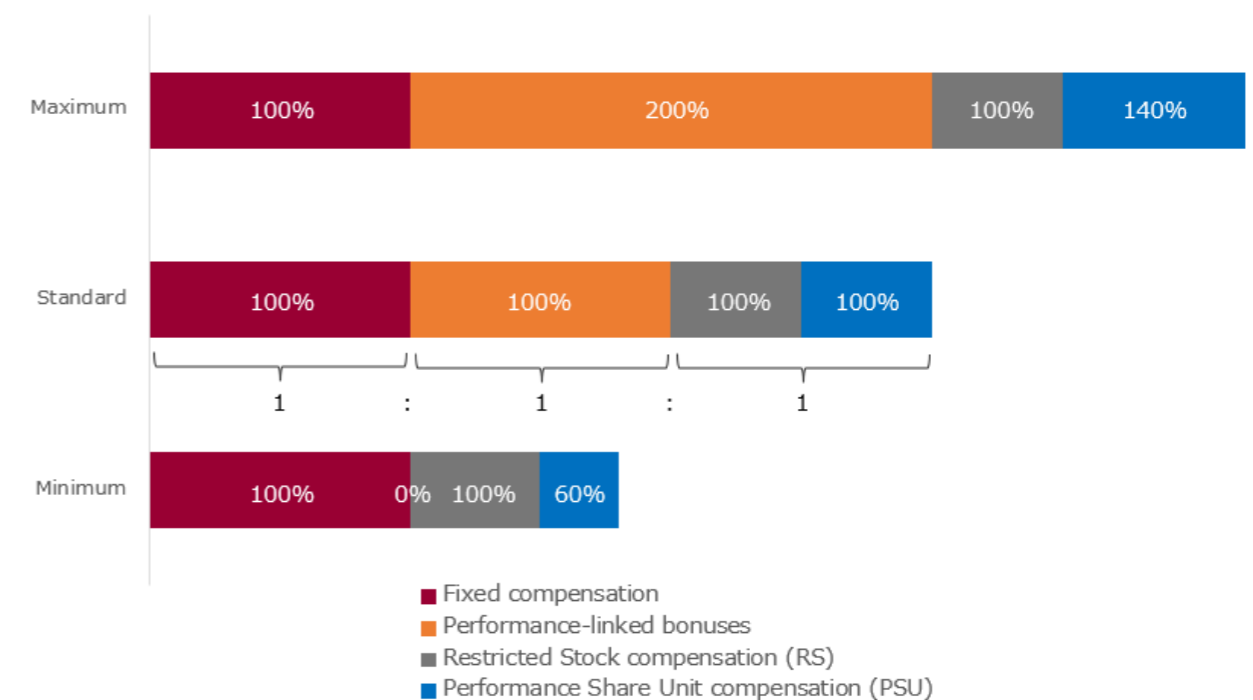
Performance Share Unit compensation (PSU)

- 50% of stock compensation for the Directors and Executive Officers (including the president) is performance-linked stock compensation.
PSU may fluctuate between 60 to 140% of the standard units according to how close actual results come to mid-term management targets (KPIs) over a three-year period.
- The KPIs are the following three items, and the weight of each item is as follows.

EPS growth rate	The target is 14% average annual EPS growth over the three years of the mid-term management plan with fluctuations between 70% and 130% of the standard units.
Relative Total Shareholders Return (r-TSR)	Comparison between the TSR of TOPIX with our TSR (our TSR ÷ TOPIX – TSR) with fluctuations between -5% to 5% of the standard units.
ESG evaluation	Evaluation scores of the S&P Global Corporate Sustainability Assessment are used as an index with fluctuations between -5% to 5% of the standard units.

- Three years' worth of PSU will be vested all at once after the completion of the mid-term management plan.
- Officers who take office or retire in the second or third years of the med-term management plan will be prorated according to the length of time they have served.

Visualization of compensation for Senior Executive Officers (including the president)



* Before redistribution of performance-linked bonuses (30%) based on individual evaluation

Return of Remuneration

In the event of a violation of relevant laws or regulations or internal regulations by the Directors and Executive Officers (including the president), the Board of Directors may decide to reduce future remuneration or refund past remuneration (clawback provision).

Internal Control System

Internal Control System

The internal control system is a framework for directors, executive officers, and employees to discipline themselves, aimed for Advantest to fulfill our social responsibilities and achieve growth. Various initiatives support sound corporate management so as to ensure that no one working at Advantest is engaged in injustice or wrongdoing.

Initiatives for Everyone Working in Advantest

- Spreading awareness of The Advantest Way to all employees
- Conducted "Leading with INTEGRITY" workshops for managers worldwide. Promoted support for the exercise of leadership based on the Core Values INTEGRITY.
- Implemented various e-learning programs once a year (education related to The Advantest Way, compliance education, information security education, etc.)

Please refer to "[Initiatives to Promote Ethical Business Practices](#)" for details.

Initiatives for Business Execution

- In accordance with the Regulations of the Board of Directors, the Board of Directors is responsible for management decision-making and supervision.
- Executive officers and employees shall perform their duties in accordance with the global organization and Global Authorization Statement.
- The Executive Management Committee shall be the decision-making body for important business execution matters.
- Help line contact points shall be established in Japan and overseas and thoroughly inform employees of its existence.

Please refer to "[Reporting and Consultation Framework \(Whistleblower Office\) for Human Rights Issues](#)" for details.

Cross-organizational Initiatives

- The Internal Control Committee shall check the status of autonomous risk management in each Unit, the responses to company-wide risks, and shall report to the Board of Directors.
- The Disclosure Committee shall supervise and ensure appropriate disclosure and shall report to the Board of Directors.
- The Risk Management Group shall be responsible for emergency responses during floods and pandemic.
- The Health and Safety Committee shall promote the prevention of occupational accidents and injuries, create of a comfortable working environment, and promote employee health.

- The Global Information Security Committee shall consider and implement measures to protect personal information and prevent leakage of confidential documents, and shall maintain and improve the security of our IT systems.

Please refer to "[Risk Management System](#)" and "[Information Security](#)" for details.

Non-executive Initiatives

- The Audit and Supervisory Committee shall ensure appropriate business operations by understanding important matters and cooperation with the audit (accounting and internal audit) departments.

Please refer to "[Audit and Supervisory Committee](#)" for details.

Initiatives for Group Governance

- Establishes and operates a homogeneous internal control system in each company of the Advantest Group for performance evaluation based on consolidated financial results.
- The Auditing Group shall conduct internal audits of subsidiaries and report the audit results to the President and Chief Executive Officer, the Audit and Supervisory Committee, and the Board of Directors.

Please refer to the Corporate Governance Report "Matters Related to the Internal Control System."

 [Corporate Governance Report \(PDF 838KB\)](#)

Risk Management Structure by the Internal Control Committee

Advantest has established an Internal Control Committee in which the Representative Director acts as the chairperson and outside Directors are observers. This committee identifies and analyzes significant risks for the whole company, and clarifies the responsible department and procedures for responding to each risk. Regarding the Internal Control System, the execution status of implementation of the system to ensure the appropriateness of business is reported directly to the Board of Directors once a year. Furthermore, if a material weakness is found in the internal control system development and operating status and the internal control evaluation process, it is reported to the Board of Directors.

Please refer to "[Risk Management System](#)" for details.

Risk Management

Advantest is building a risk management system around the Internal Control Committee. We continue to practice the plan-do-check-action cycle.

Risk Management System

Approach to risk management

Because more than 90% of Advantest sales depend on overseas markets, we must implement risk management across multiple countries and regions. We believe that the key to quick response is a management system that addresses risks both top-to-bottom and bottom-to-top.

Risk management system and organization

At Advantest, each unit carries out risk management under the risk control policy designated by the Internal Control Committee, and the Internal Control Committee supervises and assesses the statuses of each unit before offering feedback.

Compliance risks are reported to the Chief Compliance Officer (CCO) in a timely manner or a regular basis, and CCO reports risks to the Executive Management Committee and the Board of Directors. Certain types of risk information are reported directly to the Executive Management Committee, Board of Directors, and the Audit and Supervisory Committee.

Emergency response is allocated to the Risk Management Group.

Process of risk management

At Advantest, management supervises risk analysis and risk response implemented at the unit level, and at the same time, regarding corporate-level risks, the Board of Directors or the Executive Management Committee makes timely decisions and gives instructions to relevant departments. Thus, risk management processes at Advantest consist of bottom-up and top-down approaches.

Bottom-up risk management

Based on the management plan formulated by the Board of Directors and the Executive Management Committee, each unit formulate the measures of its own division. The Internal Control Committee defines the factors that may hinder achievement of those measures as risks. Each unit autonomously conducts risk management based on the risk management policy established by the Internal Control Committee and reports to the Internal Control Committee twice a year. The Internal Control Committee supervises and evaluates the management status and provides feedback to each unit. In addition, the secretariat of the Internal Control Committee assists each unit in autonomous risk management.

Top-down risk management

Corporate-level risks are reported to the Executive Management Committee or the Board of Directors in a timely manner, through the director in charge, and the relevant departments take prompt actions according to the instructions from management.

In the case of an emergency, necessary measures are taken in accordance with the directions given by the Risk Management Group.

TCFD-based Climate Change-related Information Disclosure

Initiatives for the TCFD recommendations

Guided by "The Advantest Way," Advantest implements climate change mitigation and adaptation measures from a long-term perspective, aiming to help solve important environmental issues through our business. In April 2020, Advantest announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and is engaged in analyzing and disclosing information on business risks and opportunities attributed to climate change.

Governance

Advantest newly established the Sustainable Management Promotion Working Group (SMWG) in FY2020. With the Group CEO as the general leader, and strategic managers and global leaders (executive officers) assigned to E, S, and G, the SMWG is composed of managers of each Business Unit, Functional Unit, and Regional Unit. The SMWG identifies and evaluates issues related to climate change. Goals and priority measures are summarized in the ESG Action Plan 2021-2023, which promotes specific activities. The implementation status of the ESG Action Plan 2021-2023 is reported to the Executive Management Committee and the Board of Directors twice a year for discussion and assessment. In addition, the SMWG manages company-wide risk by sharing information in a timely and appropriate manner with other committees in the company's corporate governance system.

Strategy

Advantest has conducted scenario analysis to consider strategies for adapting to events predicted to occur in the future due to climate change. We began by referring to the Shared Socioeconomic Pathways (SSP) 1-1.9, 1-2.6, and 5-8.5, greenhouse gas emissions scenarios that cover the range of plausible emissions futures, of the United Nations Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report and NZE (Net Zero Emissions by 2050 scenario) and APS (Announced Pledges Scenario) of the International Energy Agency (IEA). We identified the risks that can occur by 2050, which will have a particularly large financial impact on our business, including upstream and downstream of the value chain, and considered the 1.5-degrees/well below 2-degrees Celsius and the 4-degrees Celsius warming scenarios.

1.5-degrees/well below 2-degrees Celsius warming scenario:

Under the 1.5-degrees/well below 2-degrees Celsius framework, we assume that climate regulations, such as the introduction of carbon pricing, would be strengthened, helping to achieve Net Zero. We also expect that companies' responses to Net Zero policies will have a greater impact on the decisions of customers and investors, and that insufficient response will increase transition risks, such as loss of customers and increased reputational risk.

On another front, in a low-carbon economy, the demand for semiconductors will increase substantially, leading to an anticipated expansion of our business opportunities, as well as greater adoption of renewable energy and products that contribute to Net Zero targets, such as electric vehicles.

Given that climate change is already thought to be affecting weather events and natural disasters even today, where temperatures are 1.1-degrees Celsius higher than in the pre-industrial era, we predict that physical risks could occur even if the temperature increase is limited to less than 1.5-degrees/well below 2-degrees Celsius. However, the physical risks are predicted to be relatively low compared to the 4-degrees Celsius warming scenario.

4-degrees Celsius warming scenario:

We assume that climate change countermeasures would not be strengthened and that no progress will be made toward Net Zero. Therefore, we assume that the transition risk is low.

We also assume that we may be physically affected in an acute or chronic manner by the effects of climate change such as the intensification of extreme weather events and severe, frequent natural disasters, which will have a greater impact on our supply chains, production lines, and logistics. In addition, it is expected that significant funds will be required for adaptation measures to cope with and restore the situation in the event of possible physical effects.

Climate change risks and opportunities

In order to respond to the effects of climate change, climate change risks and opportunities were deliberated under the TCFD categories. These risks and opportunities were assessed according to their "priority" and "impact", and were categorized into time spans of "short-term (now until 2027)", "mid-term (now until 2030)", and "long-term (now until 2050)".

Risks related to climate change

Two scenarios described in the TCFD categories were examined regarding business risks related to climate change.

(1) "Risks related to the transition to a decarbonized society" and "risks related to the physical effects of climate change", which occur mainly in the 1.5-degrees/well below 2-degrees Celsius scenario

(2) "Risks related to the physical effects of climate change", which occur in the 4-degrees Celsius scenario

Assumed risks in the 1.5-degrees/well below 2-degrees Celsius scenario

Category		Major risks	Response/strategy	Time axis
Transition	Policies and regulations	Increased business costs due to laws and regulations (Carbon tax / chemical substances)	<ul style="list-style-type: none"> Reduction of greenhouse gas emissions throughout the supply chain Product development that does not use environmentally harmful substances 	Short-term
	Technology and market	Loss of sales opportunities due to delays in technological development (Energy saving technology, test technology for new semiconductors is yet to be implemented)	<ul style="list-style-type: none"> Further energy-saving performance (low power and compact sizes) alongside improvements in testing performance Development of new testing methods and testing devices Generating human resources for next-generation energy-saving research and development 	Short- to mid-term
	Reputation	Decrease in reputation among stakeholders (due to delays in GHG emissions reduction plans)	<ul style="list-style-type: none"> Promotion of ESG management (achievement of ESG Action Plan 2021-2023 targets) 	Short- to mid-term
Physical effects	Acute/chronic events	Disruption of the supply chain due to large-scale typhoons and torrential rainfall	<ul style="list-style-type: none"> Response based on the business continuity plan 	Short-, mid-, and long-term

Assumed risks in the 4-degrees Celsius scenario

Category		Major risks	Response/strategy	Time axis
Physical effects	Acute/chronic events	Disruption of the supply chain due to large-scale typhoons and torrential rainfall	<ul style="list-style-type: none"> Response based on the business continuity plan 	Short-, mid-, and long-term

Climate change opportunities

While the market is expected to continue to expand based on the semiconductor long-term forecast through 2030, the market for semiconductor test equipment is also expected to grow.

Amidst expectations of further semiconductor market growth, which is expected to be driven not only by climate change, but also by various factors such as economic growth and GDP growth in each country, Advantest has laid out direct business opportunities resulting from climate change as follows.

Semiconductors will contribute to Net Zero, which calls for stringent climate change countermeasures to be imposed. We can assume that the quantity of manufactured semiconductors will continue to grow in the future due to factors such as the expansion in semiconductor demand accompanying the digital transformation. Meanwhile, the quality and quantity of semiconductor testing will increase in hand with the sophistication and technological evolution of semiconductors. It is thought that demand for semiconductor test will increase because such demand will be multiplied by the two factors of enhanced test content per chip and the increase in the physical quantity of semiconductors, and so Advantest recognizes the Net Zero movement to be an opportunity presented by climate change.

Advantest will make investments to achieve the necessary technological advancements, such as in research and development and in developing the next generation of human resources, as part of our efforts to contribute to Net Zero through semiconductor test and product development of new semiconductor technologies.

Climate change-related opportunities

Category	Major opportunities	Response/strategy	Time axis
Products & services/ market	Growth in test demand outpacing market growth for core semiconductors where energy efficiency is important	<ul style="list-style-type: none"> • Further energy-saving performance (low power and compact sizes) alongside improvements in testing performance • Development of new testing methods and testing devices 	Short- to mid-term
Products & services/ market	New test demand introduced by power semiconductors, which are required by the final demands such as EV	<ul style="list-style-type: none"> • Development of new testing methods and testing devices 	Short- to mid-term
Products & services/ market	Sales growth by providing green products	<ul style="list-style-type: none"> • Introduction of energy-efficient products based on the ESG Action Plan 2021-2023 and steady implementation of the energy-saving plan 	Short- to mid-term

Risk management

At Advantest, we consider the factors that may hinder business management to be risks and have established a company-wide risk management system. Management risks posed by climate change are also managed within this system. With the support of the SMWG, we analyze and evaluate urgent and anticipated risks posed by climate change. Using the company-wide risk management system that we have already established, we implement countermeasures to avoid and mitigate those risks to ensure continuity of our business activities in the face of adversity. The SMWG makes timely decisions, and can launch a Task Forces consolidating efforts from related departments to rapidly tackle risks or opportunities, which may be recognized as particularly critical.

Metrics and targets

The metrics and targets for measures taken in respect to risks and opportunities brought about by climate change are managed by the ESG Action Plan 2021-2023. The achievement status of the ESG Action Plan 2021-2023 is reported to the Executive Management Committee and the Board of Directors twice a year for discussion and evaluation. Based on their evaluation, the SMWG will review and update the indicators and goals of the ESG Action Plan 2021-2023.

As our mid-term climate change countermeasure target, Advantest has set a goal to reduce greenhouse gas emissions as covered in Scopes 1 and 2 by 60% by FY2030 compared to FY2018, and to reduce greenhouse gas emissions covered in Scope 3 by 15% by FY2030 compared to FY2018. In addition, our long-term target is to achieve net-zero greenhouse gas emissions in Scopes 1 and 2 by FY2050. These goals have been approved by the Science Based Targets Initiative (SBTi), acknowledging that our greenhouse gas reduction targets are based on scientific evidence. While we are making steady progress in reducing emissions from Scope 1 and 2 through the adoption of renewable energy and other measures, progress on Scope 3 is lagging behind our target as of FY2022 due to a significant increase in sales compared to our expectations at the time the target was set. We will further strengthen our efforts to develop products with lower CO₂ emissions and promote collaboration throughout the value chain, aiming to achieve our emission reduction targets.

Business Continuity Initiatives

This page introduces the measures taken by the Risk Management Group in dealing with disasters and incidents.

Please refer to Supply Chain Management for information on our efforts to address parts procurement risks.

[Supply Chain Management](#)

Systems for Disasters and Other Emergency Situations (Risk Management Group)

In December 2001, Advantest established the Risk Management Group, wherein the president assumes the position of general manager. In the event any of the following crises occurs, the Risk Management Group will centralize collection of information, conduct an initial assessment, direct the initial response, implement planning for recovery, etc., by acting promptly and appropriately until recovery is complete:

1. If damage is caused to buildings or facilities, or if networks and systems stop functioning, thereby 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 our executives or employees are in danger or possibility of danger of death or bodily injury due to a disaster or accident;
3. If there is a scandal or incident that may become a matter of public concern; or,
4. In addition to those described above, if there is any event, which may cause a significant impact on the business of the Advantest Group due to a disaster or accident.



Business Continuity Plan

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

Business Continuity Plan (BCP) – Basic Policy

- We will place top priority on ensuring human safety should a major disaster strike.
- We will minimize the adverse effect to our suppliers and other stakeholders, and fulfill our corporate responsibility.
- We will cooperate with local society in regular disaster prevention activities, and will assist the recovery of local society in case of disaster.

Determining specific measures for BCP

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

Basic Policy	Specific Measures
1. Ensuring human safety	In addition to the regular disaster prevention and safety confirmation drills, we will strengthen crisis management and business continuity systems, making human safety the top priority.
2. Fulfillment of supply responsibilities	In case of an earthquake, we will continue to supply systems from our main manufacturing plant (i.e. the Gunma Factory) . In the case of a flood, we will continue to supply systems from alternative 3rd party manufacturing sites.
	In preparation for cases where workplace attendance is temporarily impractical because of damage to offices or infrastructure, we will establish remote work environment.
3. Contributions to local society	Our Gunma R&D Center has been designated by Meiwa Town as an evacuation shelter in case of flooding, and we contribute to the area by keeping the site ready for flood evacuees.

Measures Implemented in Fiscal 2022

In April 2022, with the support of an external consulting organization, we initiated a project to rebuild the business continuity plan for the entire Advantest group. As the first phase of the project, from April 2022 to October 2022, we developed a Crisis Management Plan, which provides guidelines and responses in the event of a major crisis, and a Business Continuity Plan, which describes the organization and activities necessary for the continuation of our business and for early restoration. As the second phase, from

November 2022 to May 2023, we worked on the formulation of BCPs for each department at major business sites in Japan that stipulate measures for the continuation of operations and early restoration, as well as response plans presupposing the loss of functions (infrastructure) necessary for the operation of these business sites.

Disaster Responses

May 2023	Noto region of Ishikawa Earthquake: All companies in Japan carried out safety confirmation.
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COVID-19 Countermeasures

The Risk Management Group is making efforts to collect information on the pandemic situation both in Japan and overseas in order to inform employees of COVID-19 countermeasures while reporting to management as necessary.

In Japan

In Japan, telecommuting has been recommended since February 2020 as a safety consideration for employees. As a general rule, during the state of emergency periods, employees of offices in applicable regions and residents of applicable regions were required to telecommute. In addition, business trips and visitors were prohibited as a general rule. Furthermore, we conducted e-learning activities to educate employees about COVID-19, and we had employees with symptoms (e.g., fevers) report their conditions to the Risk Management Group through their superiors, enabling us to respond promptly in the event of COVID-19 infection.

Countermeasures implemented in offices have included installation of thermal cameras at regular entrances and service entrances, taking of body temperatures, and confirming wearing of masks upon arrival at work. Employees with fevers are required to stay home, and masks are provided for employees who need them. Hand-sanitizing stations have been installed at company entrances, and some office areas where employees are in close proximity have installed acrylic plates. Antiviral coating has been applied to common spaces (e.g., meeting rooms) to reduce the risk of infection through contact. Offices with cafeterias have changed their hours to disperse crowds and have reduced the number of chairs available to ensure social distancing.

In the event that an individual is confirmed to have COVID-19, temporary office closures and disinfection of areas used by the infected individual are implemented in accordance with the infected individual's commuting status.

From the beginning of 2023, when human traffic was gradually easing, COVID-19 antigen test kits were distributed in the event of face-to-face meetings with more than a certain number of people, as measures to prevent the spread of infection.

The utmost care is being taken so that nothing interferes with production at the Gunma Factory, which is the main production factory for semiconductor test equipments. As a countermeasure in the event that someone becomes infected, workers are provided with smartphones that have the contact-tracing app released by the Ministry of Health, Labor, and Welfare installed to enable them to confirm whether they have had any contact. We have also recommended installation of this contact-tracing app on employees' personal smartphones and requested employees' cooperation in confirming any contact with infected individuals.

Overseas

Our overseas Group subsidiaries follow government ordinances for commuting in their respective countries.

Each business base has been providing education on COVID-19 through informational posters in addition to providing masks and hand sanitizer; reviewing the scope of cleaning; ensuring regular disinfection, ventilation, and social distancing; and enhancing IT infrastructure to boost telecommuting work efficiency. Furthermore, business trip schedules are prepared in consideration of quarantine periods so as to ensure appropriate response to customer requests.

When a COVID-19 infection is confirmed at an overseas Group subsidiary, countermeasures similar to those taken in Japan are implemented to prevent the spread of infection, and the risk management leader of the subsidiary makes use of the notification/information sharing systems to inform the Risk Management Group at the Head Office.

Compliance

We take measures to ensure that all Advantest employees fulfill their duty to society through the maintenance of high ethical standards, thereby helping to ensure that Advantest continues to enjoy the trust of stakeholders.

Initiatives to Promote Ethical Business Practices

Our Stance and Basic Policy on Compliance

Companies aiming for sustainable growth need employees who fulfill their social responsibilities and who possess a strong sense of ethics. They also need to earn the trust of stakeholders. Based on this belief, Advantest has established The Advantest Way as a basic principle for our management and business execution, which lays out our corporate mission, vision, core values, corporate mantra, ESG for sustainability, and specific ethical standards, in order to enhance our ethical awareness.

[The Advantest Way](#)

Compliance Promotion System

Advantest gives guidance and advice to all Group employees to ensure that they fully understand and comply with The Advantest Way and has established a global management structure.

The Chief Compliance Officer (CCO), who is the officer in charge of compliance, is responsible for collecting compliance-related information such as legal compliance, human rights protection, information security, and Corporate Ethics Helpline for the entire Group, and corrective actions are taken under the supervision of the CCO. Aggregated information is also reported to the Board of Directors through the CCO. Information gathered is also reported to the Executive Management Committee and the Board of Directors by the CCO.

In addition, the Compliance Committee, which assists the CCO, plays a central role in strengthening the compliance system of the entire Group.

Moreover, in order to fulfill our responsibilities as a member of international society, regular compliance auditing is conducted by the global audit team to confirm whether business is being conducted appropriately under each country's laws and regulations.

Compliance Education

When globally deploying its business, Advantest believes that it is important to ensure thorough legal compliance worldwide and to pay attention to compliance across the Group, after obtaining a good understanding of the different laws and regulations in each country.

In fiscal 2023, we systematized basic compliance education common to the entire Advantest Group and began its implementation as the Global Compliance Education Program. Educational programs on "The Advantest Way," "ESG," "Fair disclosure/Anti-insider trading," "Anti-corruption and Anti-bribery," "Export control," "Intellectual property," "Information security," "Personal information," "Prevention of anti-competitive action," and "Prevention of embezzlement and breach of trust" are implemented once a year on a global basis. To ensure that all employees of the multinational Group can accurately understand the content, the training is translated into up to 16 languages.

Moreover, training is implemented in each country based on the relevant country's ordinances.

Advantest has signed a Memorandum of Understanding with waste management companies in its efforts toward the exclusion of anti-social forces

The Tokyo metropolitan government and other regional governments have issued organized crime exclusion ordinances, and each company is obligated to make efforts to stipulate in writing that it will terminate contracts if the business partner is found to be an anti-social force.

Furthermore, as a request for a comprehensive overhaul of corporate behavior and as a method to exclude anti-social forces, the Japanese Business Federation (Keidanren) recommends concluding the above memorandum.

To comply with the organized crime exclusion ordinances and the recommendations of Keidanren, the Advantest Group signs a Memorandum of Understanding that stipulates it will terminate contracts if the business partner is found to be an anti-social force with all partner waste management companies.

Prevention of Bribery and Compliance with the Anti-Monopoly Act

The basic philosophy of the Advantest Group, which is embodied in The Advantest Way, attaches great importance to the awareness of one's responsibilities to society, and to the maintenance of integrity in one's conduct. Advantest implements a variety of measures to prevent the occurrence of bribery or other corrupt practices, and to prevent anti-competitive behavior.

[The Advantest Way](#)

Prevention of Bribery and Other Corrupt Practices

As a supplement to The Advantest Way, Advantest has also formulated an Anti-corruption and Anti-bribery Policy, which clarifies, in detail, Advantest's rules in relation to the prevention of bribery and other forms of corruption throughout the world.

All Group employees participate in annual "anti-corruption and anti-bribery training" (e-learning) to enable all employees to fully comprehend this policy and to behave in a manner that does not violate any laws or regulations of the country they are in.

In fiscal 2022, Advantest was not the subject of any legal action relating to bribery or other corrupt practices.

 [Anti-corruption and Anti-bribery Policy \(PDF 319KB\)](#)

Compliance with the Anti-Monopoly Act

Advantest educates its employees about all aspects of anti-competitive behavior prevention as part of its Code of Conduct training, which places particular emphasis on the need to comply with the Anti-Monopoly Act. Education on the Act is provided to personnel in all relevant departments, including procurement divisions, along with management and new recruits. Going forward, Advantest intends to continue providing education and training aimed at ensuring fair business practices. In addition, Advantest's Internal Auditing Department samples purchasing transactions to verify that there are no violations of any kind.

Advantest was not subject to any legal action for anti-competitive behavior in fiscal year 2022.

Community Engagement

Advantest engages in business activities as a member of the community and society, and our stakeholders include various organizations, governments, and local government as well. Our goals are the sustainable growth of Advantest, participating in businesses that will resolve social issues, and contributing toward the attainment of a sustainable society through collaborations with these organizations, institutions, and local communities.

Economic and Industry Organizations

Through our participation in various organizations and associations related to the business and trade, semiconductor and electronics industries, Advantest collects information on elements such as next-generation technology standards and enforcement of further social regulations which will lead to future business opportunities and risks, in our efforts to enhance the sustainability of our company. We also make efforts in expanding our contributions toward a sustainable society by deepening our understanding of various social issues through participation in various organizations.

Of the organizations Advantest participates in, such as the Keidanren (Japan Business Federation), SEMI, and Semiconductor Equipment Association of Japan, some may make proposals regarding political and social issues. Participation in organizations does not necessarily imply that we fully endorse that organization's perspective concerning various policies.

Political Contributions and Sponsorships

There are cases in which Advantest makes donations, etc. to various organizations. When doing so, screening and decisions are made in accordance with our internal regulations with regard to purpose and public interest, including whether the initiative contributes to social development and the degree of contribution made toward social missions. These donations, etc. are properly implemented under the relevant laws and regulations of each country.

Export Control

In order to keep products and technologies out of the hands of nations and terrorists that threaten the safety of the international community, the Advantest Group pays the utmost caution to laws and regulations regarding security export control, along with self-management. In the unlikely event of an illegal export, legal sanctions such as temporary export bans will be imposed, which will call into question the social responsibility of the company that made the illegal export and lead to severe damage. Advantest has a basic policy of global compliance with laws and regulations, and has established in-house regulations that require export control to be implemented based on each country's laws and regulations.



In international society, which is changing rapidly, security issues such as terrorist attacks and the development of weapons of mass destruction are becoming more serious by the day. As many Japanese products incorporate advanced technologies, it is necessary to implement measures that prevent leakage to countries and organizations that are subject to international sanctions. The Advantest Group carries out appropriate business practices by having export control officers collect information based on updated laws and orders, etc., based on laws, preventing mishandling by applying them to the entire company system, and incorporating this information into on-site education and training programs.

An export control system in compliance with laws and regulations

At Advantest, the Representative Director (Group CEO) serves as the chief executive for export control, in accordance with the Foreign Exchange Law and other relevant laws and regulations. The control system has been constructed and is operated under the leadership of top management since a failure to implement security export control may create a situation that endangers the company's survival.



The Export Control Division of the Head Office regularly audits whether export procedures are being conducted properly in accordance with the basic policy/rules and regulations on export control, and the results are reported to the Chief Export Control Officer and the Export Control Manager.

Export control in the case of US-China trade friction

The working group in the figure considers and takes measures against the trade friction between China and the US. Although this is an issue in terms of international law, US export control regulations are applied extraterritorially to Japan. For this reason, working groups with the participation of related domestic and overseas parties have been established to regularly share information and to ensure that there are no violations of laws or regulations that the US would regard to be problematic.

The specific operations of the working group are as follows:

- For transactions with specific customers
 - Checking the percentage of U.S.-origin items and direct product regulations to determine whether the product is subject to the regulations while considering the strengthening of regulations under the U.S. Export Administration Regulations (EAR).
- For concerns about the objectives of our products
 - In addition to the confirmation of conventional use, obtaining a written assurance that the product does not fall under any further restricted use.

Export control education

As the vast majority of Advantest employees operate globally, we provide e-learning that outlines export control along with annual training on export control concepts and necessary procedures. All employees in Japan and overseas participate. The content of these initiatives include "the business environment," "export control for security," "targets of export control," "Advantest's export control policy," "points of caution upon export," "export of technology (provision of services)," and "EAR." We will continue to develop and implement more practical content, such as rules reinforcement and addressing important topics.

Risk management related to international affairs

Amid today's rapidly changing business environment, whilst the US diplomacy towards China and the Russian-Ukrainian crisis, it is only natural that risks are also becoming more complex and diversified. Advantest has become a supporting member of the Center for Information on Security Trade Controls for the purpose of obtaining information on changes in the international situation and amendments to laws and regulations and reflecting our own requests during direct dialogues with regulatory authorities or when expressing opinions or making recommendations from the industry. In addition, we have a system in place to consult with outside experts such as lawyers, as necessary, when there is an introduction or amendment of laws and regulations that may have an adverse effect on our business.

Tax Compliance

Basic policy on tax

We fulfill its corporate social responsibility by appropriately paying taxes based on compliance with national and regional laws, and tax guidelines published by international organizations such as the OECD and the BEPS (Base Erosion and Profit Shifting) Action Plan. We do not engage in contrived arrangements for the purposes of avoiding tax.

Secure transparency

We shall have appropriate disclosures like Annual Financial Report in accordance with the Financial laws and regulations. With respect to taxes, we disclose tax information based on laws and regulations in disclosed reports.

Build relationship of trust with tax authorities

We strive to reduce tax risks by building a strong trustworthy relationship with national tax authorities by responding appropriately and cooperatively to their requests for information disclosure.

Appropriate management of the transfer pricing taxation

We recognize the importance of the transfer pricing taxation and executes inter-company transactions based on arm's length principle. We will also pay taxes in proportion to the contribution of the added value created in each country / region.

Tax Havens

We do not engage in deliberate tax avoidance through the use of tax havens (i.e., countries or jurisdictions with no or significantly lower tax rates).

Information Security

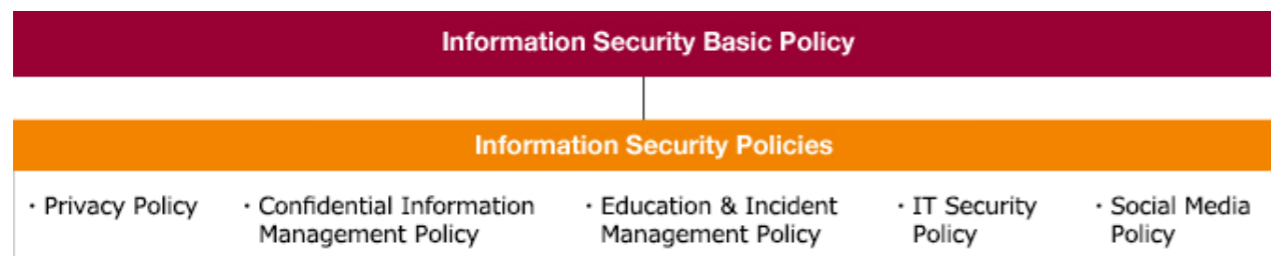
Advantest considers information security management to be an important management issue, and is implementing measures to ensure information security.

Our Commitment to Information Security

The Advantest Group recognizes information received from customers and clients, in addition to our company's technology and sales information, to be valuable information resources. We are committed to proper management of information through the security measures of the Global Information Security Committee, which include establishing regulations, constructing control systems, and providing employee education.

Policies and Rules Related to Information Security

Advantest has established an Information Security Basic Policy. Rules are specified in five policies: our Privacy Policy, Confidential Information Management Policy, Education & Incident Management Policy, IT Security Policy, and Social Media Policy. Each policy will be reviewed by the responsible department, as necessary.

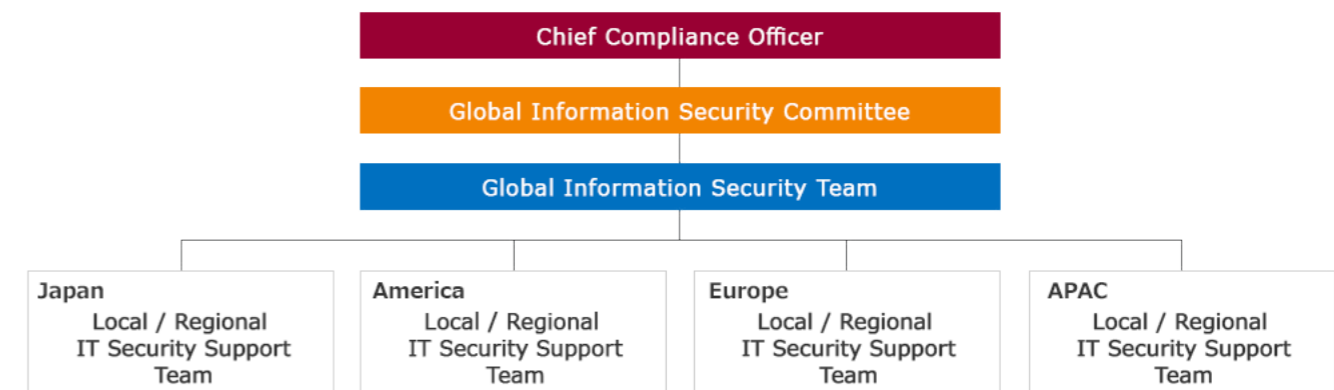


Organization of the Information Security Management System

Advantest recognizes information security management to be a critical business management issue, and has instated the Chief Compliance Officer (CCO) as the Information Security Officer within a global system.

Under the CCO are the Global Information Security Committee and Global Information Security Team, with local/regional IT security support teams in each country/region.

The Global Information Security Committee deliberates on information security measures to be applied to the entire Group from various angles, and examines the establishment/revision/abolition of policies and rules, which are then deployed to each country/region. Individual security requirements from each country/region are also examined by the Global Information Security Committee and unified responses are taken.



System for Responding to Information Security Incidents

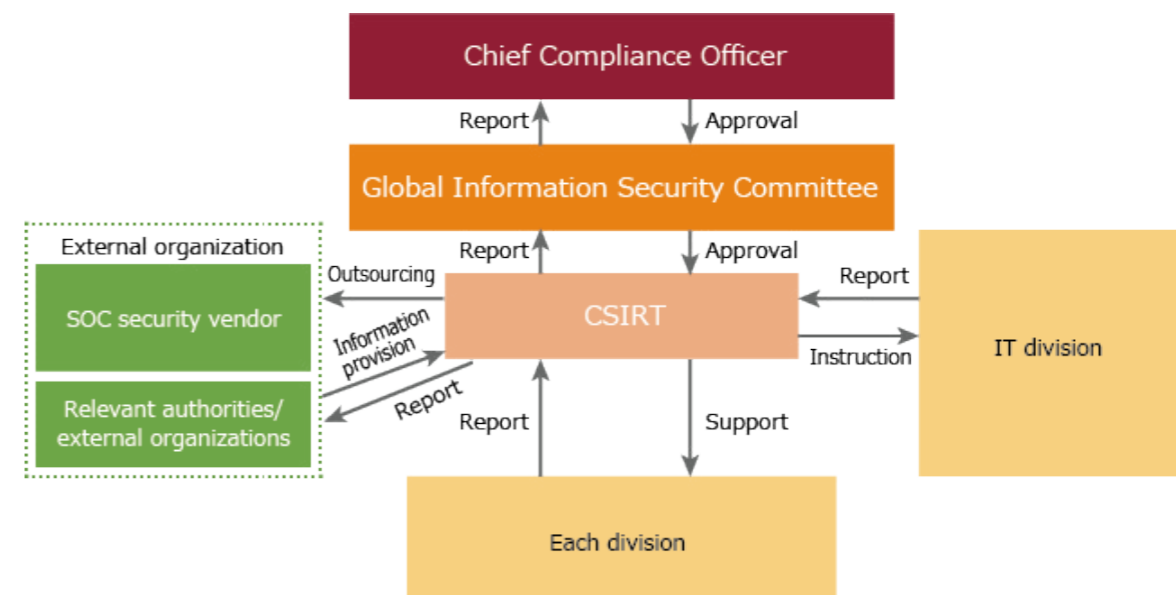
In FY2020, Advantest formed the Advantest CSIRT¹ to reinforce initial response systems for information security incidents. Furthermore, a SOC² security monitoring system that operates 24 hours a day, 365 days a year has also been incorporated to facilitate early detection and swift response to global cyberattacks.

Cooperation between related parties in case of damage by a cyberattack is regularly checked. We also determine whether responses to information security incidents are properly functioning by conducting cyberattack training.

If employee discovers a security incident, the employee will report to manager immediately. Upon receipt of the report, the manager will contact the IT team of their company or regional headquarters. If the employee cannot reach his/her manager, the employee will contact the nearest IT team.

*1 CSIRT (Computer Security Incident Response Team)

*2 SOC (Security Operation Center)



Efforts to protect information

Information Security Training

Based on our belief that people are the last line of defense in information security, our Group is working to ensure that our information security policies and relevant regulations are thoroughly understood. Information security training, in which all employees participate, is based on the policies of "Personal Information Protection", "Confidential Information Management", "Training and Incident Response" and "IT Security" along with training that includes simulations of actual cyberattacks. From FY2021, we changed the information security training platform to provide an environment where employees can take lessons in an easier manner and deepen their understanding.

Furthermore, information on information security is published on the company website to provide information to employees in a timely manner.

Training/Awareness Raising as Part of the Information Security Training

- Information Security Training through e-learning for all employees: 1
- Targeted email threat training: 1
- Broadcast of information to raise awareness: 7

Initiatives for Strengthening Information Security

- The Advantest Group has established a system in which our audit division conducts information security audits. This enables more objective checks to be carried out based on specified rules and provides a way for the divisions that have been audited to give feedback.
- Since FY2019, we have been making efforts to further reinforce security by configuring multi-factor authentication in order to prevent identity theft.
- Security risk assessments and vulnerability tests conducted by external organizations are carried out to objectively evaluate our information security measures, and the results enable us to narrow down the points that need improvement in order to raise our level of security.
- As security measures, enhanced filtering functions and adding warnings on emails sent from outside the company have been added.
- Acquired ISO27001 certification to ensure continuous implementation of PDCA to reinforce our level of security. Efforts are underway to achieve certification among the entire Advantest group, including our overseas bases.

Acquisition status of ISO27001 certification

Japan	August 20, 2021	Semiconductor test system related departments (R&D, manufacturing, sales, maintenance)
Germany	July 29, 2022	Semiconductor test system related departments (R&D, sales, maintenance)

Confidential Information Protection

Our Information Security Basic Policy defines confidential information as information that has been disclosed by clients under contract along with information that is important to the company. Moreover, the policy stipulates that such information must 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 the use of adequate controls governing its storage, disclosure and handling. In fiscal 2022, there were no incidents involving the unauthorized disclosure of important confidential information, etc.

Personal Information Protection

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

Our commitment to safeguarding personal information entails posting personal information managers in divisions that handle such duties, and ensuring that those managers carry out their duties properly with regard to overseeing such information. Furthermore, we perform regular audits of personal information management and usage practices in each division, 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.

There were no major cases of personal information leaks in FY2022.

[Privacy Policy](#)

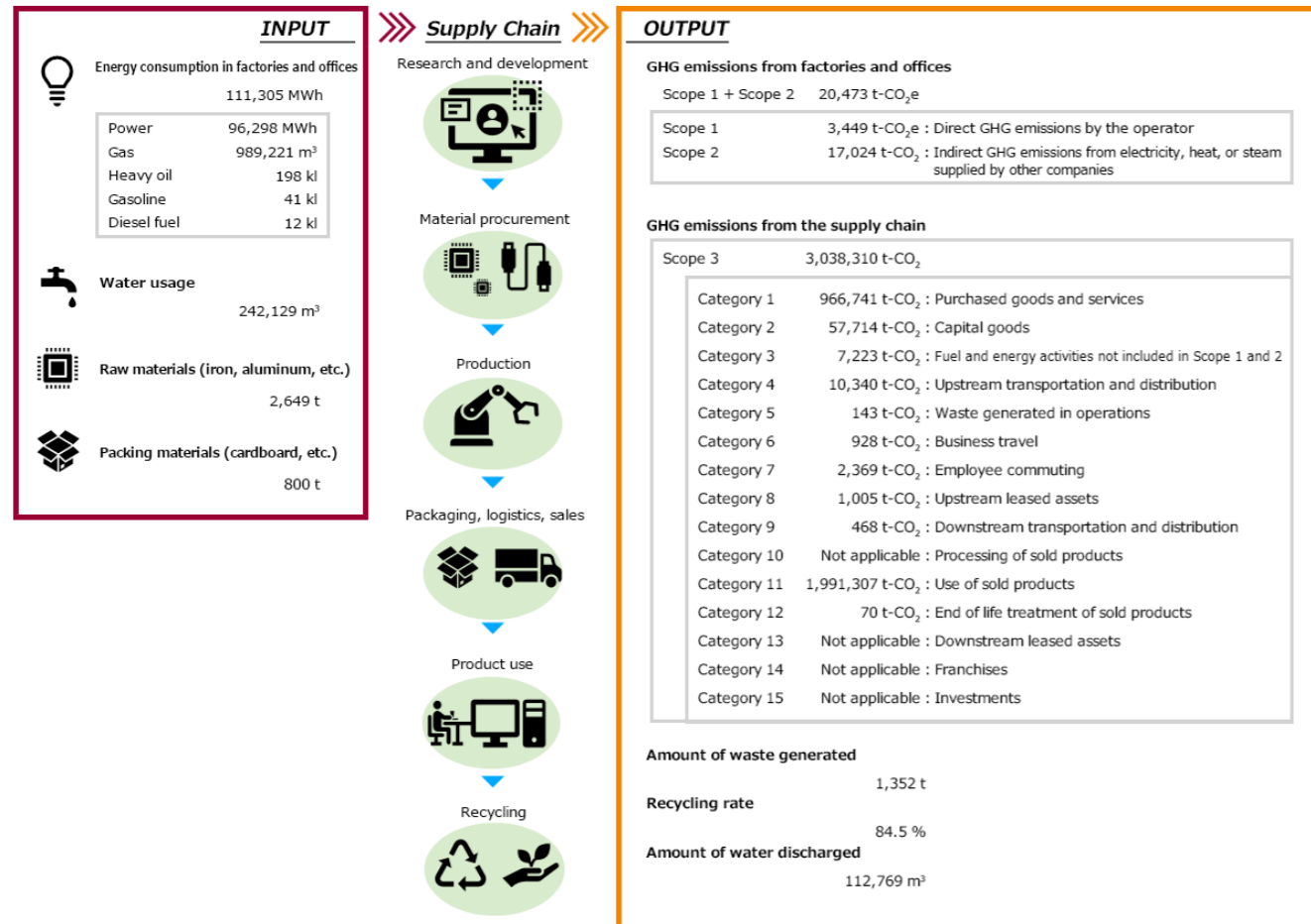
ESG Data

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Material Flow

This shows Advantest's material flow.

Material Flow (FY2022)



Data Collection

We are collecting data on sustainability and provide them in Excel format.

Environmental Data

Energy

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Energy Consumption and Power Generation	Energy consumption	Japan	MWh	45,338	42,903	44,609	43,537	42,673
		Overseas	MWh	55,159	61,141	63,507	68,206	68,632
		Total	MWh	100,497	104,044	108,116	111,744	111,305
	Electricity consumption	Japan	MWh	37,361	37,334	40,038	40,321	39,716
		Overseas	MWh	39,932	44,726	50,620	54,648	56,582
		Total	MWh	77,294	82,059	90,658	94,969	96,298
	Gas consumption	Japan	m ³	316,752	131,864	21,773	21,440	20,468
		Overseas	m ³	1,224,000	1,322,043	1,044,524	1,078,604	968,752
		Total	m ³	1,540,751	1,453,906	1,066,296	1,100,043	989,221
	Heavy oil consumption	Japan	kl	277	263	312	190	166
		Overseas	kl	40	41	24	48	32
		Total	kl	317	304	337	238	198
	Gasoline consumption	Japan	kl	46	53	43	42	41
		Overseas	kl	0	0	0	0	0
		Total	kl	46	53	43	42	41
	Diesel fuel consumption	Japan	kl	13	12	9	8	12
		Overseas	kl	0	0	0	0	0
		Total	kl	13	12	9	8	12
	Renewable power purchased	Japan	MWh	0	0	8,327	16,859	16,136
		Overseas	MWh	0	0	0	0	20,567
		Total	MWh	0	0	8,327	16,859	36,703
Amount of Tradable Green Certificate purchases	Japan	MWh	0	0	0	0	2,741	
	Overseas	MWh	9,200	23,072	31,629	33,994	21,198	
	Total	MWh	9,200	23,072	31,629	33,994	23,939	

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
	Total quantity of renewable power	Japan	MWh	0	0	8,327	16,859	18,877
		Overseas	MWh	9,200	23,072	31,629	33,994	41,765
		Total	MWh	9,200	23,072	39,956	50,853	60,642
	Renewable Power Percentage	Japan	%	0.0	0.0	20.8	41.8	47.5
		Overseas	%	23.0	51.6	62.5	62.2	73.8
		Total	%	11.9	28.1	44.1	53.5	63.0
	Power generation of solar power generation systems (Electricity sold)	Japan	MWh	0	0	0	0	0
		Overseas	MWh	525	0	0	0	0
		Total	MWh	525	0	0	0	0

* Values for the total quantity of renewable power are a tally of renewable power purchased and amount of tradable green certificate purchases.

GHG Emissions

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
GHG Emissions	Scope1 + Scope2 (* Scope 2 refers to the market based)	Japan	1,000t-CO ₂ e	19.68	19.14	16.25	11.83	11.04
		Overseas	1,000t-CO ₂ e	18.45	14.71	11.93	13.21	9.43
		Total	1,000t-CO ₂ e	38.13	33.85	28.18	25.04	20.47
	Scope1 ¹⁾	Japan	1,000t-CO ₂ e	1.86	1.44	1.43	1.23	1.21
		Overseas	1,000t-CO ₂ e	2.83	3.04	2.39	2.53	2.24
		Total	1,000t-CO ₂ e	4.68	4.48	3.81	3.75	3.45
	Scope2 (Location-Based)	Japan	1,000t-CO ₂	18.68	18.22	18.82	17.46	17.24
		Overseas	1,000t-CO ₂	19.61	21.33	18.91	20.40	20.49
		Total	1,000t-CO ₂	38.29	39.54	37.73	37.86	37.73
	Scope2 (Market-Based)	Japan	1,000t-CO ₂	17.82	17.70	14.83	10.60	9.83
		Overseas	1,000t-CO ₂	15.62	11.67	9.54	10.69	7.20
		Total	1,000t-CO ₂	33.45	29.37	24.37	21.29	17.02
	Scope3	Category1	1,000t-CO ₂	489.53	400.46	482.02	671.61	966.74
		Category2	1,000t-CO ₂	15.19	22.73	31.55	41.53	57.71
		Category3	1,000t-CO ₂	3.58	3.71	6.94	7.21	7.22
		Category4	1,000t-CO ₂	6.20	5.27	6.88	9.36	10.34
		Category5	1,000t-CO ₂	0.18	0.15	0.16	0.14	0.14
		Category6	1,000t-CO ₂	0.64	0.72	0.75	0.84	0.93
		Category7	1,000t-CO ₂	1.84	2.04	1.81	2.11	2.37

Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	
	Category8	1,000t-CO ₂	0.40	0.39	0.26	0.35	1.00	
	Category9	1,000t-CO ₂	0.55	0.33	1.01	0.36	0.47	
	Category10	1,000t-CO ₂	N/A					
	Category11	1,000t-CO ₂	1,175.02	855.01	1,151.98	1,319.35	1,991.31	
	Category12	1,000t-CO ₂	0.04	0.04	0.05	0.06	0.07	
	Category13	1,000t-CO ₂	N/A					
	Category14	1,000t-CO ₂	N/A					
	Category15	1,000t-CO ₂	N/A					
	Total	1,000t-CO ₂	1,693.16	1,290.84	1,683.41	2,052.92	3,038.31	
Total Emissions ²		1,000t-CO ₂	1,731.30	1,324.69	1,711.59	2,077.96	3,058.78	

* 1 : From FY2018 onward, GHG emissions (PFCs and SF6), excluding those from energy sources, are included in the calculations.

* 2 : Total emissions, including Scope 3, have been calculated from FY2018 onward. The quantity of total emissions is calculated with Scope 2 as the market-based method.

* Referenced guidelines, electricity and fuel CO₂ emissions factors, and heat conversion coefficient

- Ministry of the Environment, "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain"
- Ministry of the Environment, List of calculation methods and emission factors for calculating, reporting, and disclosure systems of Greenhouse Gas Emissions.
- CO₂ emission factors for overseas power consumption: Based on the emission factors announced by each electric company and government authorities of each country as well as those by country announced in IEA Emissions Factors 2022, which was issued by the International Energy Agency (IEA).

* Scope of calculations (Scope) of GHG emissions

- Scope 1: Direct GHG emissions by businesses themselves (fuel combustion, industrial processes)
- Scope 2: Indirect emissions due to use of electricity or heat/steam supplied by other companies
- Scope 3: Other indirect emissions, excluding those of Scopes 1 and 2 (emissions of other companies related to business activities)

Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
GHG emissions, excluding those from energy source	PFCs	t-CO ₂ e	9.04	5.94	9.54	12.31	11.61
	SF ₆	t-CO ₂ e	146.49	170.72	304.27	440.33	490.20
	Total	t-CO ₂ e	155.53	176.65	313.80	452.64	501.81

Water, Waste

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Water	Water use	Japan	m ³	178,897	174,146	166,075	155,707	151,614
		Drinking water	m ³	59,601	58,073	58,722	55,646	55,522
		Ultra pure water (including in the total amount of drinking water)	m ³	1,639	1,754	1,540	1,264	732
		Industrial water	m ³	119,296	116,073	107,353	100,061	96,092
		Groundwater	m ³	0	0	0	0	0
		Overseas	m ³	101,429	86,692	84,196	80,698	90,515
		Total	m ³	280,325	260,838	250,271	236,405	242,129
	Drainage amount	Japan	m ³	59,927	62,001	58,389	49,950	55,974
		Drainage to sewage	m ³	17,611	16,894	17,258	16,384	18,113
		Drainage to public waters	m ³	42,316	45,107	41,131	33,566	37,862
		Overseas	m ³	101,429	86,692	84,196	80,698	56,795
		Total	m ³	161,355	148,693	142,585	130,648	112,769

* Overseas drainage amount has been calculated with the same values as the water use (except Korea).

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Waste	Amount of waste generated	Japan	t	1,088	1,011	1,005	960	1,039
		Overseas	t	231	230	277	287	313
		Total	t	1,319	1,241	1,282	1,246	1,352
	Amount of hazardous waste generated	Japan	t	10	12	11	6	7
		Overseas	t	0	0	18	2	11
		Total	t	10	12	29	8	18
	Amount of waste recycled	Japan	t	694	618	634	616	911
		Overseas	t	136	155	200	222	232
		Total	t	830	773	834	837	1,142
	Recycling rate	Japan	%	63.8	61.1	63.1	64.1	87.7
		Overseas	%	58.8	67.6	72.1	77.3	73.9
		Total	%	62.9	62.3	65.1	67.2	84.5

* Weight of waste generated and recycled in Japan, including valuables are aggregated and disclosed. Therefore, the domestic recycling rate is calculated by the following formula.

Domestic recycling rate = (amount of waste recycled + amount of valuables) ÷ (amount of waste + amount of valuables)

* As for one overseas office, it was excluded from the scope of waste generation and recycling from FY2021 due to the difficulty of aggregation, and the data has been recalculated retroactively.

Atmospheric emissions and chemicals

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Number of cases that exceeded air and water quality standard values	Emissions to the atmosphere	Japan	Cases	0	0	0	0	0
	Emissions to bodies of water	Japan	Cases	0	0	0	0	0

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Amount of air and water pollutants emitted	Emissions to the atmosphere Nox	Japan	kg	701	322	392	89	79
	Emissions to the atmosphere Sox	Japan	kg	450	224	302	37	32
	Emissions to the atmosphere Soot and smoke	Japan	kg	8	10	26	5	3
	Emissions to bodies of water (BOD)	Japan	kg	201	264	176	183	176
	Emissions to bodies of water (COD)	Japan	kg	173	220	215	145	160

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
PRTR data	PRTR substances released	Japan	t	0.46	0.19	0.08	0.21	0.05
	PRTR substances transferred	Japan	t	0.35	0.22	0.20	0.40	0.24

* Calculations include applicable substances whose annual use is less than the reported amount under the PRTR Law.

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
VOC data	Amount of VOCs used	Japan	t	2.75	2.75	2.58	2.39	1.61

* The 20 substances (isopropyl alcohol, toluene, acetone, butyl acetate, methanol, xylene, methyl ethyl ketone, dichloromethane, styrene, ethanol, and others), that account for 95% of the total emissions covered in the status report submitted by the four electrical and electronic industry groups* as part of their "Voluntary measures to reduce VOC emissions" requested by the Ministry of Economy, Trade and Industry, are aggregated.
Four electrical and electronic industry groups (JEMA, CIAJ, JEITA, and JBMIA)

Environmental Communication

	Item	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Environmental complaints	Complaints from stakeholders	Advantest Group	Cases	0	0	0	0	0
	Major violations of environmental laws and regulations		Cases	0	0	0	0	

Environmental Education

Item	Boundary	Target (Persons)	Participants (Persons)	Participation ratio (%)
Participation in general environmental education	Japan	2,767	2,567	92.8
	Overseas	3,556	2,761	77.6
	Total	6,323	5,328	84.3

Environmental accounting

Japan

Targets: Seven bases in Japan (including consolidated subsidiaries), data collection period: April 2022 to March 2023

Environmental conservation costs

Unit: Mil. Yen

Cost classification	Main initiatives	Environmental capital investment	Cost
		FY2022	FY2022
1) Cost within the business area			
(1) Pollution control costs	Installation/repair of pollution prevention facilities, environmental measurement, and maintenance/inspection	0	59
(2) Global environmental conservation costs	Installation of energy-saving equipment/facilities	44	359
(3) Resource recycling costs	Waste processing/recycling and construction of water supply facilities	7	46
2) Upstream/downstream costs			
3) Costs of management activities	Green procurement/purchasing and introduction/development of recycled packaging materials	0	4
4) R&D costs	Operation of environmental management systems, biotopes, and disclosure of environmental information	0	184
5) Social activity costs	R&D of environmentally friendly products and manufacturing technologies	0	60,103
6) Environmental damage costs	Greening activities in surrounding areas	0	6
	Fines/lawsuits related to environmental remediation and conservation	0	0
Total		51	60,760

Environmental conservation effects

Unit: Mil. Yen

Effect classification	Main initiatives	Economic benefits
		FY2022
1) Economic impact		
(1) Reduction of energy usage fees	Reduction of energy usage fees by incorporating energy-saving equipment/facilities and energy-saving initiatives	1.20
(2) Gain from recycling sales	Gain from the sale of valuables (metal scrap, etc.)	30.41
(3) Decrease in treatment costs due to waste reduction	Decrease in waste liquid treatment costs due to wastewater processing facilities, etc.	1.08
Total		32.68

Effect classification	Main initiatives	Amount reduced/effectively used
		FY2022
2) Quantitative effects		
(1) Reduction of electricity consumption	Reduced electricity consumption due to the installation of energy-saving equipment/facilities and operational adjustments	Facilities : 79(MWh)
(2) Reduction of energy consumption	Reduced energy consumption due to the installation of energy-saving equipment/facilities and operational adjustments	Facilities : 284(GJ)
(3) Reduction of CO ₂ emissions	Reduced CO ₂ emissions due to the installation of energy-saving equipment/facilities and operational adjustments	Facilities : 32.29(t-CO ₂)
(4) Effective utilization of resources	Amount of recycled metal scrap, office paper, and waste plastics, etc.	911(t)
(5) Effective waste utilization ratio	Ratio of recycling versus total emissions of waste produced at business sites	88(%)

Overseas

Target: Nine overseas consolidated subsidiaries, data collection period: April 2022 to March 2023

Environmental conservation costs

Unit: Mil. Yen

Cost classification	Main initiatives	Cost
		FY2022
Global environmental conservation costs	Installation of energy-saving equipment/facilities and improvement of facilities, etc.	157.68
Resource recycling costs	Waste processing costs, etc.	14.45
Costs of management activities	Operation of environmental management systems, fees for environment-related seminars, etc.	5.56
Social activity costs	Greening activities in surrounding areas, donations to social organizations, etc.	73.02
Total		250.71

Environmental conservation effects

Unit: Mil. Yen

Effect classification	Main initiatives	Economic benefits
		FY2022
1) Economic impact		
(1) Reduction of electricity usage fees	Reduction of electricity usage fees by incorporating energy-saving equipment/facilities	14.72
(2) Gain from recycling sales	Gain from the sale of valuables	0.73
Total		15.45

Effect classification	Main initiatives	Amount reduced/ effectively used
		FY2022
2) Quantitative effects		
(1) Reduction of electricity usage fees	Reduction of electricity usage fees by incorporating energy-saving equipment/facilities	982(MWh)
(2) Reduction of CO ₂ emissions	Reduced CO ₂ emissions due to the installation of energy-saving equipment/facilities	323(t-CO ₂)

Social Data

Human Resources

	Boundary	Item	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Employee by region	Japan	Male	Person	2,152	2,146	2,213	2,220	2,256
		Female	Person	416	466	490	504	527
		Total	Person	2,568	2,612	2,703	2,724	2,783
		Ratio of Female	%	16.2	17.8	18.1	18.5	18.9
		Ratio by region	%	52.0	47.5	47.0	42.1	39.1
	Asia	Male	Person	771	836	905	959	1,088
		Female	Person	236	273	290	321	372
		Total	Person	1,007	1,109	1,195	1,280	1,460
		Ratio of Female	%	23.4	24.6	24.3	25.1	25.5
		Ratio by region	%	20.4	20.2	20.8	19.8	20.5
	Europe	Male	Person	613	676	720	763	903
		Female	Person	128	143	153	157	202
		Total	Person	741	819	873	920	1,105
		Ratio of Female	%	17.3	17.5	17.5	17.1	18.3
		Ratio by region	%	15.0	14.9	15.2	14.2	15.5
	North America	Male	Person	512	764	756	1,178	1,363
		Female	Person	108	199	229	362	406
		Total	Person	620	963	985	1,540	1,769
		Ratio of Female	%	17.4	20.7	23.2	23.5	23.0
		Ratio by region	%	12.6	17.5	17.1	23.8	24.9
Overseas Total	Male	Person	1,896	2,276	2,381	2,900	3,354	
	Female	Person	472	615	672	840	980	
	Total	Person	2,368	2,891	3,053	3,740	4,334	
	Ratio of Female	%	19.9	21.3	22.0	22.5	22.6	
	Ratio by region	%	48.0	52.5	53.0	57.9	60.9	
Total	Male	Person	4,048	4,422	4,594	5,120	5,610	
	Female	Person	888	1,081	1,162	1,344	1,507	
	Total	Person	4,936	5,503	5,756	6,464	7,117	
	Ratio of Female	%	18.0	19.6	20.2	20.8	21.2	

* Boundary: Advantest Group

	Scope	Item	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees by employment type	Regular Employees	Male	Person	3,827	4,108	4,242	4,739	5,194
		Female	Person	803	940	1,019	1,202	1,350
		Total	Person	4,630	5,048	5,261	5,941	6,544
	Non-regular Employees	Male	Person	221	314	352	381	416
		Female	Person	85	141	143	142	157
		Total	Person	306	455	495	523	573
	Total	Male	Person	4,048	4,422	4,594	5,120	5,610
		Female	Person	888	1,081	1,162	1,344	1,507
		Total	Person	4,936	5,503	5,756	6,464	7,117

* Boundary: Advantest Group

	Boundary	Item	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees in management positions	Japan	Male	Person	503	483	486	465	465
		Female	Person	12	13	15	18	20
		Total	Person	515	496	501	483	485
		Ratio of Female	%	2.3	2.6	3.0	3.7	4.1
		Ratio by region	%	44.5	42.1	41.4	38.0	37.5
		Of which, were hired locally	Person	514	495	501	483	484
		Ratio of locally-hired employees appointed	%	99.8	99.8	100.0	100.0	99.8
	Asia	Male	Person	210	218	226	225	237
		Female	Person	40	40	43	45	45
		Total	Person	250	258	269	270	282
		Ratio of Female	%	16.0	15.5	16.0	16.7	16.0
		Ratio by region	%	21.6	21.9	22.2	21.2	21.8
		Of which, were hired locally	Person	233	244	255	257	272
		Ratio of locally-hired employees appointed	%	93.2	94.6	94.8	95.2	96.5

	Boundary	Item	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
	Europe	Male	Person	170	183	200	214	223
		Female	Person	16	17	19	23	25
		Total	Person	186	200	219	237	248
		Ratio of Female	%	8.6	8.5	8.7	9.7	10.1
		Ratio by region	%	16.1	17.0	18.1	18.6	19.2
		Of which, were hired locally	Person	184	194	215	232	243
		Ratio of locally-hired employees appointed	%	98.9	97.0	98.2	97.9	98.0
	North America	Male	Person	187	204	198	246	251
		Female	Person	19	21	24	36	27
		Total	Person	206	225	222	282	278
		Ratio of Female	%	9.2	9.3	10.8	12.8	9.7
		Ratio by region	%	17.8	19.1	18.3	22.2	21.5
		Of which, were hired locally	Person	197	217	217	276	269
		Ratio of locally-hired employees appointed	%	95.6	96.4	97.7	97.9	96.8
	Overseas Total	Male	Person	567	605	624	685	711
		Female	Person	75	78	86	104	97
		Total	Person	642	683	710	789	808
		Ratio of Female	%	11.7	11.4	12.1	13.2	12.0
		Ratio by region	%	55.5	57.9	58.6	62.0	62.5
		Of which, were hired locally	Person	614	655	687	765	784
		Ratio of locally-hired employees appointed	%	95.6	95.9	96.8	97.0	97.0
	Total	Male	Person	1,070	1,088	1,110	1,150	1,176
		Female	Person	87	91	101	122	117
		Total	Person	1,157	1,179	1,211	1,272	1,293
Ratio of Female		%	7.5	7.7	8.3	9.6	9.0	
Of which, were hired locally		Person	1,128	1,150	1,188	1,248	1,268	
Ratio of locally-hired employees appointed		%	97.5	97.5	98.1	98.1	98.1	

* Boundary: Advantest Group

* Definition of "management position": Level 7 or higher in a 10-level status system. Of the 10 levels, job levels 1 to 6 are general employees, while levels 7 to 10 are designated as management positions.

	Item	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	
Number of employees by age group	Age - 29	Male	Person	329	380	443	627	884
		Female	Person	118	156	156	215	262
		Total	Person	447	536	599	842	1,146
	Age 30 - 39	Male	Person	692	752	793	969	1,088
		Female	Person	197	225	258	291	338
		Total	Person	889	977	1,051	1,260	1,426
	Age 40 - 49	Male	Person	1,411	1,394	1,347	1,328	1,325
		Female	Person	297	318	334	356	382
		Total	Person	1,708	1,712	1,681	1,684	1,707
	Age 50 - 59	Male	Person	1,236	1,355	1,415	1,519	1,581
		Female	Person	163	208	228	289	317
		Total	Person	1,399	1,563	1,643	1,808	1,898
	Age 60 -	Male	Person	159	227	244	296	316
		Female	Person	28	33	43	51	51
		Total	Person	187	260	287	347	367
	Total	Male	Person	3,827	4,108	4,242	4,739	5,194
		Female	Person	803	940	1,019	1,202	1,350
		Total	Person	4,630	5,048	5,261	5,941	6,544

* Boundary: Advantest Group (regular employees only)

Recruitment and turnover

	Boundary	Item	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Number of new hires	Japan	Male	Person	20	43	41	49	70
		Female	Person	4	14	15	18	23
		Total	Person	24	57	56	67	93
		Ratio of Female	%	16.7	24.6	26.8	26.9	24.7
		Ratio by region	%	7.2	9.7	14.7	6.2	8.1
	Asia	Male	Person	102	97	110	147	209
		Female	Person	24	47	30	45	60
		Total	Person	126	144	140	192	269
		Ratio of Female	%	19.0	32.6	21.4	23.4	22.3
		Ratio by region	%	37.6	24.5	36.7	17.7	23.4
	Europe	Male	Person	54	62	58	67	188
		Female	Person	10	18	17	12	46
		Total	Person	64	80	75	79	234
		Ratio of Female	%	15.6	22.5	22.7	15.2	19.7
		Ratio by region	%	19.1	13.6	19.7	7.3	20.3
	North America	Male	Person	95	223	77	563	421
		Female	Person	26	84	33	181	133
		Total	Person	121	307	110	744	554
		Ratio of Female	%	21.5	27.4	30.0	24.3	24.0
		Ratio by region	%	36.1	52.2	28.9	68.8	48.2
Overseas Total	Male	Person	251	382	245	777	818	
	Female	Person	60	149	80	238	239	
	Total	Person	311	531	325	1,015	1,057	
	Ratio of Female	%	19.3	28.1	24.6	23.4	22.6	
	Ratio by region	%	92.8	90.3	85.3	93.8	91.9	
Total	Male	Person	271	425	286	826	888	
	Female	Person	64	163	95	256	262	
	Total	Person	335	588	381	1,082	1,150	
	Ratio of Female	%	19.1	27.7	24.9	23.7	22.8	

* Boundary: Advantest Group (regular employees only)

	Boundary	Item	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employee turnover	Japan	Male	Person	28	32	13	21	25
		Female	Person	5	12	2	4	5
		Total	Person	33	44	15	25	30
		Ratio of Female	%	15.2	27.3	13.3	16.0	16.7
		Ratio by region	%	23.6	30.3	8.6	7.3	6.4
	Asia	Male	Person	37	34	37	89	74
		Female	Person	4	11	16	15	8
		Total	Person	41	45	53	104	82
		Ratio of Female	%	9.8	24.4	30.2	14.4	9.8
		Ratio by region	%	29.3	31.0	30.5	30.2	17.4
	Europe	Male	Person	22	18	9	17	30
		Female	Person	7	1	4	6	3
		Total	Person	29	19	13	23	33
		Ratio of Female	%	24.1	5.3	30.8	26.1	9.1
		Ratio by region	%	20.7	13.1	7.5	6.7	7.0
	North America	Male	Person	32	29	84	144	247
		Female	Person	5	8	9	48	78
		Total	Person	37	37	93	192	325
		Ratio of Female	%	13.5	21.6	9.7	25.0	24.0
		Ratio by region	%	26.4	25.5	53.4	55.8	69.1
	Overseas Total	Male	Person	91	81	130	250	351
		Female	Person	16	20	29	69	89
		Total	Person	107	101	159	319	440
		Ratio of Female	%	15.0	19.8	18.2	21.6	20.2
		Ratio by region	%	76.4	69.7	91.4	92.7	93.6
	Total	Male	Person	119	113	143	271	376
		Female	Person	21	32	31	73	94
Total		Person	140	145	174	344	470	
Ratio of Female		%	15.0	22.1	17.8	21.2	20.0	
Turnover ratio	Male	%	3.21	2.95	3.48	6.39	7.93	
	Female	%	2.79	3.99	3.30	7.16	7.82	
	Total	%	3.14	3.13	3.45	6.54	7.91	

* Boundary: Advantest Group (regular employees only)

* From December 2019 onward, the method of including employees who leave at the end of the month within that month's tally was changed to include them in the count for the following month.

Diversity and Inclusion, Working Style

	Boundary	Unit	FY2018	FY2019	FY2020	FY2021	FY2022	
Number of re-employment system users ^{*1}	Advantest Corporation ^{*4}	Person	33	54	60	74	44	
Employment rate of people with disabilities	Advantest Corporation ^{*4} , Advantest Green, Advantest facilities	%	2.48	2.66	2.79	2.83	2.91	
(Legal ratio of employment of people with disabilities)		%	2.20	2.20	2.20	2.30	2.30	
(Average ratio of employment of people with disabilities in the private sector nationwide)		%	2.05	2.11	2.15	2.20	2.25	
Number of employees taking childcare leave	Advantest Corporation ^{*4}	Male	Person	1	4	2	4	7
		Female	Person	31	25	27	24	20
		Total	Person	32	29	29	28	27
Number of employees who applied for shortened working hours for childcare	Advantest Corporation ^{*4}	Male	Person	1	2	3	3	2
		Female	Person	60	71	76	75	76
		Total	Person	61	73	79	78	78
Number of employees taking nursing/care leave	Advantest Corporation ^{*4}	Nursing leave	Person	54	38	40	41	107
		Care leave	Person	21	4	3	10	14
		Total	Person	75	42	43	51	121
Ratio of employees taking paid leave	Advantest Corporation ^{*5}	%	70.7	68.7	68.7	73.7	76.1	
Number of employees taking accumulated leave	Advantest Corporation ^{*4}	Person	81	87	124	317	127	
Average amount of overtime per individual ^{*2}	Advantest Group (Japan/China/South Korea)	Hours	15.0	14.3	16.9	19.7	20.5	
Ratio of occupational accidents ^{*3}	Advantest Corporation ^{*5} , Subsidiaries in Japan	Frequency rate	0.4	0.2	0.0	0.0	0.2	
	Advantest Group	Frequency rate	0.3	0.2	0.1	0.1	0.5	

* 1: The number of individuals who have newly started to use the re-employment system. (Those who have continued to use the system from the previous year were not included.)

* 2: Overtime hours for management positions with no subordinates are included for South Korea only.

* 3: The number of fatalities and injuries due to occupational accidents per one million working hours. The data includes temporary employees from FY2019 onward.

"Advantest Corporation" in the table above is as follows.

*4: Includes employees seconded to affiliated companies, but excludes employees seconded from affiliated companies.

*5: Excludes employees seconded to affiliated companies, but includes employees seconded from affiliated companies.

Employee Education

	Training Category	Target	Participants (Persons)	Training hours (hours)
Status of education and training implementation	Business training (human resource management, etc.)	Management / General employees	831	6,384
	Technical training (technology)	Management / General employees	501	1,192
	E-learning (human resource management, etc.)	Management / General employees	2,770	1,137
	New recruit training (per level)	Management / General employees	47	17,603
	Languages/TOEIC (global)	Management / General employees	961	14,262
	External seminars (business skills, etc.)	Management / General employees	119	1,430
	Total		5,229	42,007

* Boundary: Training sponsored by Advantest Corporation (excluding group-wide training. Includes employees seconded to affiliated companies, but excludes employees seconded from affiliated companies.)

	Education Category	Target	Number of participants (total No. of individuals)	Hours of education (hours)
Status of safety and health education implementation	General education	Management / General employees	10,837	5,510
	Technical education	Management / General employees	1,214	6,008

* Boundary: Advantest Group

Governance Data

Governance System (As of June 27, 2023)

Structure	Company with an Audit and Supervisory Committee
Number of Directors	9(male : 7 / female : 2)
Number of Outside Directors	5 (55.5%)
Number of Non-Japanese Directors	2 (22.2%)
Number of Female Directors	2 (22.2%)
Term of Office for Directors Who Are Not Audit and Supervisory Committee Members	1 year
Number of Directors Who Are Audit and Supervisory Committee Members	3
Number of Outside Directors	2
Chairperson of Audit and Supervisory Committee	Outside Director
Term of Office for Directors Who Are Audit and Supervisory Committee Members	2 years
Nomination and Compensation Committee	Inplace
Nomination and Compensation Committee Members	3 Directors (Two of which are outside Directors)
Nomination and Compensation Committee Chair	Outside Director
Performance-based Compensation System	In Place
Executive Officer System	In Place
Executive Officers	25
Non-Japanese Executive Officers	13

Executive Compensation

Officer Category	Company category	Total Compensation (Mil. yen)	Total Compensation by category (Mil. yen)					Number of Eligible Directors
			Cash Compensation		Non-cash Compensation			
			Fixed Compensation	Performance-based Compensation	Stock Options	Restricted stock compensation	Performance-based Stock remuneration	
Directors (excluding Audit and Supervisory Committee members) (excluding Outside Directors)	Advantest Corporation (The Company)	695	184	162	17	137	195	5
	The consolidated subsidiaries	145	70	75	—	—	—	
Directors (Audit and Supervisory Committee members) (excluding Outside Directors)	Advantest Corporation (The Company)	43	43	—	—	—	—	1
Outside Directors (excluding Audit and Supervisory Committee members)	Advantest Corporation (The Company)	41	41	—	—	—	—	3
Outside Directors (Audit and Supervisory Committee members)	Advantest Corporation (The Company)	31	31	—	—	—	—	2

1. As of March 31, 2023, the number of directors (excluding outside directors and directors who are Audit and Supervisory Committee members) and outside directors were five and five.

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

3. For stock options granted by FY2020, the amount of stock options are recorded as expenses for FY2022 in accordance with IFRS. No stock options were granted in FY2022. Restricted stock compensation and performance-based stock remuneration are recorded as expenses in accordance with IFRS for FY2022.

Approach to Data Aggregation and Third-Party Verification

We have defined our approach to data aggregation and have subjected our obtained data to third-party verification in order to strengthen the reliability of the data we disclose.

Approach to and Methods for Environmental Data Collection

Targets and period of environmental data collection

Period	April 1, 2022, to March 31, 2023
Targets	Advantest Corporation and its major domestic/overseas consolidated subsidiaries

Item	Region	2018	2019	2020	2021	2022
Aggregation range (Those in Japan includes including affiliated companies)	Japan	8 bases	7 bases	7 bases	7 bases	7 bases
	Overseas	Major overseas affiliates 9 companies				
Employee coverage	Global	-	-	-	85.6%	79.6%

Approach and methods for GHG-related data collection

Quantity of GHG emissions from business facilities

Calculations are based on usage of electricity, heat, and fuel at business facilities, and usage of GHGs (for manufacturing processes, equipment, etc.)

CO ₂ emissions (from energy) accompanying the use of energy	Calculations are performed by multiplying the usage amount of electricity, heat, and fuel (including fuel for vehicles, etc.) at each business facility against the CO ₂ emission factors. When using renewable energy (including certificates), the CO ₂ emission factors is set to zero.
GHG emissions from PFCs, etc. (with a non-energy origin)	Calculations are performed by multiplying the GHG emissions at each business facility against global warming potential values to convert into quantities of CO ₂ .

Referenced guidelines as well as energy and fuel CO₂ emission factors and heat conversion coefficient

Japan	Ministry of the Environment, "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain" Ministry of the Environment, "Amount of Greenhouse Gas Emissions—List of Calculation Methods and Emission Coefficients within the Calculation/Reporting/ Disclosure System"
Overseas	Based on the emission factors announced by each electric company and government authorities of each country as well as those by country announced in IEA Emissions Factors, which was issued by the International Energy Agency (IEA).

Quantity of CO₂ emissions from purchased products and services « Scope 3, Category 1 »

The quantity of CO₂ emissions from products and services purchased by Advantest is calculated by multiplying the corresponding primary unit in the "Global Embodied Energy and Emission Intensity based on the Standard Purchaser Price" (issued by the National Institute for Environmental Studies) per purchased item.

For items for which we are unable to separate transportation costs from the purchase prices, the quantity of emissions including transportation is not tallied under Category 4 "CO₂ emissions during transport from primary suppliers to our company," but such emissions are included in Category 1 emissions for calculation.

Quantity of CO₂ emissions during product usage « Scope3, Category 11 »

The amount of CO₂ emissions during product usage is calculated by multiplying the emissions coefficients from the World category in "IEA Emissions Factors" against the lifetime electricity consumption of products on the market this fiscal year. The amount of CO₂ emissions during product use is calculated according to the following formula.

$$\text{Numbers of units sold} \times \text{Electricity consumption at operation} \times \text{Annual hours of operation} \times \text{Years used} \times \text{CO}_2 \text{ emissions coefficient}$$

Among the semiconductor testing devices sold by the Advantest Group, CO₂ emissions calculations are for the SoC test systems and memory test systems.

The lifetime electricity consumption quantity assumes each product is used for 10 years, and calculations are performed by multiplying the amount of electricity consumed based on the product specification calculations for the target system against the number of units sold for the relevant product.

Scope3 calculation summary

	Category classification	Calculation summary
Category1	Purchased goods and services	The quantity of emissions of some datacenter usage, along with emissions from the resource collection stage up to the manufacturing stage for raw materials/ components sold by the Advantest Group and its purchased items
Category2	Capital goods	Emissions from manufacturing facilities, etc. in which the Advantest Group has invested
Category3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	Emissions accompanying the procurement of fuel and energy used at Advantest Group business facilities
Category4	Upstream transportation and distribution	Emissions accompanying the transport of procured components and purchased products by the Advantest Group, and those accompanying the storage of such products
Category5	Waste generated in operations	Emissions accompanying the treatment of waste generated at business facilities of the Advantest Group
Category6	Business travel	Emissions due to business trips made by Advantest Group employees
Category7	Employee commuting	Emissions due to commuting by Advantest Group employees
Category8	Upstream leased assets	Emissions accompanying leased assets of the Advantest Group * Excludes those calculated under Scope 2
Category9	Downstream transportation and distribution	Emissions accompanying the transport of products sold by the Advantest Group
Category10	Processing of sold products	(N/A)
Category11	Use of sold products	Emissions accompanying electricity consumption due to use of Advantest Group products in customer businesses
Category12	End-of-life treatment of sold products	Emissions accompanying the disposal of products sold by the Advantest Group
Category13	Downstream leased assets	(N/A)
Category14	Franchises	(N/A)
Category15	Investments	(N/A)

Approach to and methods for data collection related to resources

Quantity of waste generated

The total weight of industrial waste and general waste generated from business facilities.

The amount of waste generated in Japan is tabulated and disclosed as weight including valuable materials.

Quantity of water used and discharged

Quantity of water used	The quantity of water used at business facilities (drinking water, industrial water, and groundwater). The purchased quantity is substituted for drinking water and industrial water.
Quantity of water discharged	The quantity of water generated at business facilities discharged to sewage and public waters. For business facilities for which the amount of water discharged cannot be readily determined, the amount of water used is considered to be the amount of water discharged.

Approach to and methods for data collection for other environmental data

Management of chemical substances

To ensure safe management of and compliance with laws and regulations on chemical substances, we implement registration, safety reviews, and control per bottle/package unit for chemical substances used in-house. Furthermore, SDSs, which are the foundation of chemical substance handling, are always available for viewing.

Quantity of chemical substances handled	The quantity of chemical substances purchased and used at each business facility is monitored and calculated.
Quantity of chemical substances emissions/transfers	The quantity of chemical substances emitted/transferred due to operations is calculated by multiplying the handled amount by coefficients.

Quantity of water pollutant discharge (BOD, COD)

The quantity is calculated by multiplying the discharged water concentration by the discharged quantity. This applies to business facilities with legal or other requirements (such as contracts).

Quantity of air pollutant emissions (NOx, SOx)

The quantity is calculated by multiplying the exhaust concentration by the exhaust quantity. This applies to business facilities with legal or other requirements (such as contracts).

Third-Party Assurance

Third-party assurance

Third-party assurance has been obtained from Ernst & Young ShinNihon LLC to ensure increased reliability of selected social and environmental performance indicators in FY2023 included in the ESG Data on our website.

 [Independent Assurance Report](#)