ADVANTEST®

Integrated Annual Report 2025

Trusted **Innovation**

Navigating **Complexity**

Contents

Editorial Policy

Advantest's Integrated Annual Report presents information that is important to understanding our value creation initiatives—spanning our financial performance, management philosophy, business model, strategy, and governance—in a format that reflects our integrated perspective on corporate value. It aims to provide content useful to a wide range of stakeholders, including shareholders and investors.

Please refer to the table of guideline references on our website for information on our compliance with GRI and SASB (US Sustainability Accounting Standards Board) standards at: https://www.advantest.com/en/about/sustainability/gri-standard/.

Reporting Period & Scope

This report covers the period of FY2024 (April 1, 2024 to March 31, 2025). And also refers to earlier and later dates as necessary. In addition, the Strategy and Governance sections (P.18-P.48) include data and information as of November 1, 2025. Unless otherwise specified, all data is drawn from consolidated financial statements.

Disclaimer Regarding Forward-Looking Statements

This report contains forward-looking statements that are based on Advantest's current expectations, estimates and projections. These statements include, among other things, the discussion of Advantest's business strategy, outlook and expectations as to market and business developments, production and capacity plans. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “project,” “should” and similar expressions. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause Advantest's actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Except as required by law, we do not intend to update or revise any forwardlooking statements as a result of new information, future events or otherwise.

Information Disclosure Focus

Our corporate value creation initiatives and results are primarily disclosed in our Securities Report, Sustainability Report, and Integrated Report. While the Securities Report is intended primarily for financial professionals and the Sustainability Report for non-financial professionals, the Integrated Annual Report is intended to cover both financial and non-financial areas and to be easy to understand for general readers.

The Advantest Way

Since its founding in 1954, Advantest has grown to be a leading provider of semiconductor test equipment with over 7,000 employees worldwide. The Advantest Way unites employees across different regions and cultures under an integrated set of guiding principles. The Advantest Way serves not only as our corporate philosophy but also as our commitment to all our stakeholders.

Purpose & Mission : Why do we exist

Enabling Leading-Edge Technologies

We will continuously improve ourselves so that we can offer products and services that will satisfy our customers worldwide, and contribute to the development of our society through the development of the most advanced technologies.

Vision : What we want to be

"Be the most trusted and valued test solution company in the semiconductor value chain."

By expanding the value it provides, Advantest aims to become the most trusted and most valued test solution company in the semiconductor value chain for all its stakeholders.

Core Values : What we value most

The value of INTEGRITY can serve as a common thread uniting people of diverse cultures, religions, and viewpoints, and it is Advantest's core value globally.

I	N	T	E	G	R	I	T	Y
Innovation	Number One	Trust	Empowerment	Global	Respect	Inclusion	Teamwork	Yes
is our Lifeblood	is our Aspiration	is our Foundation	is our Motivation	is our Reach	is our Heart	is our Commitment	is our Approach	is our Attitude

Overview

Group CEO Message

> ***"Ultimately, we want to provide our customers with more than just a tester, a test insertion, or a test cell—we want to offer them an entire test flow tailored to their specific needs."***

Douglas Lefever

Representative Director,
Senior Executive Officer,
Group CEO

Looking Back on a Successful Year

It has been a little over a year since I started in my new role as CEO, and I am humbled by the success our global team has achieved.

Over this past year, the demand for Artificial Intelligence and High-Performance Computing (HPC) devices has increased the need for test. Through timely procurement and improved supply chain capabilities, we executed and achieved record highs in sales, operating profit, and net income. We also maintained our leadership position in providing SoC test solutions for AI and HPC devices, while increasing our market share in the memory sector.

Strengthening Global Leadership Through Collaboration

We have also seen great success with the new management structure. Working closely over this last year, Group COO Tsukui-san and I have built a great synergy. With his support, I can travel and meet with key customers while he focuses on internal operations. We talk often, and I am happy that we can rely on each other to cover all the responsibilities that come with managing a global company like Advantest.

Moreover, we work closely with the entire Chief Executive team to make critical decisions and ensure that Advantest is on the right track to success. In particular, we have seen great benefit from expanding the Chief Technology Officer (CTO) function to oversee product units, which provides a unique, cross-functional perspective that allows us to build solutions utilizing technology and products from different teams across the organization. We are also happy to welcome four new members to the executive team this year. This includes the appointments of Hisako Takada as Chief Financial Officer and Kesa Yorozu as Global General Counsel. Their expertise and diverse perspectives will be invaluable as we continue to grow and strengthen our leadership.

Together, our executive team keeps in close contact with key customers to gain insights into the latest trends and technologies. To be frank, if I do not talk to key customers at least once a week, I feel like I am not doing my job. The insights we gather from these conversations are vital and shared across our leadership team to guide strategic discussions. The most difficult challenge for me is making decisions without perfect information, so learning and gathering as much information as possible through our executive network is key to my decision-making.

Navigating Complexity

The rapid growth of AI technology shows no signs of slowing. As demands for higher performance push AI closer to the edge, engineers are employing advanced semiconductor technology to keep pace with evolving industry needs. Trends such as 3D packaging, heterogeneous integration, chiplets, and silicon photonics are expected to continue into 2026 and beyond.

The convergence of these trends introduces a compounding chain of complexity. Modern AI chips contain hundreds of billions of transistors and integrate multiple types of devices within a single package. High-bandwidth memory (HBM) dies are stacked on top of logic dies, which are placed alongside chiplets. Although this architecture improves performance and scalability, it also introduces an interrelated set of challenges. For example, the different dielets require precise thermal management in different zones across the package, the interconnect bandwidth required between the dielets to fuel AI workloads affects signal integrity, and utilizing high-bandwidth memory needed for data-intensive AI tasks drives up cost.

None of the challenges our customers face exist in a vacuum. As a test company, we must develop a holistic approach that addresses all of these issues. In line with the strategies outlined in our Mid-term Management Plan 3 (MTP3), Advantest is working to offer a comprehensive solution that covers multiple test insertions. Ultimately, we want to provide our customers with more than just a tester, a test insertion, or a test cell—we want to offer them an entire test flow tailored to their specific needs.

What it Takes to Keep Winning

At this point, I believe the biggest challenge to Advantest's leadership position is to avoid complacency. Although we achieved a lot over this past year, we should proceed with cautious optimism. As we continue down the road of success, we must remain vigilant, keeping a watchful eye on our rearview mirror for the competition and regularly checking our blind spots for emerging technologies that could disrupt the industry. As I said before, I frequently meet with key customers and suppliers, and our CTO meets several times a year with market analysts and leading technology experts to monitor the industry for possible disruptions. We have to stay informed, agile, and hungry to further our success.

Additionally, building trust and strong relationships within the industry are essential for maintaining our leadership position. Our customers rely on us to deliver quality, reliability, and efficiency, and meeting their needs is critical to establishing strong partnerships. We are committed to providing high-performance, superior-quality products while ensuring a reliable supply to meet our customers' capacity requirements. We are also looking to automate test tasks and content to provide customers with better efficiency. Maintaining strong customer relationships is key—not only for navigating current challenges but also for anticipating those that lie ahead.

A Long-Term Vision for Sustainable Growth

Last year, Advantest celebrated its 70th anniversary. This was a huge milestone for us. What started off as a small handful of engineers has since grown into the world's leading provider of semiconductor test solutions. And, as you can see from our record sales last year, we have no intention of slowing down.

Part of our strategy for longevity involves predicting trends and challenges before they emerge, enabling us to invest in the right technologies for long-term success. Implementing a three-year management plan structure has helped us plan for the future effectively, striking a balance between identifying long-term megatrends and remaining agile and competitive in the short term. In our mid-term plans, we have outlined key strategies and established tangible goals that we have executed time and time again.

Advantest has grown a lot in recent years, but we must make sure our growth is sustainable. With the rise of AI, the role of test is evolving, and Advantest, as a provider of test solutions, is becoming increasingly important to the development of advanced technology. As such, we need to ensure that the investments we make today do not compromise our ability to grow tomorrow. Although a short-term decision may increase our bottom line, we must consider whether it is beneficial in the long term. At Advantest, sustainability is not just a goal—it is a guiding principle that has enabled us to thrive for over 70 years and navigate the decades to come as we strive for our 100th anniversary.

Moving Toward the Future

Looking ahead, we expect to see continuing demand for semiconductor test, fueled by the growth of data centers and the development of advanced AI applications. We are looking closely at the growing capacity of new packaging technology.

To support new technologies, we are making early investments in R&D, developing new products and features that meet future market needs. We are also making strides to strengthen our global supply chain, ensuring agility in responding to changes in global trade policy and other geopolitical factors.

Going forward, we must be willing to take risks. I want to build a company culture that is not afraid to fail. I have learned firsthand that failing and failing fast is the best way to learn. In the leadership position we have established for ourselves, our company has earned the right to try new things, learn from failures, and grow. This is the mindset I would like to see embraced by our global team.

As the challenges we face become more and more complex, we need creative solutions to drive future growth. Personally, my best ideas come when I am taking a walk or just finished a bike ride. That is why I encourage all our employees to take time to recharge and make space for fresh ideas. Creativity drives innovation, and our unique approach to problem-solving distinguishes Advantest as an industry leader.

Many challenges cloud our horizons, but Advantest will continue to work closely with its customers and partners to navigate complexity and seize opportunities for growth. Our hunger to learn and innovate, without fear of failure, will set us apart from the competition and drive us toward a bright future.

“Maintaining strong customer relationships is key—not only for navigating current challenges but also for anticipating those that lie ahead.”

Group COO Message

> ***"Advantest is a company that provides value through advanced measurement technology. Our uncompromising commitment and sense of responsibility to provide accurate measurements have nurtured our technical capabilities and earned the trust of customers around the world."***

Koichi Tsukui

Representative Director,
Senior Executive Officer and President,
Group COO

A Strong Start Under the New Global Management Structure

It has been just over a year since I took office as Group COO of Advantest in April 2024. It has been an excellent first year, and I am truly grateful for the unwavering trust of our customers and the tireless efforts of each employee in the Advantest family.

During the past twelve months, we have faced many challenges, including the need to ramp up production capacity in response to growing demand for testers, but we were able to achieve success through cross-departmental, cross-regional teamwork. I am very pleased that this has also strengthened the unity and engagement of our employees.

Currently, Group CEO Doug Lefever is based in the United States and leads our international business, while I am based in Japan, overseeing internal operations, supporting customers and managing our supply chain in Asia. This division of responsibilities has enabled us to achieve a well-balanced global management structure.

Building Our Competitive Edge on Measurement and INTEGRITY

In dialogue with stakeholders, I have noticed growing interest in our unique management structure and corporate culture. When someone asks me, "Why does Advantest's management structure work?" I tell them that the secret is our core measurement technologies and our INTEGRITY core values. Advantest is a company that provides value through advanced measurement technology. This technology can be likened to a "ruler" that is capable of measuring even the most complex systems with accuracy and precision, fostering innovation that drives the industry forward. Our uncompromising commitment and sense of responsibility to provide accurate measurements have nurtured our technical capabilities and earned the trust of customers around the world. This sense of INTEGRITY is ingrained in our corporate DNA and shared by every employee.

Throughout our 71-year history, our company has undergone various changes and business transformations, including our shift from measurement instruments to semiconductor test systems, our global expansion to markets outside of Japan, and multiple mergers and acquisitions. This history of evolution is shaped by the integration of a diverse global team, which serves as one of our greatest strengths. Our unique capacity for global teamwork allows us to optimize our workflow while respecting each other's values. I believe that our competitive advantage lies in our ability to solve local issues globally.

Rising to the Challenge of Velocity and Scale

Technological innovation and changes in our market environment will likely accelerate even faster in the future. The expansion of the semiconductor market is advancing at a velocity and scale far beyond what we anticipated when we formulated our "Grand Design" mid- to long-term management policy in 2018. Now more than ever before, we must respond flexibly, quickly and boldly to these changes, looking toward the future while remaining untethered by the past.

Operational excellence is one of the key strategies set forth in our mid-term management plan. I believe that building a highly competent, agile and efficient operational structure through the proactive use of digital tools and IT is key to enhancing our ability to adapt to change.

The velocity and scale of these ongoing changes are a challenge for us, but also a welcome opportunity for further growth. Historically, we have evolved by overcoming challenges and we will continue to do so, utilizing our unique on-site capabilities to achieve global success.

In closing, Advantest is a company that has embraced change for 71 years. We remain committed to evolving with a constant sense of urgency—never complacent about our current performance, market share, or achievements. We reject the illusion that our systems and operations are ever “good enough,” knowing that such thinking leads to stagnation. Moving forward, we will continue to be a company that relentlessly pursues innovation and takes on new challenges without fearing change.

“The expansion of the semiconductor market is advancing at a velocity and scale far beyond what we anticipated when we formulated our "Grand Design" mid- to long-term management policy in 2018. Now more than ever before, we must respond flexibly, quickly, and boldly to these changes, looking toward the future while remaining untethered by the past.”

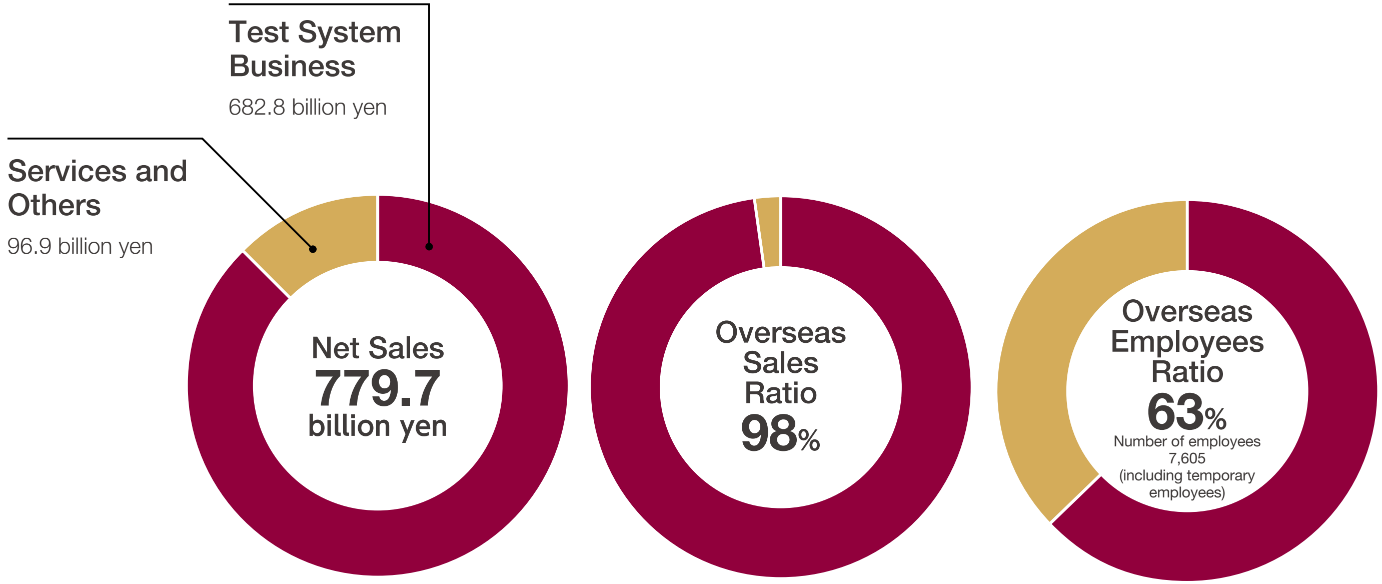
FY2024 Highlights

Overview of Financial Results

The semiconductor market was driven by demand related to the proliferation of AI, shifting to a recovery trend after a downturn in the previous fiscal year.

In Advantest's semiconductor test equipment business, demand for high-performance semiconductors increased significantly as AI-related semiconductors are more complex and require greater performance improvements than conventional devices.

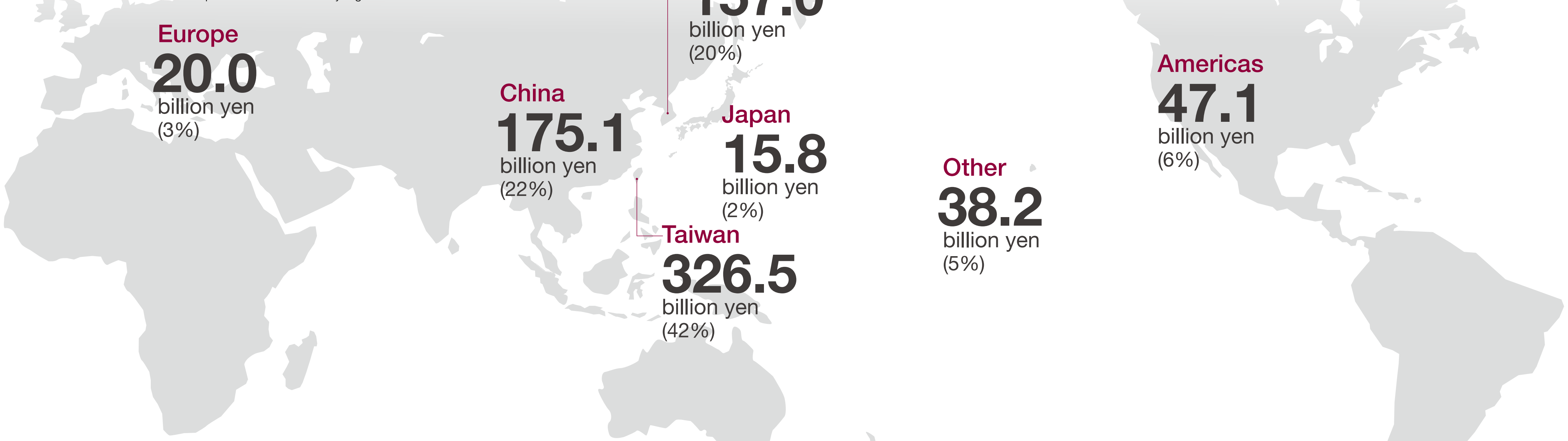
In order to meet our customers' delivery requirements to the greatest extent possible, Advantest worked to ensure the timely procurement of parts and product supply capabilities. As a result of the above, in the consolidated fiscal year ended March 31, 2025, net sales were 779.7 billion yen (60.3% increase in comparison to the previous fiscal year), and net income was 161.2 billion yen (2.6 times increase in comparison to the previous fiscal year)--both of which achieved record highs.



(As of March 31, 2025)

Sales by Region

Note: Numbers in brackets represent the sales ratio by region



History

Advantest was founded in 1954. The company developed electronic measuring instruments, such as frequency counters and current/voltage meters, utilizing digital measurement technology. It built the foundation of its business by riding the wave of Japan's rapid economic growth and the growth of the electronics industry. In the mid-1960s, the company invested a large amount of development funds to shift from single measuring instruments to measurement systems. At the time, the oil crisis posed challenges to the company, and it faced a period of financial difficulty. However, while developing several other products, Advantest succeeded in commercializing a "semiconductor tester" that capitalized on the emerging Japanese semiconductor industry.

In 1979, the company expanded into overseas markets with the world's fastest semiconductor test system, and by 1985, it had the largest share of the global tester market. In the 1990s, the semiconductor industry grew significantly against the backdrop of the widespread adoption of personal computers and the Internet. Despite being affected by market cycles, the company achieved robust growth. In particular, it established a dominant position in the memory tester market, which contributed to its current competitive advantage.

In the 2000s, the semiconductor market continued to expand while growth in the tester market slowed. Advantest also faced a change in market structure with the division of labor between design and manufacturing. In 2011, the company acquired Verigy, which had a new business model tailored to the foundry model and ranked third in the tester market. Through this acquisition, Advantest achieved strong partnerships with a wide range of customers. The semiconductor market accelerated its growth in the latter half of the 2010s, driven by the increasing in digital data traffic volume and rising demand for 5G-related services. As the semiconductor device market's renewed growth is driven by the increasing speed and complexity of semiconductor devices, the strengthening of our customer base that we have pursued has now manifested in our business performance.

The goal of reaching 400 billion yen in sales by FY2027, as set forth in the Grand Design and 1st Mid-term Management Plan announced in 2018, was achieved ahead of schedule in 2021. Furthermore, with generative AI as a business driver, Advantest is stepping into a new stage of growth.

1960～ Electronic Measuring Instrument Development Site

1980～ Tester Development Team Members Assigned to the U.S.

2011 Verigy Acquisition Press Conference

2020～ User Group Conference VOICE

● Sales Trends (FY1954 ～ FY2024)

What We Do

For over 70 years since our founding, Advantest has supported our customers' innovations with advanced measurement technology, as embodied in The Advantest Way. Through providing customer value, we strive to be the most trusted provider of test solutions in the semiconductor value chain.
The foundation of Advantest's business is built on a deep understanding of the challenges its customers face. From there, we develop and propose optimal solutions that enable customers to develop cutting-edge technology across the globe, deliver products on time, and earn high satisfaction and trust from customers, which has led to many new business opportunities. This robust customer base and global support infrastructure, firmly established across the semiconductor value chain, serve as a strong selling point when new customers consider adopting Advantest's test solutions.
Advantest has received global recognition for its customer support, ranking first for six consecutive years in TechInsights' "Customer Satisfaction Survey," a survey conducted by semiconductor market research firm TechInsights comparing leading equipment supplier companies.
A major commercial opportunity for semiconductor test systems comes when semiconductor manufacturers release new products. Test systems are used from the device design stage but are most often deployed at the initial stages of the manufacturing process. Semiconductor devices are manufactured using nanometer-scale microtechnology, making it difficult to ensure a consistent yield of good products, especially during the initial stages of process launch. Therefore, semiconductor manufacturers strive to improve processes by collecting and analyzing substantial amounts of test data using multiple test systems, aiming to quickly raise the yield rate to a level where devices can be supplied stably. Once the yield rate improves and the business is established, more test systems are introduced for mass production.
As the demand for high-performance semiconductors has continued to rise in recent years, so has the demand for comprehensive test solutions that meet the needs of next-generation devices. Advantest has been working to meet this demand by developing a broad portfolio of cutting-edge products that offer one-stop, turnkey solutions optimized for each customer's specific needs. As the complexity of semiconductor devices continues to increase, Advantest works to employ new test methodologies such as AI-driven data analytics to automate the test flow and introduce innovations across the supply chain.

Business Segment

Advantest's business segments are broadly divided into the Test Systems Segment and the Services and Others Segment. The test solutions, which integrate our core products, test systems, with peripheral devices and other equipment, meet the needs of our industry as semiconductor devices become increasingly complex and contribute to solving a variety of customer issues.

Test System Segment

The Test Systems Segment includes our core products, test systems, as well as test handlers that transfer semiconductor devices to the systems, device interfaces that electrically connect the devices to the systems, and solutions for system-level testing of semiconductors and modules.

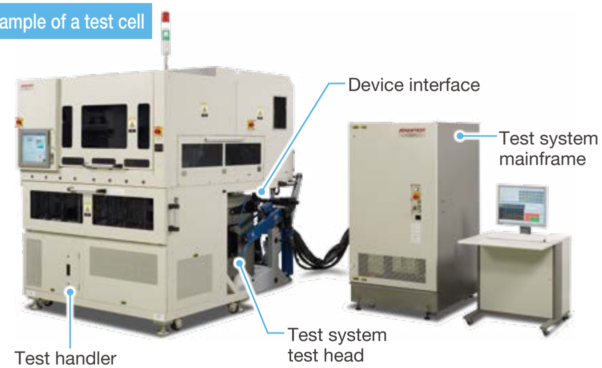
Test System

Test systems are primarily used in the wafer or package testing stages of the semiconductor process, testing a large number of semiconductor devices automatically and simultaneously. Test data not only determines whether a test result is a pass or fail but also provides various insights that lead to improvements in semiconductor processes.
Semiconductor devices are broadly categorized into System-on-Chip (SoC) and memory, and Advantest offers test systems that can handle both. For SoC test systems, we adopt a modular structure with interchangeable functional boards, enabling flexible adaptation to various types of semiconductor devices. For memory, we offer specialized equipment that can simultaneously test large quantities of memory devices with the same specifications.

Test Handlers & Device Interfaces

In semiconductor testing, automation is key to improving productivity and throughput. To achieve this, Advantest offers test handlers and device interfaces. Handlers transport devices to the test systems and work to ensure device functionality under varying conditions, such as fluctuations in temperature and voltage. Device interfaces are the tools that are electrically connected to the test system to ensure compatibility based on the specifications and shapes of the devices. Advantest provides a one-stop solution of devices integrated into a comprehensive "test cell".

Example of a test cell



System Level Test System

As semiconductor devices become increasingly complex, defects can occur when devices are incorporated into final products even if individual devices have undergone earlier testing phases. System-level test systems expand test coverage by testing devices in an environment similar to that of the final product, thereby contributing to improved device quality and reliability.

Services and Others Segment

The Services and Others Segment consists of providing comprehensive customer solutions support services, offering nanotechnology-related products Scanning Electron Microscope (SEM) for photomask inspection, and support services and sales of consumables.

Support Service

To achieve greater accuracy and reliability in highly technical semiconductor testing, Advantest's field service engineers work from locations around the world to support all aspects of the testing process including rapid test system start-up and uptime improvement.

Metrology / SEM

Advantest's SEM products measure and review tiny circuit patterns in photomasks with high precision and stability. It is utilized in processes for advanced devices that require fine line widths and structures.

Advantest Interconnect Solutions™

Advantest Interconnect Solutions™ (AIS) is a new product unit that integrates solutions from Essai, acquired in 2020, and R&D Altanova, acquired in 2021. By combining high-level interconnect solutions that encompass interface boards, substrates, sockets, and thermal control units with our test systems, we provide more enhanced end-to-end test solutions.

Business Segment

Synergistic Solution Families Centered on Semiconductor Test Systems

Business Segment Change

Advantest's previous organizational structure consisted of three business segments, which were "Semiconductor and Component Test System Business," "Mechatronics System Business" and "Services, Support and Others." From FY2025, Advantest decided to reclassify the sources of revenue in management approach perspectives and to change business segments into two reportable segments, which are "Test System Business" and "Services and Others."

Services & Others

Customer Services

Test System Business

Metrology / SEM

E3660
MASK CD-SEM

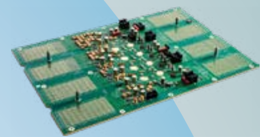
Test System

V93000
SoC Test System

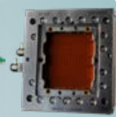
T5801
Memory Test System

Advantest Interconnect Solutions™

Test Interface Boards



Test Sockets



Test Handlers

M6242
Memory Test Handler

Device Interface

HiFIX
For Package Test

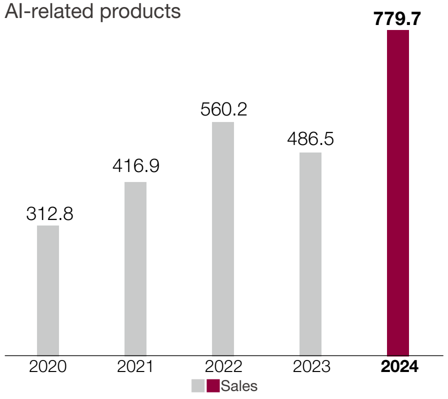
System Level Test (SLT) System

7038
High Parallelism SLT and Burn-in Platform

Consolidated Financial Highlights (Each fiscal year starts on April 1st)

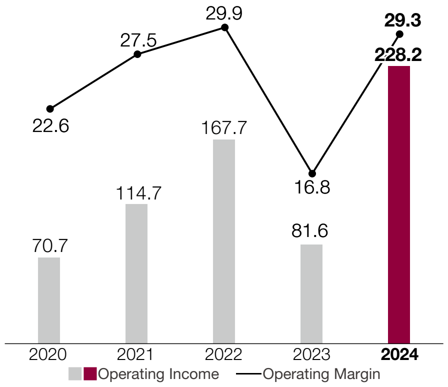
Sales
(Billion yen)

Significantly higher than the previous record, backed by strong demand for AI-related products



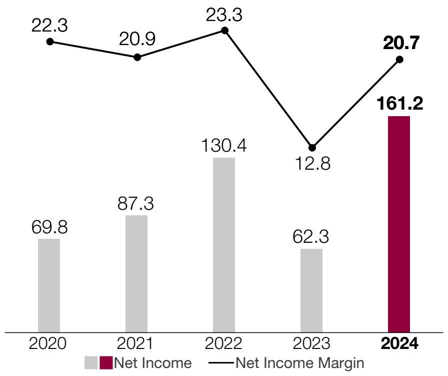
Operating Income / Operating Margin
(Billion yen /%)

Achieved record highs despite large impairment losses on goodwill and in tangible assets



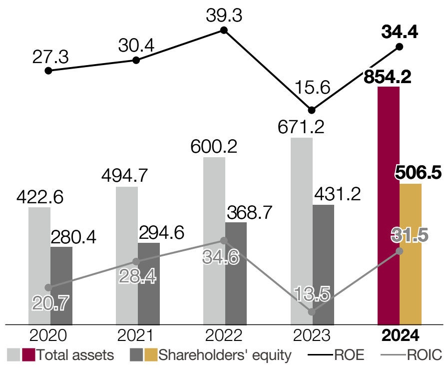
Net Income / Net Income Margin
(Billion yen /%)

Achieved record high sales and returned to a profit margin in the 20% range



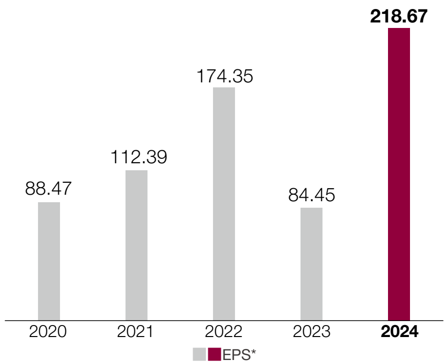
Total Assets / Shareholders' Equity / ROE / ROIC
(Billion yen / Billion yen / % / %)

Total assets and shareholder's equity increased significantly with profitable growth resulting in over 30% of ROE and ROIC



Basic EPS
(Yen)

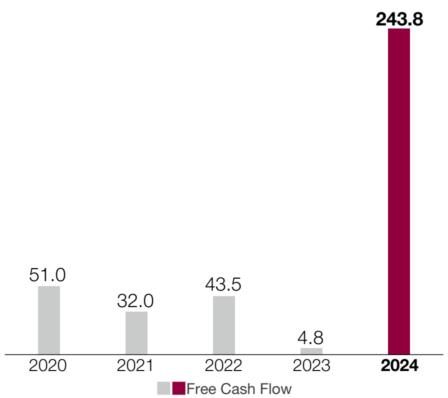
Increased significantly due to record profits



*Advantest has issued a 4-for-1 stock split of common stock, effective October 1, 2023. The above EPS figures are based on the assumption that the stock split had been issued at the beginning of fiscal 2020.

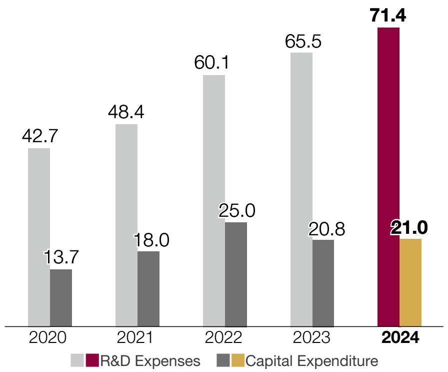
Free Cash Flow
(Billion yen)

Record-high profits led to a significant improvement in cash flow



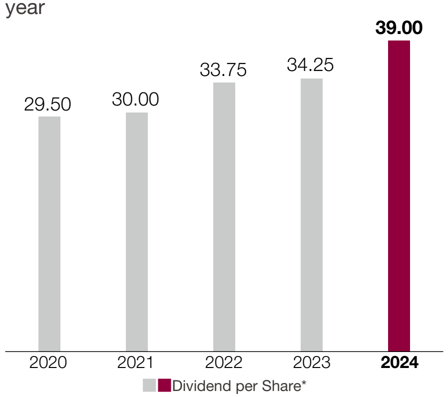
R&D Expenses / Capital Expenditure
(Billion yen)

Advantest continues to strengthen R&D to facilitate future growth



Dividend per Share
(Yen)

Advantest marked an annual dividend increase of 4.75 yen per share for the fifth consecutive year

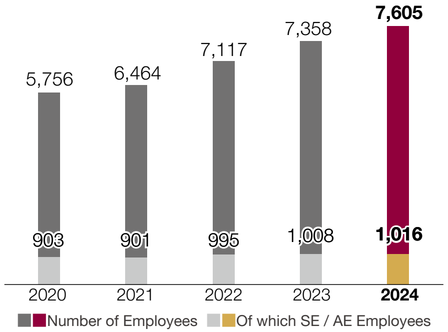


*Advantest has issued a 4-for-1 stock split of common stock, effective October 1, 2023. The above dividend per share figures are based on the assumption that the stock split had been issued at the beginning of fiscal 2020.

Consolidated Non-Financial Highlights (Each fiscal year starts on April 1st)

Number of employees*1 / Number of SE*2 / AE*3 employees
(Number)

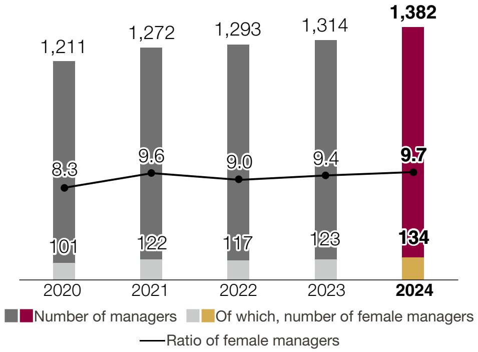
Continuous investment in human capital in anticipation of future business expansion



*1 Including temporary employees
*2 System Engineer
*3 Application Engineer

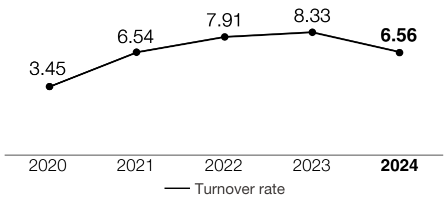
Number of managers / Ratio of female managers
(Number / %))

Another slight upswing in the ratio of female managers



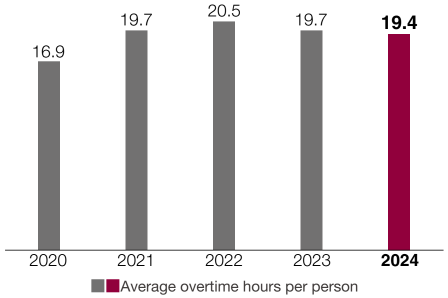
Turnover rate
(%)

Acquired a North American company in 2021 where the production department had a high turnover rate relative to the overall labor market



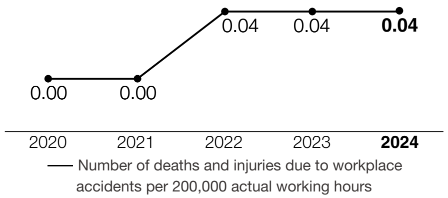
Average overtime hours per person (Japan, China, South Korea)
(Hours / Month)

Overtime hours slightly decreased as production increases and delivery time pressure slowed down



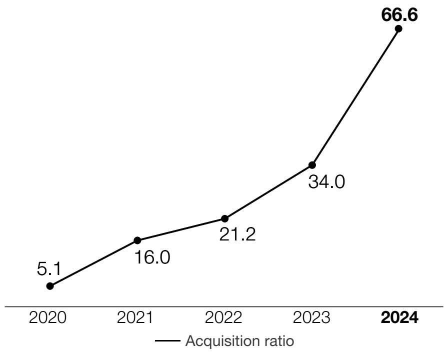
LTIR (number of deaths and injuries due to workplace accidents per 200,000 actual working hours) (Japan)
(Number)

Working to identify causes, prevent recurrence, and further improve our work environments with the aim of achieving zero accidents



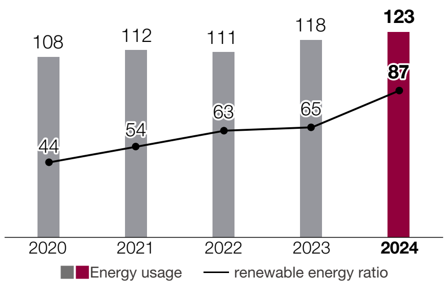
Number of male employees taking paternity or childcare leave (Japan)
(%)

Years of employee awareness activities have borne fruit, resulting in a significant increase



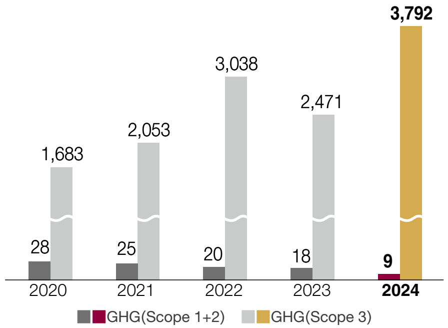
Energy usage / renewable energy ratio
(GWh / %)

The renewable energy ratio exceeded the FY2026 target of 80%, achieving it ahead of schedule



GHG(Scope 1 + 2, and Scope 3) emissions
(kt-CO_2)

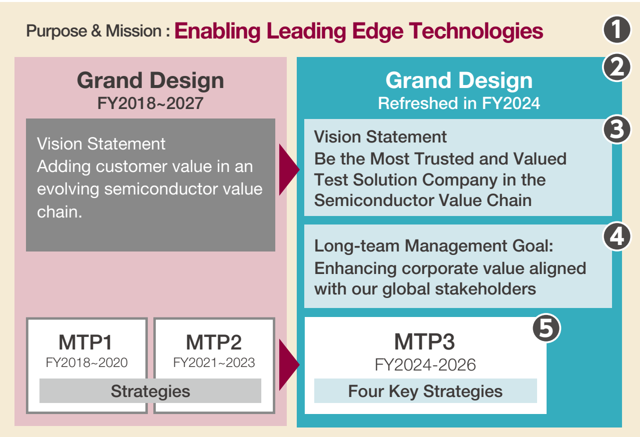
GHG emissions have increased in step with increasing tester production volume



Strategy

Mid- to Long-term Management Policy: the “Grand Design”

Advantest’s corporate purpose and mission is “Enabling Leading-Edge Technologies.” The “Grand Design” defines the commitments and strategies needed for Advantest to fully strive as a company that embodies this corporate mission and purpose. In FY2018, we formulated this management policy for the first time, and in 2024, we updated it based on our latest long-term business environment forecast.
Under the “Grand Design,” we formulate a three-year management plan, and we are now executing the third Mid-term Management Plan (MTP3).



Components of our mid- to long-term management policy

❶ Purpose & Mission

Since 1990, Advantest has held “Enabling Leading-Edge Technologies” to be our raison d'être. Advantest continuously strives to improve so that it can offer products and services that satisfy customers around the world and contribute to the future of society through the development of the most advanced technologies.

❷ Grand Design

This long-term management policy defines the commitments and strategies needed for Advantest to thrive as a company that embodies its corporate mission and purpose. This helps employees around the world work together to create customer value and improve corporate value.

❸ Vision Statement

“Be the Most Trusted and Valued Test Solution Company in the Semiconductor Value Chain”

Our Vision Statement describes what we want Advantest to be in the future.
Rather than just providing customers with semiconductor testing hardware, we are becoming an essential hub and partner for the entire semiconductor value chain. We achieve this by delivering value in the form of innovative test solutions that enhance efficiency and address the increasingly complex challenges of semiconductor test. By expanding the economic and social benefits it provides, Advantest aims to become the most trusted and valued test solution company in the semiconductor value chain for all our stakeholders.

❹ Long-Term Goal:

“Enhancing Stakeholder Values” is our long-term management goal.
We will promote various initiatives that help to create a sustainable future for the world in an integrated manner while focusing on solving customer issues. Simultaneously, we aim to incorporate the needs and expectations of our stakeholders into our business activities. This approach will expand the significance of our purpose and mission and the value we provide in a balanced, multifaceted way, both economically and socially.

❺ Mid-Term Management Plan

This three-year management plan outlines strategies and targeted management metrics aligned with the vision described in the Grand Design.
We have already executed two mid-term management plans, and we have been executing our third Mid-term Management Plan (MTP3) since 2024.

●Value to Stakeholders

We will strive to earn the trust of our stakeholders.

Overview of the Third Mid-Term Management Plan [MTP3, FY2024-FY2026]

Advantest expects that the semiconductor test market will continue to grow in the medium- to long-term, while experiencing short-term down cycles. In addition, Advantest believes that its business opportunities will expand over the medium- to long-term, not only as the semiconductor market grows, but also as the industry faces the structural challenges of managing the increasing complexity of semiconductors. Against such an industry landscape, Advantest will strive to expand the value it provides to stakeholders over the medium- to long-term by promoting its Third Mid-term Management Plan, which was formulated in accordance with the refreshed “Grand Design.”

Targeted Management Metrics

In MTP3, Advantest will strive to enhance its corporate value by increasing sales, improving profitability, and improving capital efficiency through the four strategies. Given this framework, the management metrics that are emphasized in MTP3 are sales, operating profit margin, net income, return on invested capital (ROIC), and basic earnings per share (EPS). Advantest has been endeavoring to grow all these numbers. In order to evaluate the progress of the plan from a medium- to long-term perspective, Advantest uses three-year averages for the metrics on the right to level the impact of industry cycles.

In FY2024, the first year of MTP3, Advantest delivered record-breaking results, driven by robust tester demand for HPC/AI-related semiconductors. Furthermore, in October 2025, because it appeared that Advantest was more likely than before to exceed the numerical targets set forth at the time of MTP3 formulation, Advantest revised MTP3 management targets based upon developments to date and the recognition on business environment at that time.

	FY2024 - FY2026 Avg.*1,2 (Revised in Oct. 2025)*2	FY2024 results*2	Announcement in Jun. 2024*1
Sales	JPY 835 - 930B	JPY 779.7B	JPY 560 - 700B
Operating Profit Margin	33 - 36%	29.3%	22 - 28%
Net Income	JPY 207 - 248B	JPY 161.2B	JPY 93 - 147B
Return on Invested Capital*3 (ROIC)	34 - 39%	31.5%	18 - 28%
Basic EPS	JPY 284 - 341	JPY 218.67	JPY 127 - 202

*1 The exchange rates used in the June 2024 announcement were 140 yen to the US dollar and 155 yen to the Euro. The revised targets in October 2025 use the same exchange rates for FY2025 3Q-4Q and FY2026.
*2 Actual rates in FY2024 were 153 yen to the US dollar and 164 yen to the Euro, FY2025 1Q were 146 yen to the US dollar and 162 yen to the Euro, and FY2025 2Q were 146 yen to the US dollar and 170 yen to the Euro.
*3 Return on Invested Capital = NOPAT / Invested capital (average at beginning and end of period). NOPAT = Operating income x (1 - tax ratio 25%). Invested Capital = Borrowings + Corporate bonds + Total equity, with excluding Lease liabilities.

Please refer to the IR Library website for more information about MTP3 updates in October. 2025.

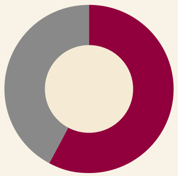
Overview of the third mid-term management plan [MTP3, FY2024-FY2026]

Four strategies of MTP3: **Backgrounds and Progress in FY2024**

1 Outpace the growth in our core market

In the core market, Advantest expects new growth opportunities to arise from increased semiconductor production volumes, high-performance semiconductors, and the increasing complexity of semiconductors. To seize these opportunities, Advantest will create new value that brings “Automation of Test,” or improved efficiency in semiconductor testing, to its customers. Advantest can achieve automation not only by improving the performance of individual test solutions but also through the organic integration of its diverse portfolio of products and solutions, as well as collaborations with external partners. Through these efforts, Advantest will strive to grow faster than its core market.

- Succeeded in maintaining a majority share in the semiconductor tester (ATE) market by expanding products with strong customer appeal that address changes in technology and test trends, as well as through key customer and regional strategies.
- Launched several pioneering new key test solutions, such as a new power supply for AI/HPC applications and several new memory test systems to address next-generation memory devices.
- Aggressively implemented R&D investments and marketing initiatives in emerging growth areas, addressing future developments in semiconductor technology.



Overall Market Share CY2024

58%

2 Expand adjacently / new businesses

As semiconductors continue to become more high-performance and complex, there is demand for broader and more integrated test solutions. Advantest has been expanding its business into system-level test and test peripherals and will continue to increase the value it provides to customers. More specifically, Advantest will utilize its installed base of products to promote its field services, Advantest Cloud Solutions™ and Applied Research & Venture Team to create business opportunities.

- Expanded opportunities in the semiconductor design verification and silicon validation process with the launch of SiConic™, a groundbreaking automated silicon validation solution.
- Established strategic partnerships with probe card manufacturers, including Technoprobe S.p.A. (Italy), FormFactor, Inc. (U.S.), and Micronics Japan Co., Ltd. (Japan), to develop high-performance and comprehensive testing solutions that meet customers' future testing needs.
- Strengthened test engineering services by acquiring Salland Engineering International B.V. (Netherlands).

"SiConic: a Solution for Automated Silicon Validation" released in December 2024

SiConic™

3 Drive operational excellence

Advantest will continue to solve testing issues in the semiconductor industry by utilizing in-house technologies, expertise, and resources on a cross-functional basis. In addition to the above, to become a company that is valuable to all stakeholders, Advantest believes that it needs to improve not only the excellence of its products and technologies but also the efficiency and effectiveness of all its operations. To this end, Advantest is committed to accelerating internal operations and streamlining resources by using DX (digital transformation), building a resilient supply chain, strengthening human capital through recruiting qualified talent and expanding employee training, and improving internal productivity through the use of AI and data analytics.

- Reinforced our capabilities to respond to robust test demands by enhancing our supply chain management.
- Proactively executed IT investments to enhance the agility and efficiency of internal operations.
- Made various initiatives to improve employee engagement to strengthen human capital, the source of value creation.

P.30-32 CHO Message

Production Capacity

3x

in last several years

4 Enhance sustainability

Advantest will further strengthen its foundation for enhancing corporate value through proactive and positive action on a variety of sustainability issues. This includes climate change and human rights, the execution of responsible business activities, such as legal compliance and adherence to ethical business practices, and the reinforcement of risk management and enhancement of corporate governance. By taking these steps, Advantest seeks to earn greater trust from each stakeholder. Advantest will also strive to cultivate and instill a common culture and shared values within the company, as these are the starting points for promoting initiatives related to sustainability.

- Renewed our basic policy and action plan on sustainability and established new mid-term KPIs to expand the value provided to stakeholders.

P.49-50 CSRO Message

Sustainability Policy

P.22-27 CxO Message

Interview with CxOs

Trusted Innovation, Navigating Complexity

Interview with CxOs

As the industry enters a new era characterized by the rapid development of AI technology and increasing complexity, Advantest's global CxO team is working together closely to determine the best strategies for navigating today's market. We spoke with Chief Technology Officer Juergen Serrer, Chief Supply Chain Officer Richard Junger, and Chief Customer Relations Officer Sanjeev Mohan about their collaborative process and their plans to drive future success.

Q What is complexity, and where do we see it in the semiconductor industry today?

Serrer: Our customers are now faced with the fact that multiple new technologies are stacking up. For example, chiplets are small integrated circuits designed for a specific function and are paired with multiple other chiplets in a single package. Chiplets enable higher performance, scalability, and yield. However, with stacking and integration, chiplets also present unique thermal challenges, which are significant factors in failure mechanisms. Additionally, new technologies in various fields are driving the evolution of semiconductors, such as silicon photonics and enormous amounts of memory with HBM, all of which are accelerating simultaneously. Not to mention, our customers are in a time-to-market race. All of these challenges are combined under the term "complexity."

Junger: The complexity of devices designed and manufactured by our customers adds complexity to their supply chains, which in turn increases the complexity of our own supply chains. Additionally, the supply side of the market is also experiencing complexity due to geopolitical challenges stemming from the evolving dynamics of the AI industry.

So, we are essentially facing complexity on both ends: on the customer side and on the supply chain side.

Q What does growing complexity mean for the industry, and for Advantest?

Mohan: As complexity grows, our customers are expecting more from Advantest. In the past, we have been leaders in ATE. But now, as these devices become increasingly complex, customers are seeking a comprehensive solution and our total expertise regarding a variety of subjects such as parts management, device handling, thermal power challenges, and any other concerns they may have.

Serrer: The problems we are seeing in the industry right now are interdisciplinary. Years ago, a design problem could only be solved in design. Problems with test were addressed by the test team. However, the issues we face today can only be resolved through collaboration between

all disciplines. The Era of Complexity needs solutions along all insertions, and the solutions need to be interdisciplinary. That is why we are talking to EDA companies and have partnerships with probe card companies. We are working to ensure that we not only deliver a tester but also provide a comprehensive solution, including interfaces and peripherals that they need.

As for what complexity means for Advantest, this complexity is good for us because it drives the need for more tests, additional test capabilities, and new test methodologies. So, rather than a threat, I think it presents a unique opportunity for Advantest.

Q How is the role of test evolving, and how must Advantest transform to keep pace with the rising complexity in customer needs?

Serrer: Like I said before, the issues our customers see are interdisciplinary. All technologies are stacking, and they are asking us for more efficiency. So, how do you do that? Unlike in the past when test was a binary go/no-go decision, today's role of test involves device trimming that adjusts the underlying design, so devices are calibrated properly and perform as intended. This enables engineers to feed back data to improve both design and manufacturing processes. As semiconductors have become increasingly complex, featuring multiple chiplets and memory ICs stacked and packaged into a single device, testing has evolved to employ a wide range of test methodologies and capabilities, adapting to the diverse needs of different devices and test scenarios. Our strategy is to innovate the entire flow, linking all test insertions from design to wafer sort, final test, and system-level test, into one unified flow. With that in mind, our newly released product SiConic™ plays a significant role because it allows us to bridge the gap between ATE and EDA or design. We want to make sure that test content is debugged, reusable, and that the data acquired during testing is analyzed and fed back to improve the design and manufacturing process. This approach aligns with our "Automation of Test" strategy, which aims to increase efficiency and enable our customers to accelerate their time-to-market and enhance product quality.

Q What do you think has enabled the company to increase its market share in recent years?

Serrer: Well, I think Advantest is uniquely positioned. We have a proven approach that allows us to anticipate future trends, resulting in a high success rate in investing in the right areas and delivering superior solutions at the right time. It all starts with understanding the industry's problems—really diving deep into the challenges our customers are facing, both technically and operationally. We also have a passionate global team that executes, whether that is in R&D or in servicing our customers through application and uptime support.

Mohan: Much of our success stems from years of hard work. Achieving a 58% market share is not something that happened overnight.

As a company, we really value our customer relationships, and we strive to build long-term partnerships, some of which have lasted for decades. We do not just focus on what our customers need today—we also consider what our customers need tomorrow. With this mindset, we have strong processes in place to understand the evolving needs of our customers, meaning our sales teams are deeply engaged with customers to understand their current challenges and future needs. Our relationships have allowed us to build industry-leading solutions and maintain a leading market share.

Q What sets Advantest apart? What specific strengths does the company have in testing AI/HPC applications?

Mohan: Advantest's growth over the last year has come as a result of our market position in the AI-related business segment. There are many reasons for this success. It starts with our V93000 product line, which has been an industry leader in the high-performance compute space for many, many years. With our V93000, we have been testing GPUs for decades, and we have learned a lot in terms of how to test these types of devices. Because of our technical expertise, we have also had strong relationships with leading manufacturers of HPC devices for a very long period of time. As I mentioned earlier, we value our relationships with our customers and we cater to a diverse set of needs, ranging from technical to business and commercial aspects. That has really allowed us to develop products in line with our customers' offerings, so we can evolve together and set ourselves apart in this space.

Interview with CxOs

Q How does Advantest maintain agility in response to sudden demand changes in this dynamic industry?

Junger: In our industry, the ability to ship is key to ensuring our customers can ramp up their test capacity when needed. If you can not deliver, you can not compete. Moreover, our test systems consist of over one million components, each serving a critical role in the functionality of the final product. If even one component is missing, the final product can not be shipped. That is why we have made a fundamental shift from a “just-in-time” model to a “just-in-case” approach. We conduct detailed scenario planning—developing strategies for high, expected, and low cases. Working closely with our suppliers, we leverage buffer strategies and visibility tools so they can respond quickly to market fluctuations. With this approach, we have been able to expand our production capacity by approximately three times in the last several years. By building strategic buffers, we can respond immediately to demand surges. Additionally, careful inventory management is required to oversee product rollovers. We work closely with business units to ensure we are prepared for growth while minimizing the risk of inventory obsolescence.

We also adopt a hybrid production approach that combines outsourced and in-house manufacturing. Our supply chain model is tailored to each product, striking an effective balance between the two.

For high-volume, low-mix or highly configurable products, we utilize fully outsourced manufacturing through Electronics Manufacturing Services (EMS) partners, leveraging their scale and manufacturing expertise. On the other hand, for low-volume, high-complexity products, we rely on in-house production. These products require a higher level of sophistication in both design and production, so close coordination across design, engineering, and supply chain teams is essential to ensure precision and quality. These approaches allow us to flexibly scale production in response to business cycles and shifting market demands. Proactive investment is key. We always want to be ahead of the curve, so we are making upfront investments to be well-positioned as this industry growth materializes.

Serrer: We also consider the dynamic nature of the semiconductor industry when planning the development of new technologies. At Advantest, we use a three-stage planning horizon when developing new products. We look at future trends five to eight years out and identify future disruptive technologies. Then, we start to pre-develop technology for future solutions and features three to five years in advance. Last, over the remaining three years, we will develop the actual solutions, including preparing the ramp of our supply chain and support. This structured, forward-thinking approach ensures that we stay ahead of industry shifts and continue delivering innovative solutions that meet our customers' evolving needs.

Q How is Advantest catering to its global customer base?

Mohan: Advantest is a global company with a footprint in every major region and country. What this means is we have built very strong applications engineering teams and sales teams in all of our regions. We have also strategically

Interview with CxOs

allocated R&D resources across all major areas, enabling them to maintain close contact with our customers. Most of our customers are global, and they have engineering and manufacturing sites all over the world to keep up with their evolving needs.

When I think about serving our global customer base, I also think about our culture of INTEGRITY, with "T" standing for "Teamwork." We have tried to build a very global team. Working closely with our colleagues allows us to respond quickly to our customers' evolving needs, adapting and growing together as a team. Moreover, our compensation system is unique in that the sales team at Advantest is not commission-based. Because of this, our culture is oriented towards shared success and market share growth. Together, we work as one team, committed to serving our customers' needs.

Q Looking ahead, what future trends do you see affecting Advantest's business in the future? What investments are key to maintaining a competitive edge?

Serrer: I think we have been pretty good in recent years at predicting trends—something that is reflected in our market leadership in high-performance computing, AI, and high-bandwidth memory. Key trends we are seeing now include more test content, higher speeds, thermal, and power, also resulting in changing test methodologies.

We will continue to invest in efficiency and optimization, for sure. Second, we will continue to invest in technology leadership, whether that is ASIC development, high-speed interfacing technology, or die-level handling solutions.

There is also silicon photonic testing—something we have been investing in for a long time.

Internally, we must become more efficient to keep pace with the rapid growth in the AI market. We have structured the test system business group in a way that allows us to have business units for every market segment, enabling us to learn quickly and respond effectively. Under my leadership, I ensure that the views and components of each business unit are aligned to create a cohesive test strategy along all insertions for our customers.

Junger: Based on our MTP3 strategy to promote operational excellence, we are driving a digital transformation of our entire supply chain. This is something I will manage in my integrated roles of Chief Supply Chain Officer, Chief Information Officer, and Chief Digitalization Officer. Our focus now is on building a "Connected Supply Chain"—a fully integrated, data-driven ecosystem that provides real-time visibility across demand, order status, production, and delivery. This digital infrastructure allows us to share data with our partners, empowering them to make quick decisions and respond flexibly to market changes.

To unlock further value, we are applying AI and advanced analytics to identify and resolve issues that were previously undetectable, paving the way for significant improvements in quality, productivity, and responsiveness.

We consider digital transformation to be essential to future competitiveness.

Sanjeev Mohan
Chief Customer Relations Officer (CCRO)

Click here to watch the CCRO interview video

Q How is Advantest integrating environmental and social responsibility to ensure its growth is sustainable?

Junger: There are multiple measures to do that, one of them being in the product design cycle. As we develop products, we consider the processes involved in building products—their turnaround time, effectiveness, efficiency, and energy consumption measures. We account for rules such as PFAS (Per- and Polyfluoroalkyl Substance) and others when building new products as well.

We also consider these sustainability-related conditions when we are selecting our suppliers. On a regular basis, we review sustainability requirements with our core suppliers at least once a year to ensure compliance with our internal procurement policies and external legal requirements.

Serrer: In general, semiconductor equipment is very energy-hungry, so ATE is no exception. That being said, we are taking steps to support our sustainability initiatives by making the most out of the power our systems consume. So, if you look at our history, we are driving channel densities, from 64 channels to 128 to 256. With that, we can provide our customers with more test capacity over time, adding features that make tests more efficient. In that sense, we use the power we pull more efficiently to provide more to our customers during the testing process.

Q How does long-term trust contribute to resilient partnerships across the value chain?

Junger: In the supply chain, trust and communication are key. We communicate at multiple stages and levels. At a logistical level, we strive to be as automated as possible to provide easy access to information and facilitate information flows. Then we have the more strategic level, where we collaborate with our suppliers and even their suppliers to align on strategic long-term plans to make sure that we are all synchronized when it comes to ramping the supply chain up and down.

Trust is crucial. In establishing long-term trust with our partners, we can create win-win situations and navigate the stormy weather ahead. That is why trust is a key theme in our company's vision.

Mohan: Trends and companies can change very, very quickly in our industry. In building trusting relationships with our partners, we can see these changes before they take shape. We always make it a point to partner with industry leaders and look at things strategically from a long-term perspective. It is less important to us who is winning in the moment. Rather, we are always on the lookout for new, innovative technologies, and we work to be the first to identify and partner with those companies. We aim to develop products that enable our customers to leverage the latest and greatest technologies, and trust plays a key role in that.

Let's talk about your leadership philosophies. What does it take to succeed in this industry?

I believe that human curiosity is one of the key drivers of success. You need to have the passion to dive deep into very difficult problems, technically and economically. You need to have fun working with a lot of different people from various functions—whether it is hardware, software, sales, customers, management, or engineering colleagues such as application engineers and system engineers. That is what you need to be successful.

Serrer

Junger

It does not matter whether the glass is half full or half empty. It is all you have got, so try to make the best of it. If you start arguing, it will evaporate. So, you need to decide quickly on the assets you have and how to make use of them to create value.

I am a fierce competitor. From sports to work to everything in between, I like to compete, and I hate to lose. That being said, even when you lose, you learn, and then you can go back and turn the situation around. So having that long-term persistence is key for us, not only personally, but as a company. We are always working to make progress and improve.

Mohan

CFO Message

Building a Financial Structure That Balances Stability and Growth by Utilizing Our Diverse Experiences

Stepping Into My Role as CFO

I was appointed as CFO of Advantest in April 2025. I am honored to have been entrusted with this important role and am committed to performing my duties with a sense of responsibility and fulfillment every day. I have experience at investment banks and corporations. I also have a long history with Advantest, having been involved in several acquisitions when I worked as a financial advisor. During that time, I had the chance to view our business objectively from an outsider's perspective. The individuals I met when I was an advisor are still part of our management team today. Because of this, I was able to transition smoothly into my role as a member of the management team. Needless to say, our business has changed dramatically since then, and I have been trying to deepen my understanding of our internal operations and control processes since my appointment in April. I will continue to contribute to the Company's development and the sustainable enhancement of its corporate value by leveraging the professional perspective in corporate finance gained from my past work experiences, while supporting not only the business divisions but also all other functions across the Company, including supply chain and R&D.

Status of Assets

The minimum cash reserve was assumed to be between \100 and \120 billion at the time when the Third Mid-term Management Plan (MTP3) was formulated. However, the current business performance has significantly exceeded the initial plan, and the cash reserve has accumulated to a level exceeding that assumption. We continue to prioritize growth investments, including R&D and capital investments, and implement them as planned.

On the other hand, in FY2024, the Company achieved record-high sales and profits, and as a result, cash and cash equivalents remained at a high level. Considering risk factors such as semiconductor regulations and geopolitical issues, our cash position will be significantly influenced by our response to rapid changes in customer demand and M&A strategies. The Company has committed lines of credit and overdraft facilities with financial institutions. By utilizing not only cash on hand but also debt as necessary, we will continue to maintain liquidity that enables us to respond quickly to such fluctuations and seize opportunities for growth. At the same time, we intend to take flexible measures, such as returning any cash deemed surplus to shareholders after considering the balance between investment opportunities, working capital required for our business, and financial soundness.

Shareholder Returns

MTP3 outlines a policy of aiming for a cumulative total return ratio* of 50% or more over a three-year period, combining dividends and share buybacks. This is a change from the single-year target set in the 2nd Mid-term Management Plan (MTP2) to a three-year cumulative target in order to respond more flexibly to the increasingly volatile business environment. In fiscal 2024, in addition to an annual dividend of ¥39, we repurchased ¥50 billion of our own shares, resulting in a total return ratio of 49%. As the first year of MTP3, we believe we have made a solid start. Regarding dividends, we will maintain a minimum annual dividend of \30 as a basic policy, while also striving to pay stable and continuous dividends and increase dividends on a regular basis. In fact, even when our performance declined in FY2023, we increased the dividend for five consecutive years through FY2024. Although we operate in a cyclical industry that often fluctuates, we strive to achieve profit growth that will allow us to continue to increase dividends. In addition to continuing to increase dividends, we intend to determine the level of dividends by taking into consideration the “DOE” and “dividend payout ratio,” which is the dividend amount relative to retained earnings and net income for the current period.

Total Shareholder Return (TSR)

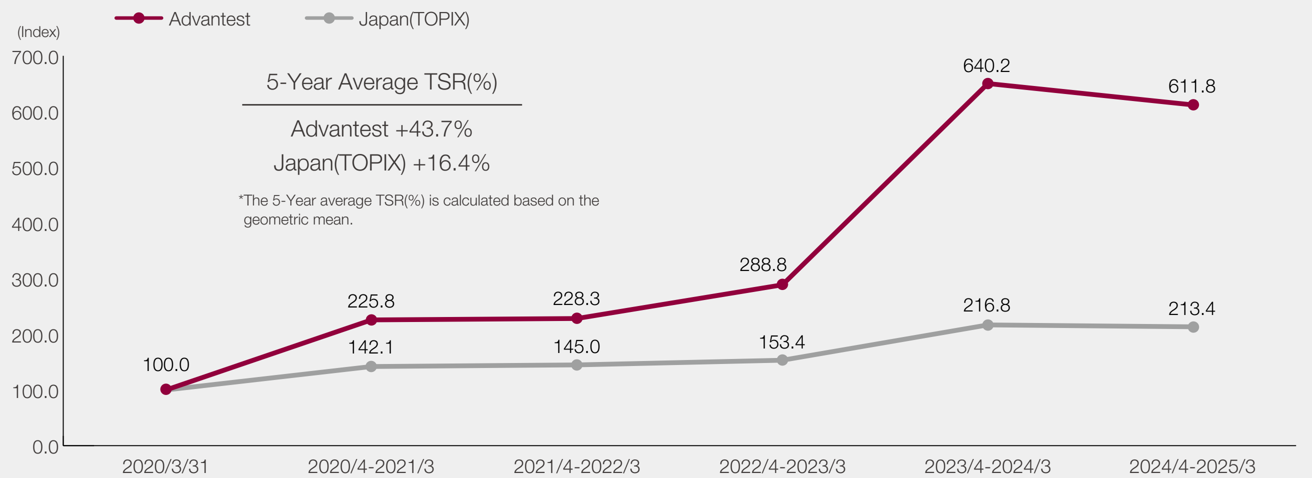
Looking at FY2024 alone, TSR was negative. Given the high volatility of demand in our industry, we use a three-year average rather than a single-year figure as management indicators in our Mid-term Management Plan. We believe that it is also appropriate to evaluate TSR over a three- to five-year period rather than on a single-year basis. I will continue to devote my utmost efforts as CFO to consistently delivering financial performance that meets the expectations of our investors.

Ending Remarks

We will continue to pursue financial strategies that will strongly support business growth and encourage shareholders to hold our shares for a long time, with the aim of further enhancing corporate value. We look forward to your continued understanding and support.

*Total return ratio: (Dividend + share repurchase) / consolidated net income

Total shareholder return (TSR)



TSR(%) for each period	2020/4-2021/3	2021/4-2022/3	2022/4-2023/3	2023/4-2024/3	2024/4-2025/3
Advantest	+125.8%	+2.5%	+60.5%	+351.4%	-28.4%
Japan(TOPIX)	+42.1%	+2.9%	+8.4%	+63.4%	-3.4%

*TSR stock prices are based on fiscal year-end index data from March 31, 2020 to March 31, 2025.

CHO Message

Keith Hardwick
Chief Human Capital Officer (CHO) & CCO (Chief Compliance Officer)

Click here to watch the CHO & CCO interview video

We want people to build long-term careers at Advantest, so we have been working to create an environment that facilitates sustained growth over years of development.

Responding to Industry Needs

At Advantest, we believe that our employees are our greatest asset, and we deeply value the unique contributions each person brings. They drive the innovation and growth that pushes our company towards the future. As Chief Human Officer (CHO), I work closely with the rest of the Human Capital (HC) team to connect people's work to the company's vision so that we can achieve our goals as a global team.

The growing complexity of the semiconductor industry affects how we support our employees. Advantest's global operations span various business units, functional units, and regional units—all of which need tailored support to remain efficient and productive. As part of our Global Human Capital Transformation initiative to standardize our HC systems and processes, we met with leaders across these units, and they expressed a clear need for a dedicated Human Capital partner. With a representative from HC in various business units, we can provide more support throughout the company, helping our global team remain agile in responding to dynamic changes within the industry.

Strengthening Employee Engagement to Drive Growth

Since March 2022, we have welcomed over 1,500 new employees through both recruitment and M&A. We want people to build long-term careers at Advantest, so we have been working to create an environment that facilitates sustained growth over years of development. That is why employee engagement is one of our top priorities.

In FY2024, we conducted a global survey using the Gallup model. Our ratio of engaged employees improved by six points compared to the previous survey, though we are still working toward our MTP3 target. A majority of the plans we put in place to address engagement focus on strengthening communication between managers and their teams to better define goals and expectations, which was a key area for improvement. We will also continue to build on our strengths, which include providing employees with the resources they need to grow and elevating their voices within the company.

CHO Message

Empowering Our Global Team Through INTEGRITY

When we think about employee engagement, one of the primary tools we employ to engage employees across our global organization is INTEGRITY. At Advantest, INTEGRITY is not just a set of values; it is the foundation that supports our long-term value creation and unites our global team. Introduced six years ago, INTEGRITY was created by identifying the key traits shared by our most successful employees.

With 98% of our revenue and over 60% of our workforce based outside Japan, INTEGRITY plays a vital role in building trust and fostering effective collaboration across diverse teams, regions, and functions worldwide. Our customers are global, and so are we. For example, a customer in the U.S. may rely on a support team in Taiwan, which in turn works closely with colleagues in Korea. Being global, collaborative, and team-oriented is fundamental to our success. This shared commitment ensures that our global organization moves cohesively, presenting a unified message in delivering high-quality service to customers worldwide. When you are talking to someone from Advantest, you are getting the same message no matter where your location is.

Moreover, Advantest's strong corporate culture creates an appealing workplace. We make it a point to highlight INTEGRITY at recruiting events and train all new hires on our core values. With INTEGRITY, we unite all employees under a shared set of values that resonates strongly with the work we do, encouraging growth and driving organizational success.

In thinking about the future, we are committed to upholding the core spirit of INTEGRITY, but our values must continue to evolve to keep pace with the growth of our industry. Moving forward, we plan to focus on the key values that resonate the most in today's environment. For example, "I" being "innovation" represents the need for innovative solutions to address the growing complexity of modern semiconductor devices. Furthermore, although Advantest is already "Number One" (symbolized by the "N" in INTEGRITY) in terms of market share, we can emphasize this value to motivate our employees and prevent complacency. To be "Number One," we must remain humble and hungry, and we can use our INTEGRITY principles to remind ourselves of this commitment. As INTEGRITY continues to evolve, the meaning it represents for our employees will deepen, enriching our corporate identity and the values we hold dear.

Developing Talent to Ensure a Future-Ready Organization

In today's rapidly evolving semiconductor industry, building a future-ready organization is essential for sustained success. At

Advantest Employee Lifecycle

Advantest, we recognize that navigating rising complexity requires a workforce equipped with the skills, agility, and a mindset to drive innovation forward.

First, attracting and retaining the right talent is paramount. Beyond recruitment, we cultivate an environment that encourages mentorship, knowledge transfer, and collaboration across global teams. This approach not only enhances employee engagement but also solidifies our resilience in this competitive market.

At Advantest, we believe in supporting our employees throughout their entire journey with us. To achieve this, we have established the "Advantest Employee Lifecycle," a comprehensive strategy that starts with "attracting" the right talent through effective "recruitment." This is followed by an "onboarding" process that includes introducing new hires to our corporate culture, along with other aspects of our business, and then "developing" their skills through curated training exercises. "Rewards" and engagement ensure employee "retention," and succession planning paves the way for a smooth “transition” out of the company. This lifecycle ensures that employees are supported at every stage of their journey, fostering continuous growth that is aligned with our business goals.

Our investments in FY2024 expanded this strategy through leveraging the “Advantest Development Framework,” which provides clear career pathways and targeted learning programs for both technical and non-technical roles. By enabling employees to build critical skills and leadership capabilities, we are preparing the next generation of talent who will drive future growth.

Investing in skill development is part of our two-part strategy to boost both individual and organizational strength. By elevating the strengths of our individual employees, we build a strong foundation for our organization to grow from. With this, human capital can leverage the “two wheels" of organizational strength and individual strength to enhance employee engagement and create value.

Through these strategic investments in our people, Advantest is actively shaping a workforce that is ready to meet the challenges of tomorrow. Our human capital initiatives are a cornerstone of our long-term value creation and a key differentiator in sustaining our industry leadership.

● Advantest Development Framework

* The implementation will be adapted to local rules and practices

Risk Management

Each of Advantest's locations around the world has diverse functions, so in order to carry out effective risk management, each unit (each division, regional headquarters, etc.) operates autonomous risk management during normal conditions. We also have a top-down risk response structure to be activated in the event of an emergency.

Our Basic Risk Management Philosophy

It is essential to identify present and future risks, prepare for them, and take appropriate countermeasures in order to seize business opportunities and tackle challenges amidst the upheavals affecting our business environment. Examples of such upheavals include the data explosion, the digital revolution, which is further accelerated by the rise of new applications that leverage AI, and ever-faster social change. By linking management strategy with risk management, we aim to comprehensively identify existing and anticipated risks. Each unit identifies risks from a bird's-eye view, defining risks as factors that may hinder the achievement of management strategies, and takes appropriate countermeasures according to the magnitude of the risks.

In addition, we have prioritized the creation of a system that can promptly respond to these risks if and when they materialize. Each unit strives to coordinate with the so-called second line (i.e., administration group) and third line (internal audit division) of defense to be fully prepared to respond to risks.

Thus, autonomous risk management by each unit, combined with management oversight, forms the basis of our risk management system.

Risk Management Structure

1. Organization

Under the risk management policy set by the Internal Control Committee, each unit manages its own risks while the Internal Control Committee supervises and evaluates the situation and provides feedback.

Compliance-related risks are tracked by the Chief Compliance Officer (CCO). In addition, certain types of risk information are reported directly to the Board of Directors and the Executive Management Committee.

A Crisis Management Group, headed by the Group CEO, has also been set up to act promptly in the event of an emergency.

2. Process

Each unit incorporates the management plan formulated by the Board of Directors and the Management Committee into its own priority measures. The Internal Control Committee defines the factors (risks) that may hinder the achievement of these priority measures and requests that individual units identify risks and report on their risk responses. In this manner, the Internal Control Committee supports and reviews the risk analyses of individual units and promotes information sharing between units from a companywide perspective. Each unit reports its risk management status to the Internal Control Committee twice a year. The Internal Control Committee then checks the risk management status of individual units and provides feedback.

The Secretariat of the Internal Control Committee also supports each unit in various ways, as appropriate, such as providing proposals for risk analysis and countermeasures and providing necessary information.

Compliance-related risks are tracked by the CCO and reported regularly to the Board of Directors and the Executive Management Committee. In the event of a compliance-related incident, the CCO promptly instructs the relevant unit to take action and reports the status of the response to the Board of Directors and the Executive Management Committee.

Depending on the nature of the risk, risk information may be reported directly to the Board of Directors or the Executive Management Committee. The Board of Directors or the Executive Management Committee handles risks at the corporate level by making timely decisions and giving instructions to related units.

In the event of an emergency or a serious matter, a faster response is possible under the direction of the Crisis Management Group.

Risk Management

Key Risks & Countermeasures

In FY2024, approximately 370 risks were identified by divisions, business departments, and overseas locations. Among these, we are focusing on specific risks that are key to successfully implementing the four strategies outlined in our third mid-term management plan.

▶ Four Key Strategies of MTP3

1. Outpace the growth in our core market
2. Expand adjacently / new businesses
3. Drive operational excellence
4. Enhance sustainability

	Key Risks	Strategy Affected by Risk	Primary countermeasure(s)	Executive in Charge*
1	Significant demand fluctuations in the semiconductor industry	1 3	• Expand into adjacent markets • Outsource production and diversify suppliers • Strengthen services and other businesses, including recurring businesses and new businesses • Deepen customer communication and internal communication to acquire the most accurate information	CSCO CCRO
2	Market share losses due to inability to deliver new products in a timely manner resulting from delays in development and design, failure to achieve performance targets	1 2 3	• Strengthen relationships with leading customers, collect information • Reduce waste of development resources through early analysis and design reviews at each phase • Research new products by analyzing data from semiconductor manufacturing processes	CTO
3	Market share losses due to inability to procure parts and deliver products in a timely manner	1 3	• Reduce excessive dependence on specific suppliers by measures such as selecting alternative parts and using standard parts • Continuously evaluate and review suppliers	CSCO CDO
4	Weaker profitability due to competition and price pressure	1	• Understand customer needs • Provide unique functions and high-value-added solutions	CCRO CTO
5	Business continuity impacts in the event of damage to our major facilities or those of our suppliers from natural disasters or other causes	1 3 4	• Formulate BCP and obtain relevant information • Check suppliers' BCP compliance status • Disperse production locations and external suppliers geographically	CEO CSCO
6	Impacts of global economic and political factors on global business expansion	3	• Rapidly collect risk information • Strengthen relationships with customers and suppliers • Establish new shipping processes and alternative procurement routes and production bases to enhance flexibility • Establish basic procurement policies and encourage suppliers to understand human rights and occupational safety	CEO CFO
7	Significant remedial costs due to stricter environmental laws and regulations	1 4	• Monitor environmental legislation trends • Consider the adoption of alternative technologies	CSRO CTO
8	Shortage of highly specialized human capital	4	• Formulate mid- to long-term recruitment plans • Improve work environments and increase employee engagement • Introduce a retention system for key engineers • Invest in employee training and create a system for transferring knowledge and skills	CHO
9	Loss of credibility due to violations of laws, regulations, social ethics, or product reliability / safety issues	4	• Set up and monitor appropriate internal processes • Strengthen employee compliance education • Ensure regular product quality reviews, quality checks during production, and cross-checks by the quality assurance department	COO CCO CTO
10	Business continuity impacts / reputational damage owing to IT network and systems failures	4	• Strengthen cyber-attack detection capabilities • Conduct regular information security training • Establish a quick response system for information security incidents	CDO CIO

*CxO Roles (As of November 1, 2025)

Group CEO(Chief Executive Officer)	Douglas Lefever
Group COO(Chief Operating Officer)	Tsukui Koichi
CHO(Chief Human Capital Officer)& CCO(Chief Compliance Officer)	Keith Hardwick
CSRO(Chief Stakeholder Relations Officer)	Yasuo Mihashi
CTO(Chief Technology Officer)	Juergen Serrer
CCRO(Chief Customer Relations Officer)	Sanjeev Mohan
CSCO(Chief Supply Chain Officer), CDO(Chief Digital Officer) & CIO(Chief Information Technology Officer)	Richard Junger
CFO(Chief Financial Officer)	Hisako Takada