

Governance

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Chairperson's Message

Yoshiaki Yoshida
Chairperson

Reflections Since Assuming my New Role as Chairperson

In April 2024, I stepped down from my position as Representative Director, President, Group CEO and assumed the role of Chairperson of the Board of Directors in a non-executive position. Prior to this, I had served as both the head of the executive side and the chairperson of the Board of Directors. However, from a corporate governance perspective, we believed it was best to more clearly separate the executive and supervisory functions. Thus, I handed over the position of Group CEO to Douglas Lefever and the role of President to Group COO Koichi Tsukui. At the same time, I assumed the role of Chairperson of the Board of Directors, responsible for monitoring the executive side. This change enables me, together with the outside directors, to monitor and the appropriateness of executive decision-making and its execution more objectively. I believe the transition Advantest enacted in 2015 to an Audit and Supervisory Committee structure marked a pivotal shift toward a board of directors that is focused on stronger monitoring and governance. Additionally, by making the Chairperson a non-executive position, and dividing the executive

responsibilities previously handled by one individual among two persons, we have observed further improvements in the speed of executive decision-making.

Starting the first year of our third mid-term management plan with the highest-ever sales and profits is a testament to the new management team's capability to demonstrate its full potential under the newly established governance structure.

Operation of the Board of Directors in FY2024

The Board of Directors meets once a month for several hours to report on monthly financial results and important topics. In addition to M&A and strategic investments, we also report on matters such as the annual budget and executive compensation to the Board at an early stage, rather than presenting them to the Board at the final resolution stage. This approach enabled the Board to make informed decisions based on thorough consideration.

The executive team takes matters raised at the Board of Directors meetings seriously. It holds separate meetings after each Board meeting to identify issues, discuss, and decide on measures to address them. The results are documented and reported at the next Board meeting, where outside director can raise additional issues or suggest other agenda items.

Through these ongoing efforts, we strive to improve the effectiveness of the Board.

The Board of Directors must be fully functional without becoming a mere formality. To this end, we conduct an annual survey of all directors to gather their candid opinions and evaluate the effectiveness of the Board. The survey results are distributed to all directors and are also discussed at the Board meeting.

The effectiveness evaluation for FY2024 revealed that, in addition to the increased neutrality of the Chairperson of the Board of Directors, more constructive discussions that contribute to mid- to long-term corporate value enhancement are taking place. We believe that this evaluation was driven by the fact that reports on the formulation and progress of the Third Mid-term Management Plan (MTP3) and explanations of investments aligned with the MTP3 strategy were presented at the Board of Directors meetings.

How Would You Like to Manage the Board of Directors in the Future (Your Intention as Chairperson)?

We believe that it is an important duty of the Chairperson of the Board of Directors to enhance the effectiveness of the Board and contribute to the enhancement of corporate value. Since the majority of our Board of Directors consists of outside directors, we believe that it is not necessary for discussions to delve into the details of business execution.

On the other hand, we are grateful for the advice provided by our outside directors, who draw on their wealth of experience to offer a broad perspective on management policies and issues from a shareholder's perspective. It is one of my key roles as Chairperson of the Board of Directors to elicit such advice and perspectives as much as possible. It is important to ensure transparency in basic governance matters such as management succession and the executive compensation system.

To that end, it is also imperative to build good relationships with outside directors so that they can obtain necessary information from management in an appropriate manner. From my part, I intend to play this role as a bridge between outside directors and the management.

At the same time, we believe that maintaining an arm's length relationship between outside directors and the management team is also necessary. This is why we solicit ideas for the agenda, or for internal analysis, from the outside directors, and include in the board agenda a range of items that allow them to appropriately monitor management. In addition to important management policies, we will continue to work to ensure that audit reports, compliance reports, and sustainability-related issues are regularly discussed at Board of Directors meetings.

There are various stakeholders in a company, and MTP3 is committed to providing value to all of them in a balanced manner. We will operate the Board of Directors to support and encourage the management's bold and disciplined decision-making and execution, while ensuring that the company continues to earn the trust of its diverse range of stakeholders.

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- The timeline illustrates the evolution of the company's corporate governance structure over two decades. It features a central horizontal axis with years marked by dark blue triangles. Above and below this axis, key events are listed in white text, each preceded by a red dot. The events are as follows:
- 2003:** Introduction of executive officer system.
 - 2006:** 1st meeting of the Nomination and Compensation Committee; Abolition of retirement allowance system; Appointment of first outside directors.
 - 2011:** Appointment of first foreign directors.
 - 2015:** Transitioned to the "company with audit and supervisory committee" format.
 - 2017:** A majority of the members of the Nomination and Compensation Committee became outside directors; First appointment of an outside director as the chair of the Nomination and Compensation Committee.
 - 2018:** First appointment of a female director; Established stock compensation system and reviewed stock option compensation system.
 - 2020:** Abolition of advisor system.
 - 2021:** General Review of Executive Compensation System, CxO System.
 - 2023:** Multiple female directors appointed; Outside directors reach majority of board members.
 - 2024:** Introduction of a stock compensation plan for outside directors and directors who are members of the Audit and Supervisory Committee; Separation of roles of the Group CEO and the Chairperson of the Board.

Corporate Governance

Shareholders' Meeting

Advantest regards the annual General Meeting of Shareholders as an important opportunity for dialogue with shareholders. The 2025 General Meeting of Shareholders was held in Chiyoda-ku, Tokyo, where our head office is located, for the convenience of our shareholders. Furthermore, this year's meeting was also livestreamed, enabling shareholders to watch the meeting in real time wherever they were and message us online during the livestream.

To enhance dialogue with shareholders, we accepted questions online in advance of the meeting. At this shareholders' meeting, we received four questions in advance, seventeen questions on the floor, and one comment from the livestreaming audience, and answered all of them.

The Group CEO gave a presentation on the progress of the Third Mid-term Management Plan, and there was a question-and-answer session with shareholders regarding the Company's strategies, providing a good opportunity for shareholders to deepen their understanding of the Company's mid-to long-term management direction. After the shareholders' meeting, we held a roundtable discussion with shareholders on the floor, allowing us to engage in interactive communication.



Efforts to Change the Schedule of the General Meeting of Shareholders by Amending the Articles of Incorporation

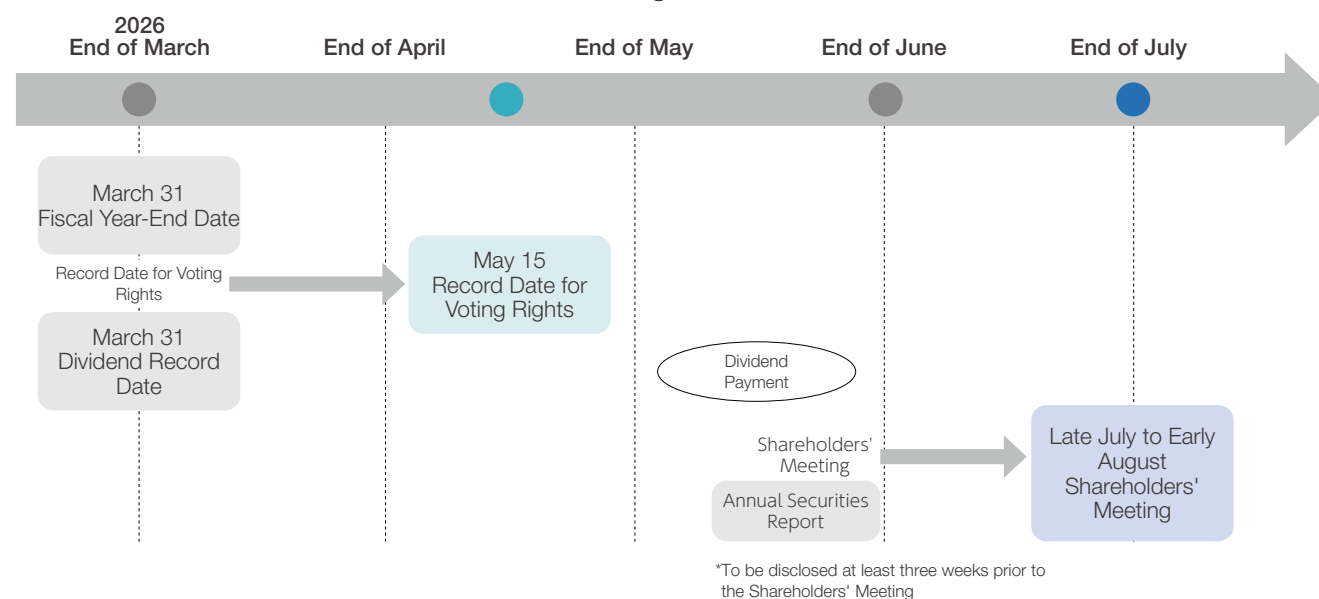
Advantest believes that in order to foster construction and effective engagement with our shareholders, it is important to provide sufficient information in an appropriate period of time prior to the General Meeting of Shareholders. Based on this idea, in addition to considering the integrated disclosure of the Annual Securities Report and the Business Report, a proposal to partially amend the Articles of Incorporation to change the record date for exercising voting rights from the current March 31 to May 15 was proposed at the Ordinary General Meeting of

Shareholders held on June 27, 2025, in order to enable the Company to convene the Ordinary General Meeting of Shareholders in late July or early August. The proposal was approved and passed.

Please note that there will be no change in the record date for dividend payment, and dividends will continue to be paid to shareholders at the end of March and September.

As a result of this amendment to the Articles of Incorporation, the date of the General Meeting of Shareholders will be postponed by approximately one month. Meanwhile, the Annual Securities Report will be disclosed by the end of June, enabling shareholders to exercise their voting rights after reviewing the Report.

● Schedule for the 2026 Shareholders' Meeting



Corporate Governance

Board of Directors

The Board of Directors of Advantest, as our management decision-making body, makes decisions on significant matters with respect to the management policies and management strategies for the whole Advantest group, and in its capacity to supervise management, it also monitors and supervises Executive Officers in the exercise of their duties. Advantest has strengthened the oversight and supervision functions of the Board of Directors by appointing a majority of outside directors on the Board. Furthermore, effective April 2024, the Group CEO and the Chairman of the Board of Directors have been separated, with Mr. Yoshida, a non-executive director, serving as Chairman of the Board of Directors. In addition, our Board of Directors maintains a certain degree of diversity, with two non-Japanese (U.S. nationals) directors and two female

directors. In order to maintain seamless communication, 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 prepared in both English and Japanese.

In FY2024, the Board of Directors held 13 regular Board of Directors meetings, spending three to five hours at a time to discuss important matters. Off-site meetings were also held in Singapore to discuss mid/long-term issues that cannot be adequately addressed within the time limits of the Board of Directors meetings. In addition, we visited our affiliated company in Malaysia as well as our manufacturing contractor for key products.

We also held online briefings on individual businesses and business strategies as an opportunity to provide more detailed business explanations to Outside Directors.

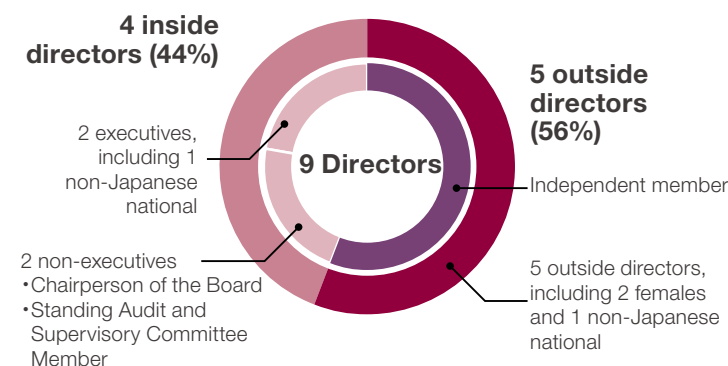


Off-site meeting held in Singapore

Major Items Discussed and Reported at Board of Directors Meetings and Off-Site Meeting in FY2024

- ✓ To further develop the Advantest group, the mid- to long-term management policy, "Grand Design," was revised to a management policy based on a longer-term perspective, and the Third Mid-term Management Plan (FY2024-FY2026) formulated in accordance with the revised Grand Design was resolved.
- ✓ Based on the Third Mid-term Management Plan, the Nomination and Compensation Committee proposed revisions to the executive compensation system to provide sound incentives that contribute to enhancing the corporate value of the Group and to enhancing global competitiveness. These revisions were resolved at a meeting of the Board of Directors.
- ✓ Recognizing that building partnerships with key companies in the semiconductor supply chain is essential to delivering high-performance and comprehensive test solutions that meet future customer needs, the executive side proposed several strategic partnerships, which were discussed by the Board of Directors.
- ✓ Due to the expected increase in cash flow resulting from strong business performance, Advantest has resolved to implement a share repurchase program for the purpose of improving shareholder returns and capital efficiency.
- ✓ Monthly reports were presented to the Board of Directors on the status of sales, profits, cash flow, inventory balances, and other matters.
- ✓ The status of communication with investors and the shareholding status of shareholders were reported to the Board of Directors as part of IR reporting.
- ✓ In addition to review results of the ESG Action Plan 2021-2023, reports were made on the Sustainability Action Plan 2024-2026 linked to the Third Mid-term Management Plan.
- ✓ Reports were made on the results of the company-wide employee engagement survey conducted in FY 2024 and future initiatives to improve engagement.
- ✓ Compliance reports were made four times a year, and internal audit reports were made twice a year, informing the Board of Directors about compliance incidents including reports made through a helpline, and about the internal audit system and items pointed out by internal audits.

Composition of the Board (As of July 1, 2025)



Corporate Governance

Initiatives to Enhance Effectiveness of the Board of Directors

Documentation of Items Raised at Board Meetings

We believe that in order to enhance the effectiveness of the Board of Directors, it is important to ensure that the content discussed at Board meetings is accurately reflected in the operations of the executive management. Based on this belief, we document the issues raised during Board discussions on a monthly basis and share them with the executive management. The executive directors then report on the measures taken or the status of such measures at the following month's Board meeting.

Effectiveness Assessment of the Board of Directors

Once a year, a questionnaire-based evaluation is conducted to assess the effectiveness of the Board of Directors. The questionnaire covers four items: composition of the Board of Directors, deliberation and operation, response of the executive team, and the support system for the Board of Directors. We collect and analyze opinions on the operation of the Board of Directors and the states of discussion.

The effectiveness evaluation for FY2024 showed that the transition to a new management structure was facilitated by the separation of the roles of Group CEO and Chairperson of the Board of Directors, resulting in greater neutrality for the Chairperson and more appropriate operation of the Board of Directors. It was also confirmed that the Board of Directors will hold discussions that will contribute to the enhancement of the Group's corporate value over the mid- to long-term.

On the other hand, as improvements to enhance the effectiveness of the Board of Directors, it was suggested that it would be desirable to quickly grasp changes in the external environment and consider analyses and countermeasures, including potential downside scenarios.

The results of the effectiveness assessment and areas for improvement were reported to the Board of Directors, and opinions were exchanged on how to improve the effectiveness of the system. Going forward, we will continue to make improvements to ensure higher effectiveness in the future.

Audit and Supervisory Committee

The Audit and Supervisory Committee consists of one internal and two outside Audit and Supervisory Committee members and is chaired by Sayaka Sumida, an external Audit Committee member. In order to enhance the effectiveness of auditing and supervisory functions, an internal Audit and Supervisory Committee member is appointed as a full-time member.

Pursuant to our audit policies, audit plans, priority audit items, allocation of duties, etc., and in coordination with the Auditing Group and other relevant departments with jurisdiction over internal control, each Audit and Supervisory Committee member, led by the full-time member, attends important meetings such as Executive Management Committee, Business Plan Meeting (Budget Meeting), and Internal Control Committee. Additionally, members receive reports from Directors, Executive Officers and business execution divisions, including units and affiliated companies. Members also review important approval-granting documents and inspect the state of business operations and assets. Outside Audit and Supervisory Committee members attend as necessary, in on-site inspections conducted by the full-time Audit and Supervisory Committee members, actively auditing and monitoring the status of business execution at the Company.

Following these investigations and audit activities, the Audit and Supervisory Committee members and the Committee itself shared their views with the Board of Directors and department heads regarding issues that required feedback.

In FY2024, the Audit and Supervisory Committee met 14 times. All meetings were attended by all Audit and Supervisory Committee members.

Nomination and Compensation Committee

Advantest has established our Nomination and Compensation Committee as a non-mandatory organization complementary to the Board of Directors, which decides on the appointment/dismissal of Directors and Executive Officers and their compensation. The Nomination and Compensation Committee is responsible for improving the fairness, rationality, and transparency of the appointment/dismissal of Directors and Executive Officers

and their compensation. The Nomination and Compensation Committee is composed of members selected from among the company's directors by a resolution of the Board of Directors, and the majority of the committee members are outside directors. The committee is chaired by Mr. Toshimitsu Urabe, an outside director. In FY2024, the Nomination and Compensation Committee met 14 times with all members attending all meetings. The main activities of the Nomination and Compensation Committee in FY2024 were as follows:

- ▶ Candidates for Directors and Executive Officers and the management structure
- ▶ Knowledge and skills required for Directors and Senior Executive Officers (skill matrix)
- ▶ Review and Operation of Executive compensation

Regarding the selection of directors and executive officers, the Nomination and Compensation Committee submits reports to the Board of Directors on candidates who, in their view, will contribute to a sustainable level of business development and enhancement of corporate value over the mid/long-term in accordance with the "Directors and Executive Officers Nomination/Dismissal Policy and Procedures" prescribed by the Board of Directors as regards Directors and Executive Officers. The Nomination and Compensation Committee also considers the most appropriate composition for our Board of Directors and executive team, including gender and national diversity, as well as the size of the respective organizations. In addition, regarding independent outside directors, the "Independence Criteria of Independent Outside Directors" prescribed by the Board of Directors applies alongside the "Directors and Executive Officers Nomination/Dismissal Policy and Procedures" mentioned previously. Candidates recommended to the Board of Directors should possess a wealth of knowledge that enables them to contribute actively to the Board.



Directors and Executive Officers Nomination/Dismissal Policy and Procedures



Independence Criteria of Independent Outside Directors

Corporate Governance

Executive Compensation

Based on our Purpose & Mission and vision, our executive compensation system aims to be a system that contributes to the enhancement of corporate value, and is based on the following three concepts:

- (1) a compensation mix and level that attracts international human resources who can support our global business development,
- (2) well-balanced bonuses linked to performance, and
- (3) compensation that encourages executives to share the shareholder perspective and promotes a medium- to long-term perspective on management.

Based on this concept, we made some changes to our executive compensation system in June 2025.

- Executive officers: Based on changes to benchmark partners and compensation comparisons with peer groups, we have revised the standard model and reviewed the compensation structure to enhance incentives, increasing the ratio of stock compensation (restricted stock compensation and performance-linked stock compensation).
- Outside directors and Audit and Supervisory Committee members: To further advance value alignment with shareholders and address the increase in compensation levels for outside directors and Audit and Supervisory Committee members, we have revised the compensation structure and increased the amount and ratio of restricted stock compensation.

Compensation Composition

		Monetary compensation		Stock compensation	
		Fixed compensation	Performance-linked bonuses	Restricted stock compensation	Performance Share Unit compensation
Business Executives	Group CEO	1	1	1	3
	Group COO	1	1	1	1
	Senior Executive Officer	1	1	0.5 to 0.75	0.5 to 0.75
	Executive Officer	1	1	0.5	0.5
Non-business Executives	Chairperson of the Board	1	–	1	–
	Audit & Supervisory Committee Member	1	–	Up to one-third of total compensation	–
	Outside Directors (excluding Audit & Supervisory Committee Members)	1	–	Up to one-third of total compensation	–

* Guideline for the standard amount

* Executive officers who are also directors will be compensated separately as directors.

Stock Ownership Guideline

The Company recommends that Executive Officers hold the Company's shares (including RS/RSUs) as follows. The Company will set the criteria for the amount and the number of shares based on the amount of base compensation and the stock price at the start of the Mid-term Management Plan, and one of them shall be satisfied with a grace period of five years until the achievement of the criteria.

Group CEO	4 years of base compensation
Executive officers other than Group CEO	2 years of base compensation

Reduction of Compensation (Clawbacks)

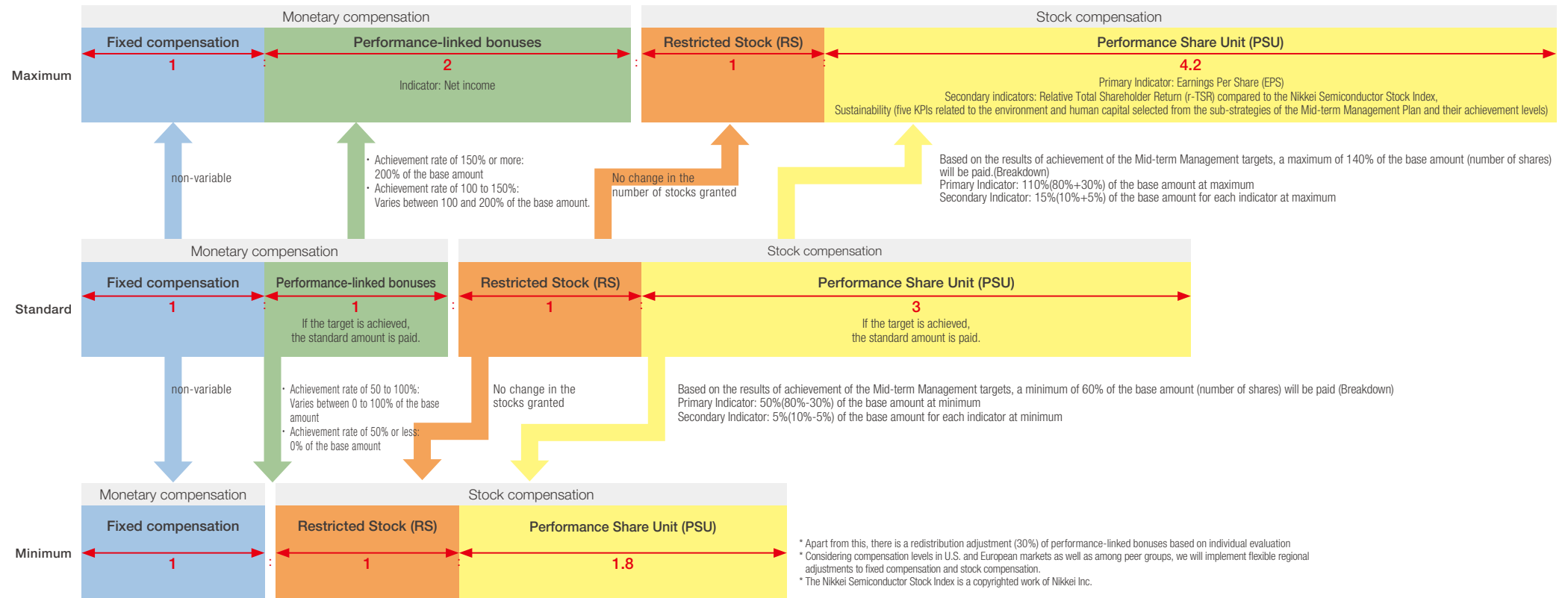
The Company may reduce future compensation or claw back past compensation by resolution of the Board of Directors in the event of certain circumstances, such as violation of relevant laws and regulations or internal rules, or material restatement due to errors discovered in the consolidated financial statements.



Policies and Procedures for Determining Compensation for Directors and Executive Officers

Corporate Governance

● Visualization of compensation for the Group CEO



Board of Directors, Skill Matrix

								
Representative Director, Senior Executive Officer, Group CEO	Representative Director, Senior Executive Officer and President, Group COO	Director, Chairperson of the Board	Director, Audit and Supervisory Committee Member	Outside Director	Outside Director	Outside Director	Outside Director, Audit and Supervisory Committee Member	Outside Director, Audit and Supervisory Committee Member
Douglas Lefever	Koichi Tsukui	Yoshiaki Yoshida	Yuichi Kurita	Toshimitsu Urabe	Nicholas Benes	Naoto Nishida	Sayaka Sumida	Tomoko Nakada

Skill Matrix for the Board of Directors following the General Meeting of Shareholders

In 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 of 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 responsibly of supervision in the nine areas, and established the required skill sets for Senior Executive Officers and Directors. If the election of all of the candidates presented in this convocation notice of is approved as originally proposed, the skills of the Directors will be as shown in the table on the next page.

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 and knowledge as a head of a management strategies department ^{1,2}
	Business investment and M&A	Experience and knowledge of business investment and M&A
2 Semiconductor	Semiconductor related industries	Experience in semiconductor-related industries and knowledge of the semiconductor industry
3 Technology	Industries & technologies (incl. Environment and Energy)	Knowledge of the electrical/electronics related industry and ICT technologies
	Research & development	Experience and knowledge as a head of an R&D department ^{1,2}
	SCM ³ , production, and quality assurance	Experience and knowledge as a head of SCM ³ , production, production engineering, and quality assurance departments ^{1,2}
4 Sales & Marketing	Sales and marketing	Experience and knowledge as a head of a sales and marketing department ^{1,2}
5 Finance & Accounting	Finance, accounting and audit	Experience and knowledge as a head of a finance, accounting and audit department ^{1,2} or as a certified public accountant and auditor
	Communication with the capital market	Experience and knowledge 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 and knowledge 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 and knowledge as a head of an IT department ¹ , 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

Board of Directors, Skill Matrix

Skill Matrix

		Fundamental managerial activities deemed essential for carrying out management duties and guiding/ supervising our management team														Key areas of our 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
		Attribute				Management		R&D, Semiconductor, Industries & Technologies				Finance & Accounting, Communication with Capital Market		Legal affairs, risk management, and compliance	Human capital management	Global business	IT & DX
		Nationality	Member of the Audit and Supervisory Committee	Member of Nomination and Compensation Committee	Independent member	Top management	Management strategy	Business investment and M&A	Semiconductor- related industries	Industries & technologies (Ind. Environment and Energy)	Research & development	SCM, production, and quality assurance	Sales and marketing	Finance, accounting and audit	Communication with the capital market		
Inside Directors	Douglas Lefever	Male	American			○	○	○	○	○	○		○		○		○
	Koichi Tsukui	Male	Japanese			○	○		○		○	○	○		○		○
	Yoshiaki Yoshida	Male	Japanese			○	○	○	○				○		○		○
	Yuichi Kurita	Male	Japanese				○	○	○					○	○		○
Outside Directors	Toshimitsu Urabe	Male	Japanese	Chairperson		○	○	○								○	○
	Nicolas Benes	Male	American				○	○							○		○
	Naoto Nishida	Male	Japanese						○	○	○	○					○
	Sayaka Sumida	Female	Japanese	Chairperson										○		○	○
	Tomoko Nakada	Female	Japanese												○		○

*Skills of the Senior Executive Officers (excluding those concurrently serving as directors) are as follows.

Senior Executive Officers	Keith Hardwick	Male	American					○	○					○		○	○	○
	Yasuo Mihashi	Male	Japanese				○	○	○				○		○		○	
	Juergen Serrer	Male	German				○		○	○	○						○	
	Makoto Nakahara	Male	Japanese						○			○	○				○	
	Sanjeev Mohan	Male	American				○		○	○			○				○	
	Richard Junger	Male	German						○			○					○	○
	Yong Xu	Male	Chinese						○				○				○	
	Toshiaki Adachi	Male	Japanese						○		○						○	○
	Hisako Takada	Female	Japanese				○	○		○				○	○		○	

Interview with Outside Directors

Effective Board of Directors Through Diversity and Dialogue

In order to achieve effective governance, it is important not only to establish institutional frameworks but also to foster a lens through which to understand our corporate culture and the workplace. With this in mind, we asked Mr. Nishida and Ms. Nakada, who joined the Board of Directors as outside directors in 2023, to share their insights into the role of the Board of Directors, their interactions with the workplace, and their expectations for enhancing corporate value.



Director
Naoto Nishida

Director
Tomoko Nakada

(Interviewer: Toshiyuki Ishii, Department Manager, BoD Administrative Office, CEO Office)

Q How do you assess the effectiveness of your Board of Directors ?

Nishida I feel that the Board of Directors, the Audit and Supervisory Committee, and the Nomination and Compensation Committee each fulfill their respective roles while working together to closely monitor the decision-making of the executive team. The Board of Directors consists of nine members, which is the ideal size for discussions, and there is an atmosphere where each director can freely express their opinions. The board members come from diverse backgrounds in terms of gender, nationality, and expertise, enabling constructive discussions from a wide range of perspectives. Recently, two new female executive officers

have joined the management team, and I feel that efforts to incorporate diverse perspectives into organizational operations are steadily progressing.

I also believe that the separation of the roles of Group CEO and Chairperson of the Board of Directors since last year has clarified the relationship between management and supervision, thereby enhancing the effectiveness of the Board of Directors. On the other hand, I recognize areas for improvement, such as insufficient response to issues that were pointed out, parts of reports that appear to be merely

formalities, and a somewhat weak response to areas where downside risks have emerged despite overall business performance being strong.

Nakada I feel that the Board of Directors is functioning appropriately, as the suggestions and proposals made by outside directors are taken seriously and reflected in actual measures. For example, at this year's General Meeting of Shareholders, a proposal was approved to allow the General Meeting of Shareholders to be held in July or later, enabling shareholders to exercise their voting rights at the meeting after

Interview with Outside Directors

fully understanding the contents of the Annual Securities Report. This initiative was implemented following advice from our outside director, Mr. Benes, and other directors, followed by various discussions within the management team. I believe this is a pioneering and highly significant step forward within Japan.

Q How would you describe your relationship with the Group CEO ?

Nakada I believe that Doug-san is a leader who takes the initiative in promoting business, and I feel that he has extraordinary leadership skills. At the same time, as an outside director, I recognize that we must provide opinions from a different perspective than the management team and encourage careful consideration when necessary. In fact, there have been cases where outside directors have offered a variety of opinions on proposals made by the management team, leading to better decisions in the end. Looking at these processes, I feel that the Board of Directors is functioning soundly.

Nishida I highly value Doug-san's wealth of experience, knowledge, and network cultivated at Advantest, which he is leveraging to make significant contributions to the company's performance. In particular, he has built strong, trusting relationships with key customers' management teams and is driving the business forward through close communication, which I believe is an irreplaceable strength. At the same time, I believe it is critically important for the Board of Directors to maintain an appropriate level of "constructive tension" with the Group CEO. Whenever there is a sense of misalignment regarding proposals presented by the CEO to the Board, I make it a point to clearly express such concerns and engage

in deeper discussions to ensure robust deliberation.

Q How do you feel about our corporate culture and atmosphere ?

Nakada Advantest is a global company with more than 60% of its employees from countries outside of Japan. The company has a warm, welcoming atmosphere that makes you feel at home. The first time I realized this was at a reception I attended shortly after being appointed as an outside director in 2023. Everyone except Doug-san was Japanese, but as soon as he entered the room, everyone started speaking English. The moderator's remarks and all the speeches were in English, and Doug-san said that he felt this company was more like a "family" than a "company." These get-togethers are held several times a year and are attended not only by board members but also by executive officers and senior employees. I feel that these opportunities for communication that go beyond organizational boundaries are extremely meaningful and contribute to building trust in our daily work. Last year, I also participated in the "Employee Appreciation Day" held to commemorate the company's 70th anniversary. It was a family-oriented event where everyone felt like part of a large family. This warm, family-like atmosphere also serves as a foundation for open and positive discussions at board meetings.

Nishida What impresses me most about Advantest's corporate culture is its diversity and integrity, which is truly authentic. Even in terms of language, English has become the common language used at board meetings, and even among Japanese speakers, there is the flexibility to naturally switch to English when an English speaker joins the group. This is



unique in that it is not forced but rather is a natural result of working in a global company.

In addition, the fusion of technical cultures between Verigy and Advantest, and the mutual respect for each other's strengths, are also signs of the company's maturity. Furthermore, during off-site meetings in Korea and Singapore, I felt that the corporate philosophy of "INTEGRITY" had permeated down to the workplace level. This cultural unity is a major advantage for a global company like Advantest.

Q What are some of the most memorable discussions/events you have had ?

Nakada Some of the most memorable experiences for me

Interview with Outside Directors

are the annual off-site meetings. During the meeting held at our Korean headquarters in the fall of 2023, I had the opportunity to speak with senior executives on an individual level. My time there was very meaningful; I could directly experience the atmosphere and perspectives of the onsite employees, something that documents alone could not convey. Upon returning to Japan, I made a suggestion for improvements to Mr. Yoshida, the then-CEO, with Ms. Sumida, who was also an outside director and member of the Audit and Supervisory Committee. When this suggestion was implemented, I felt that I had made a small contribution to governance in my role. In the fall of 2024, I visited our offices in Singapore and Malaysia and participated in the employee all-hands meeting. The management team's sincere and



thoughtful responses to various questions about the future left a strong impression on me. Visiting our business partners and confirming the strong trust we have built with them was also very beneficial. Through these on-site experiences, I am now better equipped to fulfill my supervisory role as a board member in a more effective manner.

Nishida There are two things that left a strong impression on me. The first is the decision to postpone the shareholders' meeting until after the disclosure of the Annual Securities Report, as Ms. Nakada mentioned earlier. This shift, which is ahead of other competitors, is still rare in Japan, and I feel like the fact that this decision was made by the Board of Directors is commendable from the standpoint of governance. Another thing that may come as a surprise is that Advantest participated in the "Corporate Song Contest" hosted by the Nikkei Shimbun in February 2025. Although this was not discussed at the Board of Directors meeting, we eventually made it to the finals and received a special award from singer/songwriter Ai Kawashima, who was the chair of the judging committee. There is actually a video of employees from various countries singing together, conveying a sense of warmth and unity that symbolizes the character of Advantest.

Q What are your particular focuses and expectations for increasing corporate value ?

Nakada I am particularly mindful of the shareholders' perspective. For example, when I received direct feedback from individual investors at gathering with shareholders following the General Meeting of Shareholders, I was reminded of my mission and responsibilities as a director. The

information we gain from dialogue with shareholders is invaluable. There are also cases where we have incorporated feedback from shareholders into internal response measures. In this way, I aim to contribute to enhancing corporate value by faithfully fulfilling my role as an outside director.

Nishida The semiconductor market is undergoing rapid changes, requiring both short-term responsiveness and long-term vision. In this regard, I strongly identify with the direction of evolving into a "Test Solution Company" set forth in the new vision statement of the Grand Design. I believe that Advantest's approach to strategically expanding its business domain through in-house development, M&A, and partnerships with other companies, with the aim of contributing to the entire value chain, will also differentiate it from its competitors.

From a sustainability perspective, I am impressed by the steady progress being made towards achieving the clearly defined KPIs in the Sustainability Action Plan, and I am looking forward to seeing further initiatives in this area. I also hope to see the development of mechanisms for personnel exchanges between locations and cross-border career development in the future. As it is becoming increasingly difficult to recruit talent in Japan, this will pave the way for young employees to grow in a global environment and will also enable the company to broaden the perspective of the entire organization.



Sustainability

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CSRO Message



Yasuo Mihashi
Chief Stakeholder Relations Officer (CSRO)

Sustainability challenges span a wide range of issues, including climate change, human rights, and supply chain management. These issues are interconnected just like the gears in a machine, and if any one of them stops, the entire system will be compromised. We will ensure that our sustainability efforts remain effective and ongoing—steadily driving the gears of sustainability forward.

action among stakeholders and take on new challenges to improve society. This is the core attitude that Advantest believes should underpin our sustainability efforts.

Practicing Sustainability with Empathy

In recent years, the growing intensity and frequency of natural disasters have made the effects of climate change feel increasingly real. I am deeply concerned by the rapid pace of environmental change. While our lives have certainly become more convenient, I feel that it is time to reflect on whether this truly leads to sustainable development.

Within the global efforts toward sustainability, relevant laws and regulations have been developed. While these trends are welcome, simply complying with regulations is not enough for us to truly contribute to a sustainable environment and society, or to remain a sustainable company. What matters most is that we genuinely empathize with the need for sustainability and take proactive steps to address it.

By expanding this shared sense of empathy both within and beyond our company, we aim to inspire positive awareness and

Driving the Gears of Sustainability Through Connections

We consider the semiconductor industry to be an extremely sensitive business domain, characterized by the rapid pace of technological advancement and complex geopolitical constraints. Even in such a challenging environment, our customers in the semiconductor industry continue to pursue innovation and strive to improve society through technology. Since our founding, Advantest has centered its business around measurement solutions. Guided by our belief in

CSRO Message

delivering reliable products to the world and contributing to a “safe, secure, and comfortable” society, we have fulfilled our vital responsibility of ensuring quality and reliability across the semiconductor supply chain. Through the provision of advanced measurement solutions for cutting-edge semiconductors and support for efficient mass production, we aim to contribute to the sustainable development of society. Sustainability challenges span a wide range of issues, including climate change, human rights, and supply chain management. These issues are interconnected just like the gears in a machine, and if any one of them stops, the entire system will be compromised.

Advantest addresses these challenges in a holistic manner, working closely with our customers and suppliers throughout the semiconductor supply chain. In addition to climate-related initiatives, we aim to uphold our human rights responsibilities in collaboration with our suppliers. By working in tandem with our human capital and procurement departments, we will ensure that our sustainability efforts remain effective and ongoing—steadily driving the gears of sustainability forward.

Building on Our Journey and Embracing Future Challenges

Over the years, Advantest has steadily built its sustainability initiatives, driven by growing environmental awareness and increasing attention to corporate social responsibility (CSR). Regarding global sustainability, the demands placed on companies have become more sophisticated and complex. We have responded to these changes with sincerity and persistence. The driving force behind these efforts has been our employees, each bringing their own unique experiences and diverse perspectives from across the company's departments

and global offices. While not all of our employees have a specialized background in sustainability, they have approached sustainability with integrity and diligently work to advance our initiatives. As a result, we have received high recognition from external stakeholders for our sustainability activities, which serve as a significant source of encouragement to expand our efforts.

At the same time, we are becoming increasingly aware of the challenges ahead. For example, despite our various environmental initiatives, it will not be easy to reduce the total amount of greenhouse gas emissions amid the rapid growth of the semiconductor industry, but we remain committed to these efforts nonetheless. Under Advantest's corporate culture of INTEGRITY, we will continue to face each challenge earnestly and deepen our efforts toward realizing a sustainable society.

Building a Sustainable Future Through Technology

We believe that the time has come for us to reassess what we are doing and what we need to do in regards to future sustainability initiatives

By 2030, AI data centers are predicted to consume nearly 1 petawatt-hour of electricity. This is an enormous amount of energy, exceeding the total electricity consumption of Japan today. Some estimates suggest that the adoption of silicon photonics could reduce this consumption by approximately 10%. We believe that the key to achieving this will be our ability to provide measurement systems that can accurately guarantee the operation of new technologies.

Looking further ahead to 2050, resource shortages and energy issues are expected to become more serious due to population growth. To achieve sustainable development in such a society,

technological advancements that support efficient social infrastructure will be essential. We aim to continue supporting the sustainability of society while maintaining our focus on technology.

As climate change accelerates, we recognize the urgent need to promote energy-saving and efficiency-enhancing initiatives. At the same time, we must address pressing social issues, such as human rights, labor conditions, and fair trade throughout the entire supply chain. To implement and continuously improve these efforts, we must maintain a transparent governance structure, manage risks appropriately, and fulfill our accountability to stakeholders. As a responsible corporate citizen, we are committed to advancing these initiatives with determination and perseverance.

In an era of rapid technological progress, another critical responsibility we are called upon is to continue providing testing solutions that enable the reliable implementation of innovative technologies in society. We believe that this role for Advantest is essential.

With technology and INTEGRITY, Advantest will continue to contribute to the realization of a sustainable future.

Advantest's Sustainability Initiatives

Advantest strives to align our management priorities with our corporate philosophy as codified in the Advantest Way, and with our Grand Design mid/long-term management policy. We believe that sustainability is fundamentally a matter of meeting current needs without compromising our ability to meet future needs. From the perspective of expanding our Group's social contributions and creating further value for stakeholders, we have formulated our Basic Sustainability Policy as a component of the Advantest Way. This policy serves as the basis of our sustainable management efforts.

Our Approach to Sustainability Issues

Currently, nearly all of Advantest's business activities are related to semiconductors, which are essential to a wide range of industries and contribute to a more sustainable future for humanity. Our business activities, in line with our purpose and mission, contribute to the development of semiconductors with superior performance. We believe that enabling new advancements in semiconductor technology will contribute directly to the safety, security, and comfort of people worldwide, as well as to our own growth as a company. Therefore, under our recently updated mid/long-term management policy and Grand Design, we set forth a vision statement that is aligned with our greater goals as a company: "Be the most trusted and valued test solution company in the semiconductor value chain." To embody this vision, Advantest will continue to promote various initiatives that contribute to a more sustainable society, with a focus on addressing customers' issues. At the same time, by appropriately reflecting the expectations and requests of the various stakeholders who support our business activities, we aim to expand the Group's purpose and the value we provide in a well-balanced and multifaceted manner, both economically and socially. We have positioned "Enhance Sustainability" as one of the four

key strategies outlined in our third mid-term management plan. We conduct materiality assessments for mid/long-term risk analysis and issues related to sustainability and discuss them at management meetings. We are also promoting business growth strategies and initiatives that address social issues in an integrated manner by creating medium-term action plans that incorporate specific goals and standards. Specifically, we identify important issues from the perspectives of both our stakeholders and our company, such as issues related to business value creation (e.g., increasing customer value), issues related to strengthening our business foundation (e.g., upgrading our human capital), issues related to strengthening our management foundation (e.g., reviewing our management execution system), issues related to

regulations and social/environmental risk management, and trends in international disclosure standards related to sustainability. We organize these issues into a "Sustainability Action Plan," a sub-plan of our mid-term management plan. Furthermore, we strategically promote activities to achieve the goals set for each issue in the Sustainability Action Plan. The activities and goals outlined in the Sustainability Action Plan are regularly reviewed in response to their changing relevance to the Advantest Group.

● The Advantest Way



Advantest's Sustainability Initiatives

Semiconductors and Sustainability

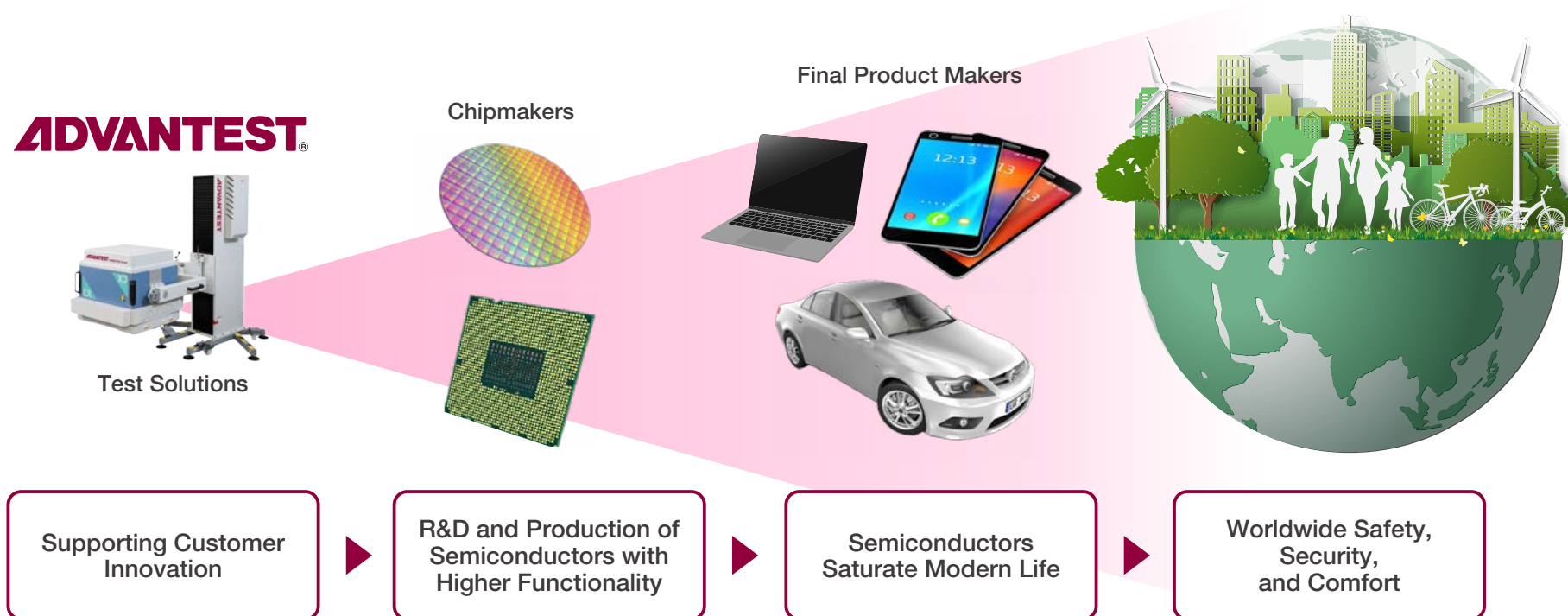
At Advantest, we believe that semiconductors play a crucial role in supporting global sustainability.

Semiconductors have become essential components in nearly every aspect of our lives, from personal computers and smartphones to home appliances, automobiles, and industrial equipment. Nowadays, everything is connected to the internet, and the amount of data generated worldwide is increasing year by year alongside the growing number of electronic devices

connected to the internet.

However, semiconductor production is faced with demands for lower environmental impact. To meet these demands, advances in miniaturization, performance, and energy efficiency are mitigating the rising power consumption resulting from the increased use of semiconductors. Notably, power semiconductors have also seen remarkable performance improvements and widespread adoption. Advantest plays a role in energy conservation by providing test solutions that enable semiconductor manufacturers to develop semiconductors with improved performance and energy efficiency. Our mission is to

address the challenges our customers face, including high quality and performance assurance, as well as the rapid ramp-up of production volumes. We aim to respond effectively to the evolving semiconductor landscape shaped by the dual drivers of digital transformation (DX) and green transformation (GX). In carrying out this mission, all executives and employees act in accordance with the Advantest Way. We strive to respect all stakeholders and contribute to global sustainability, while also working to achieve sustainable growth for our company and increase our corporate value in the medium to long term.



Sustainability Action Plan 2024-2026

Providing Value and Creating Stakeholder Impact

Our Sustainability Action Plan 2024-2026 was formulated as an overall picture of the Advantest Group's mid-term sustainability initiatives from FY2024 onwards, along with the mid-term goals associated with these initiatives.

In formulating the Sustainability Action Plan, we have established priority themes, targets, responsible officers, KPIs, and target values (for FY2026) for each stakeholder to be addressed in conjunction with our Grand Design mid/long-term management policy and our third mid-term management plan (MTP3). We aim to achieve these targets (FY2026) to create value and impact for our stakeholders.

● Sustainability Action Plan 2024-2026

Stakeholders	Priority Themes	Target	CxO in charge*	KPIs	KPI Target (FY2026)	Progress (FY2024)
Shareholders and capital market	Mid-/long-term and sustainable enhancement of corporate value	Aiming to further sales growth, improve profitability, and use capital more efficiently	CFO	In accordance with MTP3 Management Indicator	In accordance with MTP3 Management Indicator	Exceeding the target figures for all management indicators set as averages over the three-year period of the medium-term plan
	Enhancement of sustainability information disclosure	Timely and appropriate disclosure of financial and non-financial information	CFO	ESG evaluation by rating agencies	Maintaining and improving evaluations by major ESG evaluation by rating agencies	Maintaining high standards of evaluation by major rating agencies
Employees	Respect for diversity	Promoting gender diversity	CHO	Ratio of female managers*2	11%	9.7%
			CHO	Ratio of female employees among candidates (Level 6) for executive and managerial positions*3	16%	15.5%
	Employee engagement	Fostering and instilling an attractive corporate culture	CHO	Turnover rate	Voluntary turnover rate is below average of the period of MTP2 (5.9%)	4.4%
			CHO	Gallup Survey Scores*4	3.8	3.76
			CHO	The INTEGRITY Award nominations/year*5	400	465 activities
	Investment in human capital	Promoting health and wellbeing management and work-life balance	CHO	Japan: White 500 Certified (Japan)*6	Japan: Certified as White 500	Certification obtained
		Promoting human capital development based on the Advantest Development Framework	CHO	Education and training expenses	0.8 (Billions of yen)	0.68 (Billions of yen)
Customers	Providing superior solutions	Provision of new products and integrated solutions that solve customer issues	CTO	Market position	Maintaining 'No.1 position in the focus markets'	Maintaining the status
	Customer satisfaction and trust	Provision of more value added and comprehensive customer support quickly and accurately	CCRO	Market position	Maintaining 'No.1 position in the focus markets'	Maintaining the status
	Climate change countermeasures and reduction of environmental impact	Improving the environmental performance of our products	CTO	"GHG emission per AT innovations" reduction rate*7	86% reduction when comparing Ave. (FY2021-FY2023) and Ave. (FY2024-FY2026)	84% reduction
			CCRO	Market Share of ATE products, including those with enhanced environmental performance	58% or more	58%
			CSRO	Enhanced Product Life Cycle Assessment	Expansion of the life cycle assessment management scope and data refinement	Initiatives for improvement started

 Sustainability Action Plan 2024-2026

Stakeholders	Priority Themes	Target	CxO in charge**	KPIs	KPI Target (FY2026)	Progress (FY2024)
Suppliers	Respect for human rights and fair deals in the supply chain	Responsible Mineral Procurement	CSCO	Supplier response rate to conflict minerals survey	99%	99%
		Penetrating Sustainability in the Supply Chain	CSCO	Due diligence implementation rate for designated business partners**	100%	100%
			CSCO	Number of designated business partners**	50 suppliers (Designated 42 suppliers as business partners in FY2023)**	44 companies
	Greenhouse Gas Emission Reduction (Scope 3)	Supply chain decarbonization	CSCO	Percentage of main business partners that have introduced renewable energy sources**	60%	52%
Partners	Creation of innovation and contribution to local communities and global society	Implementation of activities related to innovation and social good	CSRO	The number of strategic partnerships	Maintain the same level as FY2023	Maintaining the status
			CCO	The number of employees' activities contributing to local communities (both inside and outside of work)	180 (FY2024-FY2026 Cumulative Total)	90 activities
Global Environment	Greenhouse gas emission reductions (Scope 1+2)	Reducing GHG emissions from Scope 1+2	CSRO	GHG emissions reduction rate	65% (vs. FY2018)	76% reduction
		Raising renewable energy usage	CSRO	Renewable energy coverage rate	80%	87%
		Reducing energy consumption by shortening the production period of major products	CSCO	Reduction of production period by reviewing production processes	Reducing production period by 20% (vs. FY2020)	40% reduction
	Contribution to the Circular Economy	Improvement of recycling rate through promotion of 3Rs (Reduce, Reuse and Recycle)	CSRO	Waste recycling rate (Japan and overseas)	Japan: 90% or more Other regions: 73% or more	94% 67%
		Maintaining company-wide water consumption at FY2016 levels	CSRO	Water resource usage	Less than 288,000 m ³ /year	297,771 m ³ /year
	Conservation of biodiversity and natural capital	Preservation of biodiversity, promotion of nature conservation activities (protection of endangered species in biotopes, tree planting, beach cleanups, etc.)	CSRO	Total number of participants in social contribution activities related to natural capital	600 (FY2024-FY2026 Cumulative Total)	2,449 participants
	Priority Themes	Target	CxO in charge**	KPIs	KPI Target (FY2026)	Progress (FY2024)
Governance	Promoting ethical management and business	Compliance with international/industry standards	CSRO	Compliance with business codes of conduct and management system standards	Maintain and recertify ISO certification and pass RBA(Responsible Business Alliance) audit	Maintained and recertified ISO certification, and passed RBA audit
		Implementation of Global Compliance Education Program (GCEP) e-learning for all employees	CCO	e-learning participation rate	100%	96.4%
		Fair and Transparent Workplace	CCO	Percentage of respondents**11 who answered that 'the convenience of internal reporting channels has improved' in the compliance survey**10	50% or more	82.8%
		Maintaining and improving occupational health and safety	CHO	Incidence of serious occupational accidents which result in absence from work (LTIR: Lost Time Incident Rate)	0%	0.35
		Fostering internal understanding of sustainability	CSRO	Implementation of measures for different levels of the organization to promote understanding of sustainability	Implementation of the measures for different levels	Implemented
	Continued enhancement of Corporate Governance structure	Enhancement of board structure and governance to increase effectiveness of corporate governance	COO	Ensuring the effectiveness of the Board of Directors	Enhancement of disclosure of effectiveness evaluation results	The results of the effectiveness evaluation will be disclosed in the CG report
			COO	The board composition that satisfies the skill set required in line with management strategy and the business environment, and also ensures diversity	Periodic review by the Board of Directors and review and revision as necessary	Reviewed by the Board of Directors
	Enhancing risk management	Strengthening internal control	CCO	Risk clarification and response based on twice-yearly risk reviews	Implementation of risk review twice yearly	Implemented the risk review twice a year

*1 Please refer to P.34 for the list of CxOs.

*2 The non-consolidated Female manager ratio is described in the Securities Report under "Item 1. Company Overview 5. Status of Employee."

*3 Advantest's qualification system is a 10-level system which is globally standardized, with Level 6 being the highest level of qualification for general employees.

*4 A group-wide survey is conducted every three years.

*5 This award system honors employees who embody INTEGRITY through nominations from other employees.

*6 As the White 500 is a certification system in Japan, the Company and its subsidiaries in Japan are subject to certification.

*7 GHG emission per AT innovations is calculated by dividing Scope 3 Category 11 GHG emission by AT innovation (number of transistors based on Advantest's market share, pins, frequency, DPS current in systems that account for 80% of annual sales, and number of the systems).

*8 Tier 1 suppliers, which represent the top 85% of suppliers in terms of transaction value, and Tier 2 suppliers, which are the main suppliers of the Tier 1 suppliers, are subject to due diligence. These suppliers are defined as designated business partners.

*9 The top 85% of suppliers by transaction value are defined as main business partners.

*10 A group-wide compliance survey is conducted every three years.

*11 Considering that not all employees wish to use the internal reporting system, the percentage of employees who answered that they would use the internal reporting system was calculated excluding those who answered 'I don't know' regarding the improvement of the convenience of the internal reporting system.

Sustainability Action Plan 2024-2026

Sustainability Management

Based on our Basic Sustainability Policy, the Advantest Group promotes activities at the corporate level, assigning specific issues to individual CxOs, including the Group CEO. Furthermore, by incorporating the Sustainability Action Plan into each business unit's annual business plan, we strive to make steady overall progress.

In addition, to flexibly promote sustainability initiatives throughout the Group, we established the Sustainable Management Working Group (SMWG), an organization directly supervised by the Executive Management Committee, in

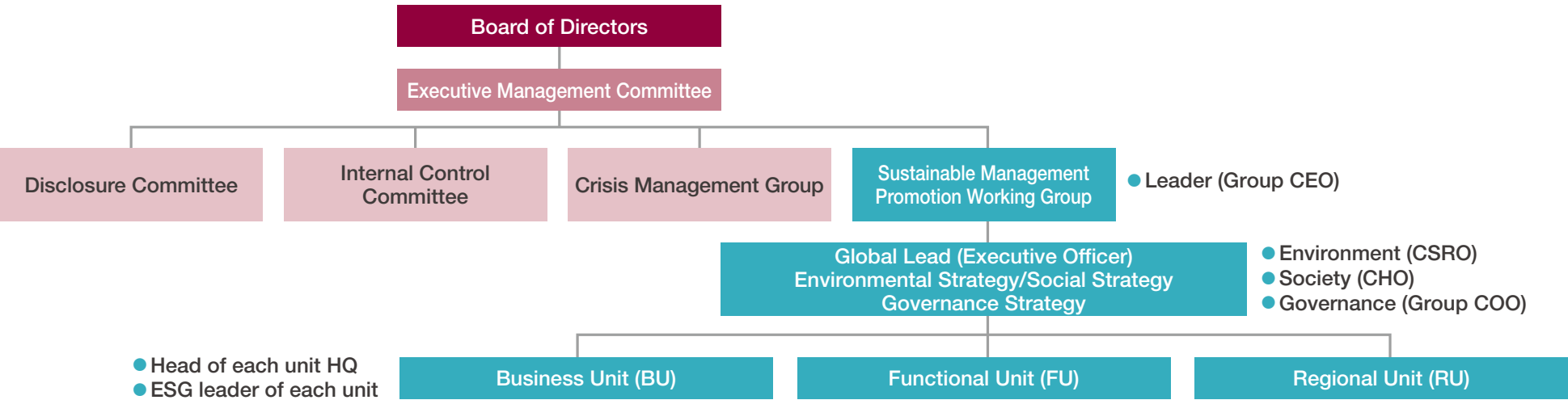
FY2020. The SMWG is a cross-functional organization led by the Group CEO, with leaders from all business units, functional units, and regional units as members. Based on an analysis of the importance of ESG issues in each unit, the SMWG regularly discusses sustainability issues that should be addressed across the entire company and updates them as necessary, further promoting and deepening our sustainable management.

The Board of Directors is also closely involved in Advantest's sustainability initiatives, with each project being reported to the Board, which may oversee individual projects directly depending on their importance. In accordance with the

sustainability disclosure standards established by the Sustainability Standards Board Japan (SSBJ), we conducted a materiality assessment covering the entire Group, which was also discussed and reviewed by the Executive Management Committee and reported to the Board of Directors.

In addition, in June 2024, our executive compensation system was partially revised to adopt sustainability evaluation as one of the criteria for performance-linked stock compensation, with the aim of making the system more conducive to enhancing corporate value under the Group's management philosophy and vision.

Sustainability Promotion System



Materiality Assessment

Identifying Materiality

Advantest has identified sustainability-related risks and opportunities that may have a material impact on its financial position, business performance, and cash flow, and that could reasonably be expected to influence investor decision-making, with reference to the Sustainability Disclosure Standards issued by the Sustainability Standards Board of Japan (SSBJ). In conducting the materiality assessment, scenario analysis was partially incorporated in consideration of climate change. As part of the assessment, Advantest reviewed its value chain and compiled a list of sustainability-related risks and opportunities that may be material to Advantest, referencing the SASB (Sustainability Accounting Standards Board) Standards, the European Sustainability Reporting Standards (ESRS) established under the EU Corporate Sustainability Reporting Directive (CSRD), along with other relevant frameworks and standards, as well as the disclosure practices of companies operating in the same industry. The significance of each identified risk and opportunity was evaluated based on its likelihood of occurrence and potential financial impact, through engagement with external stakeholders and discussions with relevant CxOs and departments. The sustainability-related risks and opportunities determined to be material, along with the materiality assessment process, were deliberated at the Executive Management Committee Meeting and reported to the Board of Directors. The materiality assessment is planned to be conducted annually, with specific targets to be incorporated into the Sustainability Action Plan. Based on the results of our materiality assessment, we have identified the following items as areas of particular importance for our Group.

● Sustainability-Related Risks and Opportunities

Topic	Risk	Opportunity
Climate change	Transition risk - Business costs may rise as a result of future compliance with climate regulations and the growing adoption of renewable energy. - An impact on our sales may arise if our products fail to meet customer expectations for energy efficiency. Physical risk - Disasters driven by climate change may disrupt logistics and production, potentially resulting in substantial losses and lost revenue opportunities.	- Enhanced customer trust through the development of products with superior environmental performance could lead to competitive advantages and business growth. - Reducing energy consumption through the shortening of construction periods, logistics optimization, and supply chain localization for key products could lead to lower operational costs and improved environmental performance.
Pollution	- Future costs may arise from responding to environmental incidents involving the discharge of untreated water and hazardous substances, as well as from meeting regulatory requirements for pollution prevention.	—
Circular economy	—	- Promoting product reuse strategies could lead to the creation of new sustainability-driven business models, enhanced brand image, and the acquisition of environmentally conscious customers.
Own workforce	- A decline in corporate attractiveness could lead to talent outflow and recruitment challenges, resulting in reduced labor productivity and a loss of technological competitiveness. - Inadequate or negligent Occupational Health and Safety management may result in workplace accidents, posing risks to employee well-being and business continuity. - Compliance violations or human rights violations could negatively impact business operations and erode corporate credibility. - A lack of progress in promoting gender equity could lower employee engagement and motivation, potentially hindering efficient business operations.	- Enhancing training systems and promoting work-life balance could lead to expanded recruitment opportunities, while continuous employee development could strengthen competitiveness. - Utilizing a diverse workforce could lead to greater innovation, improved performance, and enhanced problem-solving capabilities. - Promoting a positive workplace environment and fostering open communication between labor and management could lead to increased employee commitment and improved performance.
Workers in the value chain	- Incidents involving human rights violations in the supply chain, such as child labor, poor working conditions, and the use of conflict minerals, could lead to negative impacts on business operations and a loss of corporate credibility.	—

Planet Sustainability Action Plan 2024-2026 Environment Progress

Advantest is pursuing initiatives in the area of Environment according to our Sustainability Action Plan (2024-2026), which was formulated in line with our Third Mid-term Management Plan (MTP3).

Review of Sustainability Action Plan (2024-2026) Stakeholder: Global Environment Initiatives

Advantest is promoting environmental initiatives, contributing to climate change mitigation and the realization of a decarbonized society. The progress of these initiatives in FY2024 is as follows. We successfully achieved all three targets associated with our priority theme of "Greenhouse Gas Emissions Reduction" (Scope 1 and 2) ahead of schedule. These targets included:

- 1. Reducing GHG emissions from Scope 1 and 2
- 2. Introducing renewable energy
- 3. Reducing energy consumption by shortening the production period of our major products.

Originally, these goals were set for completion in FY2026, but we successfully met them in FY2024. Regarding our initiatives related to the priority theme of "Contribution to the Circular Economy," progress in FY2024 was as follows. Under the target of "Improving the recycling rate through

promotion of the 3Rs (Reduce, Reuse, and Recycle)," the domestic waste recycling rate achieved the FY2026 target ahead of schedule. In contrast, progress in improving the overseas recycling rate remained stagnant. We have analyzed that the relatively low recycling rates at our acquired U.S. sites are the main factor behind this gap. We are working to improve the situation by conducting a detailed review of the local recycling practices.

As for the target of "Maintaining company-wide water consumption at the FY2016 level," total water usage increased in FY2024 compared with the previous year. The increase was mainly due to the inclusion of water consumption data from sites of companies acquired in recent years. We will continue our efforts to conserve water through both individual employee initiatives and more effective utilization of water resources.

Regarding our initiatives related to the priority theme of "Conservation of Biodiversity and Natural Capital," we achieved the FY2026 target ahead of schedule in FY2024. As with our initiatives for greenhouse gas (GHG) emissions reduction (Scope 1+2), we will consider resetting the target values to further drive progress.

●Key Themes of Sustainability Action Plan 2024-2026

Stakeholders	Priority Themes	Target	CxO in charge*1	KPIs	KPI Target (FY2026)	Result(FY2024)
Global Environment	Greenhouse gas emission reductions (Scope 1+2)	Reducing GHG emissions from Scope 1+2	CSRO	GHG emissions reduction rate	65% reduction (vs. FY2018)	76% reduction
		Raising renewable energy usage	CSRO	Renewable energy coverage rate	80%	87%
		Reducing energy consumption by shortening the production period of major products	CSCO	Reduction of production period by reviewing production processes	Reducing production period by 20% (vs. FY2020)	40% reduction
	Contribution to the Circular Economy	Improvement of recycling rate through promotion of 3Rs (Reduce, Reuse and Recycle)	CSRO	Waste recycling rate (Japan) Waste recycling rate (overseas)	Japan: 90% or more Other regions: 73% or more	94% 67%
		Maintaining company-wide water consumption at FY2016 levels		Water resource usage	Less than 288,000 m³/year	297,771 m³/year
	Conservation of biodiversity and natural capital	Preservation of biodiversity, promotion of nature conservation activities (protection of endangered species in biotopes, tree planting, beach cleanups, etc.)	CSRO	Total number of participants in social contribution activities related to natural capital	600 participants (FY2024-FY2026 Cumulative Total)	2,449 participants

*1 Please refer to P.34 for the list of CxOs.

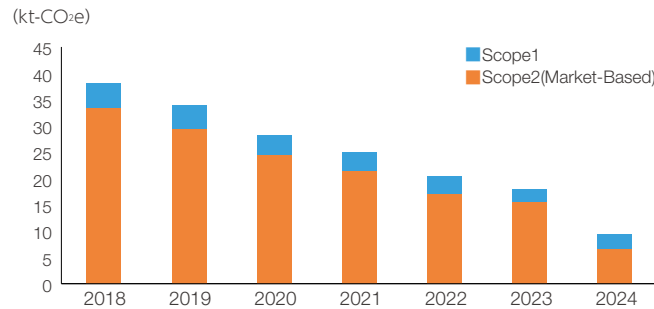
Planet Reduction of GHG Emissions

Trends and Challenges of GHG Emissions

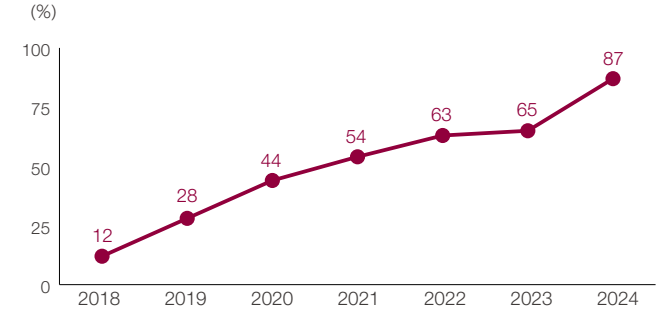
<Scope 1+2>

We have made steady progress in reducing emissions from Scope 1 and 2 through the adoption of renewable energy and other measures. In particular, we have been able to significantly reduce Scope 2 emissions by achieving a nearly 100% renewable energy adoption rate at our domestic sites. In addition, we began introducing renewable energy at our South Korean site in FY2024. In order to further reduce emissions, the adoption of renewable energy will be necessary in our overseas sites. However, procuring renewable energy in countries and regions such as South Korea, Taiwan, and Singapore, where renewable energy itself is scarce and difficult to purchase, will present a challenge. As a member of the RE100 initiative, we expect to encourage governments to increase the supply of renewable energy, while continuing to review the status of renewable energy usage in each country with the aim of finding ways to promote further adoption.

● Scope 1+2 Emissions

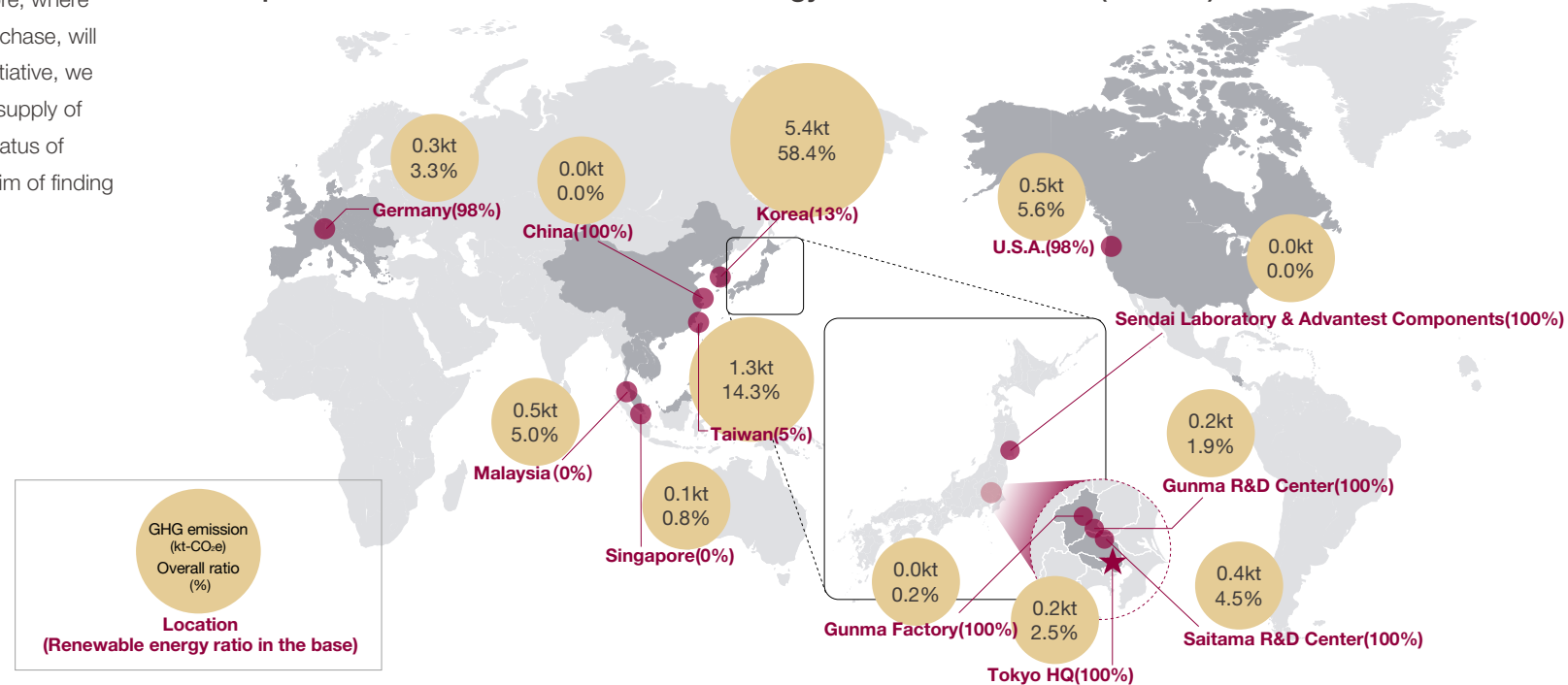


● Renewable energy penetration rate



● Advantest Group

Scope 1+2 Emissions and Renewable Energy Introduction Status (FY2024)



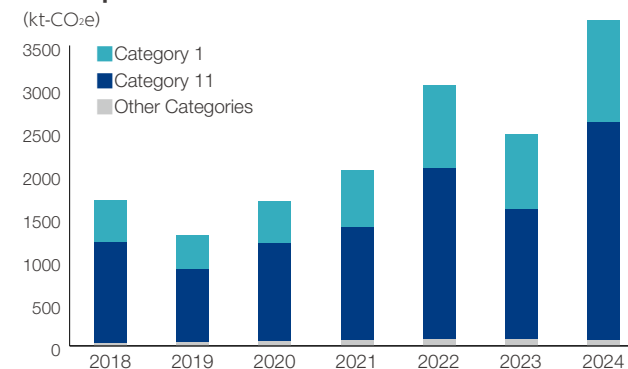
Planet Reduction of GHG Emissions

<Scope 3>

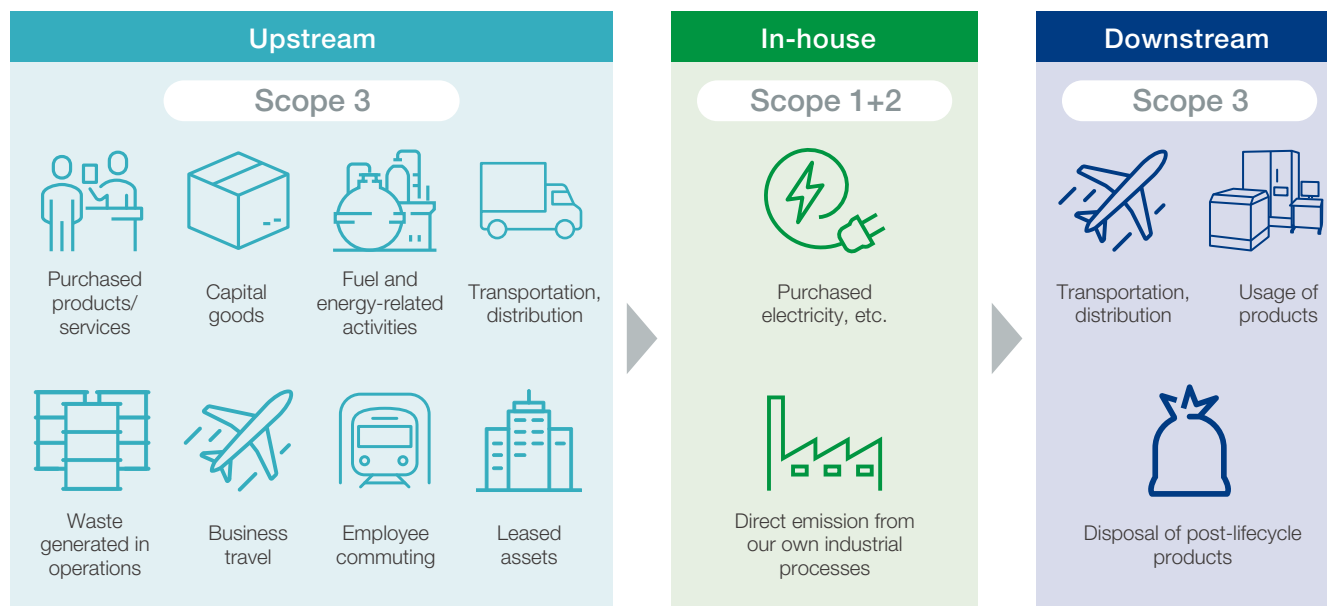
Progress on Scope 3 is lagging our target as of FY2023 due to a significant increase in sales compared to our expectations at the time the target was set. "Category 1 (C1): Purchased goods/services" and "Category 11 (C11): Usage of products" account for the majority of GHG emissions in Scope 3. For C1, the method of calculating emissions, where C1 increases in proportion to the purchase price, poses a challenge. We will promote the reduction of GHG emissions by establishing a calculation method that reflects the values of

Scopes 1, 2, and 3 of our suppliers in C1, and by requesting our suppliers' support in reducing Scope 1, 2, and 3 values. For C11, likewise, the method of calculating emissions where C1 increases in proportion to sales value poses a challenge. We will promote the reduction of GHG emissions by establishing a calculation method that reflects our customers' renewable energy values in C11, and by seeking cooperation from our customers to increase their renewable energy sourcing rates.

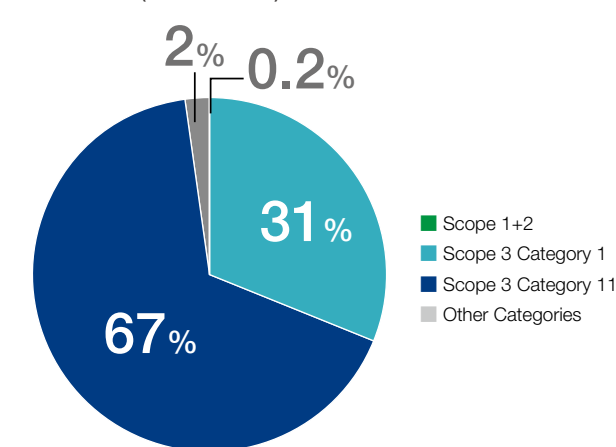
● Scope 3 Emissions



● GHG Emissions in Advantest's Supply Chain



Advantest GHG emissions ratio (FY2024 results)



Planet Advantest's Participation in Major Initiatives

In response to the needs of the international community and expectations for the semiconductor industry to play a significant role in combating climate change, the Advantest Group supports international climate initiatives. Through sponsorship and participation, Advantest is working with domestic and international stakeholders to drive our shared goal of creating a sustainable future.

● Participation in International Climate Change Initiatives



Semiconductor
Climate Consortium
Founding Member



Planet Biodiversity

Initiatives for Biodiversity

As stated in the “Third Mid-term Management Plan (MTP3, FY2024-2026),” Advantest is developing initiatives for biodiversity with a focus on contributing to a sustainable global environment. Having recognized the importance of biodiversity in supporting a prosperous and healthy society, we will work to meet the needs of the present without compromising the ability of future generations to meet their own needs, based on the “Advantest Group's Guidelines of Action for Biodiversity.” In addition, through our biotope established at the Gunma R&D Center, we will strive to communicate with local residents while learning about the importance of the global environment, and further strengthening our awareness of our contribution to a sustainable global environment.



The Advantest Group's Guidelines of Action for Biodiversity



An owl that lives in the biotope and has become a symbol of the community



hyothemis fuliginosa (“Butterfly Dragonfly”), an indicator species of good water quality and wetland environment

Co-creation of Nature with the Community Through the Gunma Biotope Forum

Advantest has been continuously participating in the Gunma Biotope Forum, led by Gunma University, since 2017. This

forum serves as a medium for companies and organizations in Gunma Prefecture that are engaged in biodiversity conservation gather to collaborate, share information, and exchange opinions. The fiscal 2024 forum was held on October 28 with a total of 20 representatives from member companies, organizations, and Gunma University participating. Advantest made a presentation on our activities aimed at balancing the natural environment and social values, including plant and animal monitoring survey in our biotope, use of fallen leaves and dead branches, initiatives at our own farm, and the role of employment for people with disabilities. We will continue to work for the conservation of ecosystems and their sustainable use through collaboration with local communities.

Monitoring the Floral Biodiversity in Joint Research Project with Gunma University

Advantest has maintained a biotope on the grounds of our Gunma R&D Center with a total area of 17,000 m², which is one of the largest of its kind established by any private company in Japan. Since its establishment in 2001, we have been committed to creating spaces that are mindful of the surrounding natural environment, with a focus on ponds, marshes, and streams. This effort has contributed to the formation of ecosystems that attract a variety of living creatures such as insects and small birds. In addition, we conduct annual monitoring surveys as part of a joint research project with Gunma University. By protecting and nurturing endangered species based on academic knowledge and estimating the rate of carbon fixation in biotopes, we play vital roles not only in realizing a stable natural environment in the region, but also in addressing climate change issues.



Our biotope celebrates its 25th anniversary in 2026 and is one of the largest of its kind



Total biotope area

17,000 m²



119

Native plant species identified in the biotope



40

Exotic plant species identified in the biotope



Carbon fixation rate (estimated)

2.46 tons of CO₂ retained/year

People Sustainability Action Plan 2024-2026 Social Progress

Advantest strategically promotes activities to achieve the targets set for each issue in our Sustainability Action Plan 2024-2026. We set forth five key themes and 11 KPIs for social issues, which represent the value we provide to our stakeholders, including our employees, customers, and suppliers. A brief look back reveals significant achievements and future challenges.

Going forward, the content of the Sustainability Action Plan will be updated as needed based on the Group's materiality assessment.

Sustainability Action Plan 2024-2026 (Social) Challenges and Achievements

We have been continuously committed to our efforts to promote gender diversity and have achieved a 9.7% ratio of female managers and a 15.5% ratio of female candidates for management positions at Level 6, the highest level of qualification for general employees.

In terms of customer satisfaction, Advantest achieved the industry's highest ratings from customers in the TechInsights Customer Satisfaction Survey for the sixth consecutive year in 2025.

Advantest has made steady progress in terms of "Fostering and instilling an attractive corporate culture." In the Gallup Survey conducted in 2024, the score improved from the previous survey to

3.76 out of a score of 5. The number of nominations for "The INTEGRITY Award," a peer-to-peer program that offers Advantest employees worldwide a platform to recognize and express appreciation for colleagues who have demonstrated the INTEGRITY Core Values in exceptional ways, has reached 465 in the last year. In terms of human resource development, we promoted various development measures in accordance with the "Advantest Development Framework." In terms of promoting health, Advantest was certified as one of METI's "White 500," recognizing the company for demonstrating excellence in health and productivity management.

We have achieved a 99% response rate from suppliers regarding the Conflict Minerals Survey for Responsible Mineral Procurement and a 100% due diligence implementation rate for designated suppliers.

Key Themes of Sustainability Action Plan 2024-2026

Stakeholders	Priority Themes	Target	CxO in charge ^{*1}	KPIs	KPI Target (FY2026)	Result(FY2024)
Employees	Respect for diversity	Promoting gender diversity	CHO	Ratio of female managers ^{*2}	11%	9.7%
			CHO	Ratio of female employees among candidates (Level6) for executive and managerial positions ^{*3}	16%	15.5%
	Employee Engagement	Fostering and instilling an attractive corporate culture	CHO	Turnover rate	Voluntary turnover rate is below average of the period of MTP2 (5.9%)	4.4%
			CHO	Gallup Survey Scores ^{*4}	3.80	3.76
			CHO	The INTEGRITY Award nominations/year ^{*5}	400 activities	465 activities
	Investment in human capital	Promoting health and wellbeing management and work-life balance	CHO	Japan: White 500 Certified (Japan) ^{*6}	Japan: Certified as White 500	Certification obtained
		Promoting human capital development based on the Advantest Development Framework	CHO	Education and training expenses	0.8 (Billions of yen)	0.68 (Billions of yen)
Customers	Customer satisfaction and trust	Provision of more value added and comprehensive customer support quickly and accurately	CCRO	Market position	Maintaining 'No.1 position in the focus markets'	Maintaining the status
Suppliers	Respect for human rights and fair deals in the supply chain	Responsible Mineral Procurement	CSCO	Supplier response rate to conflict minerals survey	99%	99%
		Penetrating Sustainability in the Supply Chain	CSCO	Due diligence implementation rate for designated business partners ^{*7}	100%	100%
			CSCO	Number of designated business partners ^{*7}	50 suppliers (Designated 42 suppliers as business partners in FY2023) ^{*7}	44 companies

^{*1} Please refer to P.34 for the list of CxOs.

^{*2} The non-consolidated Female manager ratio is described in the Securities Report under under "Item 1. Company Overview 5. Status of Employee."

^{*3} Advantest's qualification system is a 10-level system which is globally standardized, with Level 6 being the highest level of qualification for general employees.

^{*4} A group-wide survey is conducted every three years.

^{*5} This award system honors employees who embody INTEGRITY through nominations from other employees.

^{*6} As the White 500 is a certification system in Japan, the Company and its subsidiaries in Japan are subject to certification.

^{*7} Tier 1 suppliers, which represent the top 85% of suppliers in terms of transaction value, and Tier 2 suppliers, which are the main suppliers of the Tier 1 suppliers, are subject to due diligence. These suppliers are defined as designated business partners.

People Respect for Human Rights

Advantest Group Human Rights Policy

As a global business provider, we recognize that respect for the human rights of people all around the world is essential for our business to achieve sustainable growth. We support and respect internationally recognized human rights principles, including the ten principles of the United Nations Global Compact, the Universal Declaration of Human Rights, and the Guiding Principles on Business and Human Rights (UNGP), and are committed to making these standards of conduct the foundation of our business activities.

With the appointment of our new Group CEO in April 2024, we have once again reviewed the Advantest Group Human Rights Policy based on international norms. In revising the policy, we interviewed not only relevant departments within the company, including the labor union, but also external human rights experts, and drafted a proposal based on their opinions and advice, which was then discussed and approved by the Executive Management Committee.

In addition, since it is necessary to comply with the laws and regulations of each country or region with regard to human rights, we work closely with the Legal Department to ensure compliance with human rights laws and regulations.



Advantest Group Human Rights Policy

Advantest Group Priority Issues Related to Human Rights

We have identified the following six priority human rights issues based on their relevance to our business. Within the framework of these priority issues, we have begun to assess and identify human rights risks and undertake human rights due diligence in a variety of ways to prevent and mitigate adverse human rights impacts.

- (1) Elimination of discrimination
- (2) Prohibition of child labor and forced labor
- (3) Respect for basic labor rights
- (4) Fair wages and management of working hours
- (5) Safe working environments and health management
- (6) Prohibition of discriminatory behavior, violence, and harassment



Please see our website for the details for the priority issues related to human rights.

Human Rights Due Diligence Assessment by an External Sustainability Rating Provider

In order to understand whether our business activities have adverse impacts on people, including stakeholders in our supply chain, Advantest has adopted an assessment mechanism to identify and evaluate human rights risks and to prevent and mitigate them. We have established a global corporate ethics helpline and a system for reporting and consulting with the Corporate Ethics Office on human rights issues and concerns that are difficult to resolve in the workplace alone. The system allows anonymous reporting and consultation and also accepts reports in 16 major languages.

We also undergo regular assessments by external sustainability organizations to ensure that our human rights initiatives meet internationally required standards. Beginning in FY2023, we responded to a self-assessment provided by EcoVadis to determine the gap between our human rights efforts and international standards. This assessment is based on four themes: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. Many global companies refer to this assessment as an important criterion in selecting their suppliers. Based on our performance, EcoVadis awarded Advantest their Bronze Medal in FY2023 and FY2024, which is reserved for companies that rank in the top 35% of the companies on their scoreboard. Going forward, we will continue to promote our human rights initiatives with the goal of receiving a more favorable assessment in the future.

Advantest's Responses to Priority Human Rights Issues

Priority Human Rights Issues	Employee	Supplier	Business Partner (Community)	Customer	Advantest's Response
1 Discrimination	●	●	●	●	- Internal Dissemination of The Advantest Way (e-learning, etc.) - Fostering a corporate culture based on our INTEGRITY core values - Employee Compliance Awareness Survey
2 Child labor, forced labor	●	●	●	—	- Supplier CSR surveys - Implementation of assessments by external evaluation organizations (RBA SAQ^{*1}/VAP^{*2} audits; Ecovadis)
3 Basic labor rights	●	●	●	—	- Compliance Education - Implementation of assessments by external evaluation organizations (RBA SAQ/VAP audits; Ecovadis)
4 Fair wages, working hours	●	●	—	—	Implementation of assessments by external evaluation organizations (RBA SAQ/VAP audits; Ecovadis)
5 Safe working environments, health management	●	●	●	—	- Implementation of occupational health and safety education - CSR surveys of subcontractors - Implementation of assessments by external evaluation organizations (RBA SAQ/VAP audits; Ecovadis) - Health checkups - Stress surveys
6 Violence, harassment	●	●	—	—	- Employee Compliance Awareness Survey - Implementation of harassment training - Establishment of compliance contact points (remedial measures)

*...A system for identifying human rights risks associated with our business activities and preventing and mitigating any negative impacts.

^{*1} Self-Assessment Questionnaire

^{*2} Validated Assessment Program

People Respecting Human Rights in the Supply Chain

The Advantest group recognizes the human rights of our employees and the workers in our value chain as material items that should be prioritized. To ensure that our business activities are conducted with due respect for human rights, not only within Advantest but also in our supply chain, we incorporate human rights into our supplier selection process and trade terms and encourage our suppliers to embrace responsible corporate behaviors.

Supply Chain Due Diligence

As part of our supply chain due diligence, Advantest employs various approaches to risk-based assessment and monitoring. In particular, we recognize that some raw materials for semiconductors and manufacturing equipment contain minerals that are implicated in conflict, environmental issues, and human-rights violations. To help stem the circulation of conflict minerals from upstream to downstream in the semiconductor industry supply chain, we have been investigating our partners for any use of the conflict minerals. We have expanded our 3TG (tantalum, tin, tungsten, and gold) investigation, which we have been conducting since 2013, to include additional minerals such as cobalt and mica in FY2024.

Supplier Assessment Methodology

	Target	Details	Assessment & Response:
Supply Chain CSR Questionnaire (suppliers in general)	Suppliers accounting for 85% of the Advantest Group's total transaction value	Based on the RBA Code of Conduct, this questionnaire checks supplier status with regard to human rights and labor, occupational safety, environmental conservation, fair trade and ethics, business continuity planning, supply chain management, etc.	Score, check for significant risks, conduct individual interviews and seminars as necessary
Supplier Performance Management Evaluation (strategic suppliers)	Approximately 25 strategic suppliers identified based on sales and procurement risks	This evaluation addresses TQRDCEB (Technology, Quality, Responsiveness, Delivery, Cost, ESG, Business)	Independent evaluation on a scale of 0 to 4 points Provides feedback on assessment results (scores and reasons, requests for improvement, etc.) and joint creation of action plans for the following year
Conflict Mineral Investigation (specific suppliers)	Check for 3TG, cobalt, mica	In this investigation we utilize the Responsible Minerals Initiative (RMI) templates (Conflict Minerals Reporting Templates)	Confirm number of smelters that are compliant with the relevant standards/certifications. If significant risks are identified, request remediation.

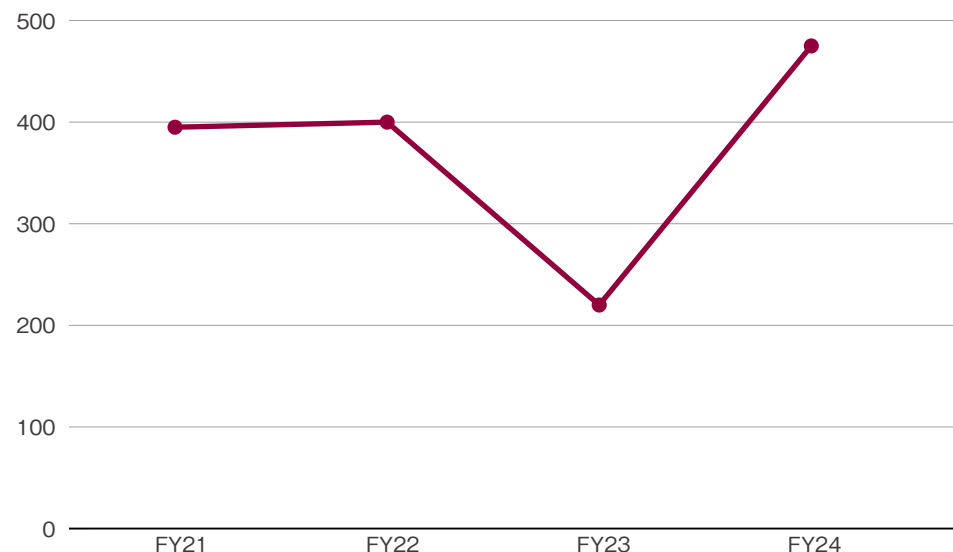
People Fostering Corporate Culture: The Source of Our Corporate Strength

Growth Fostered by INTEGRITY - Turning Individual Strength into Organizational Strength

Advantest considers human capital to be the foundation of all capital essential to overcoming the challenges we face. In order to achieve sustainable growth in corporate value, it is crucial to strengthen human capital through leveraging individual strengths and organizational strengths, which are the two “wheels” of value creation.

To this end, we are committed to creating a workplace environment where employees can work comfortably and actively engage in their roles. We focus on enhancing our employees’ individual capabilities through a well-developed education and training system, aiming to transform these capabilities into the collective strength of the entire organization. Central to these efforts are our core values of “INTEGRITY,” a set of principles shared by our employees that transcend borders, cultures, and job classifications, guiding our daily efforts. By fostering a corporate culture centered around INTEGRITY, we strive to enhance individual and organizational growth, ultimately driving the creation of sustainable corporate value.

● Number of The INTEGRITY Award Nominations



Our INTEGRITY Core Values Support Our Growth

As the Advantest Group expands globally, we believe that our corporate culture is integral to our business activities. With this mindset, we established our core value of “INTEGRITY” in 2019, which was shared throughout the company. Since then, we have pursued various initiatives that align with these values, including INTEGRITY workshops and Leading with INTEGRITY workshops, which we have been offering to new employees since 2020. Through these activities, we are translating INTEGRITY into tangible action plans tailored to the circumstances of each site and division around the world. These initiatives are supported by the Culture Council, which is a group headed by the Group CEO and composed of several executive officers and 44 INTEGRITY Ambassadors (IAs) around the world (as of May 2025). Through these efforts, we have successfully expanded our INTEGRITY activities year over year, transcending national and cultural boundaries. Specifically, there has been a concerted effort from FY2024 onwards to make INTEGRITY more familiar and accessible, involving a more dynamic range of activities.

Development of a Culture of INTEGRITY Based on Mutual Recognition and Respect

In 2021, we launched the “The INTEGRITY Award” to recognize employees who have demonstrated INTEGRITY, as nominated by their peers. The number of nominations for the The INTEGRITY Award has increased each year, reaching a record high of 465 in 2024. The INTEGRITY Award has fostered a culture of mutual respect and appreciation, and there is a growing trend toward establishing unique awards in each region. The culture of INTEGRITY is not just a philosophy, but a set of practical values rooted in daily dialogue and actions that permeate throughout workplaces across the world.



Please refer to the Sustainability website for more information.

People Fostering Corporate Culture: The Source of Our Corporate Strength

● Major Initiatives to Foster A Culture of INTEGRITY



Award ceremony in South Korea



Photo from Ethnic Day

- Renewed The Advantest Way
- Established INTEGRITY Core Values
- Held our first coffee talk event in China

2019

- Launched "Leading with INTEGRITY" workshops for managers
- Established The INTEGRITY Award*

2021

- Advantest Europe GmbH (Germany) and Advantest Korea Co., Ltd. (Korea) received "Great Place to Work" certification

2023

- Simultaneous Ethnic Day events at locations around the world

2025

INTEGRITY

2020

2022

2024

70th
Facing the future together

- INTEGRITY workshops launched globally
- Cross-organizational mentoring program "Cross 1on1" launched by volunteers

- Launched Culture Council under the leadership of our Group CEO
- 38 INTEGRITY Ambassadors appointed

- Achieved the goal of 400 nominations for The INTEGRITY Award
- Launched "Advantest Forest" Sponsored Tree Initiative and reached 300 digital trees
- Expansion of luncheon social event (Japan, South Korea)
- First RAKUICHI held in Japan
- Reached Finals of Nikkei Corporate Song Contest



Coffee talk in China



INTEGRITY Ambassadors



Luncheon social event held in South Korea



The Advantest Forest: in commemoration of 300 digital trees



*The INTEGRITY Award:

An award system that recognizes employees who practice INTEGRITY culture in their daily work.

People Developing Innovative Human Capital

Advantest Launches the "RAKUICHI" Project From "Weak Ties" to Creating Innovation

In the spirit of our corporate mission statement, "Enabling Leading-edge Technologies," Advantest has always pursued advanced technological development. In addition to technical exchanges with customers, academic institutions, and industry organizations, we also explore a variety of technologies within our own company. To this end, we have launched the "RAKUICHI" project (*), which aims to expand technological exchange and innovation within through the exchange of ideas and knowledge.

RAKUICHI is a vibrant internal event, where various departments, ranging from engineers and R&D to Administrative teams, showcase their projects through booths, live demos, posters, and more. Originally held as a technical conference, RAKUICHI has grown over the years from a small R&D initiative to an exciting platform for collaboration, creativity, and innovation. RAKUICHI provides the perfect opportunity for colleagues to network, establish new connections, exchange ideas and expertise, elevate talent within the company, and celebrate the incredible work being done across the organization.

Following positive reactions and feedback from the participants, we decided to hold RAKUICHI as a regular event. RAKUICHI is also open to employees from non-engineering departments who are encouraged to actively participate in fostering new ideas.

At the 2nd RAKUICHI in July 2025, there were about 30 kiosk exhibits, offering a wide variety of presentations on technical introductions, skill improvement, and communication.

We will deepen our efforts to promote interaction among a diverse range of talents and continue our challenge of enabling leading-edge technologies through engagement across Advantest.



*About RAKUICHI

Four centuries ago, during Japan's "Warring States" period, the country's most powerful lords implemented an economic stimulation policy known as "Rakuichi Rakuza," which created free markets and dissolved the guilds, enabling merchants to trade freely. Inspired by this system, Advantest's RAKUICHI concept aims to foster broad technology and knowledge acquisition and accelerate innovation by opening our technology exchange spaces and leveraging the power of "weak ties," as defined by Stanford University sociologist Mark Granovetter in his 1973 paper, "The Strength of Weak Ties." His theory, which has become commonly cited in sociology, stresses the importance of small interactions for building a strong network and driving career development. In many ways, this concept inspired RAKUICHI and continues to serve as the foundational theme of this initiative.

Granovetter, M. S. (1973). The Strength of Weak Ties. *American Journal of Sociology*, 78(6), 1360–1380. <http://www.jstor.org/stable/2776392>

Experience Sustainability with "from Me" Card Game

Advantest strives to improve employee engagement and seeks greater internal buy-in to sustainability concepts with the card game "from Me." "From Me" is a card game created by the nonprofit Japan Fundraising Association. Through various ways of using play money, such as donating, investing, spending, and saving, players experience a simulation of the relationship between quality of life, how we use money, and social trends. We believe that when everyone enjoys themselves and actively participates, it contributes to improving the value of Advantest's human capital in line with our Sustainability Action Plan.

Two of our employees are registered as certified "from Me" facilitators and have conducted about five in-house workshops. Most recently, a workshop was held during new employee training. We have also expanded the scope of our activities to external training and have received requests for workshops from educational institutions and several other companies.

Together with the "RAKUICHI" Project, we aim to foster a corporate culture that continues our mission of enabling leading-edge technologies.

Voice from Participants



Human Capital Department
(First-year employee)

Through "from Me," I was able to enjoyably learn about the relationship between economic behavior, well-being, and social issues. I also gained a systematic understanding of how individual decision-making impacts society as a whole, which served as a valuable opportunity to reflect on my own seemingly minor actions.



Sales Support Department
(First-year employee)

I learned that even small actions by individuals can accumulate and become a powerful force for societal change. Through the game, I was able to experience simulated activities such as donations and investments, and I enjoyed seeing how the collective actions of all participants significantly influenced the state of the game—representing society.

People Occupational Health and Safety

Occupational Health and Safety Policy

The Advantest Group recognizes that occupational health and safety management is an important aspect of all our business activities. We proactively and continuously implement occupational health and safety initiatives based on the Advantest Group Occupational Safety and Health Policy.



Advantest Group Occupational Safety and Health Policy

Sustainability Action Plan (2024-2026)

As part of our mid-term sustainability action plan, we are working to eliminate workplace accidents by setting a target Lost Time Incident Rate (LTIR)* of zero, with the goal of preventing workplace accidents that result in death or injury, resulting in absence from work.

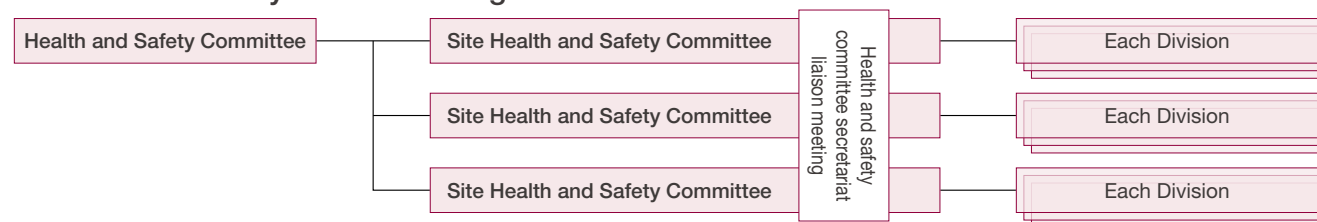
*LTIR (Lost Time Incident Rate) : Rate of lost-time incidents per 200,000 working hours

P.53 // Sustainability Action Plan 2024-2026

Health and Safety Committee (Japan)

Every year, we convene a Health and Safety Committee Meeting that decides the health and safety direction and policy for the whole Group. Our approach to health and safety is based on the main activity themes decided on at this meeting. Based on these themes, the health and safety committees at each location set their annual targets and plans and implement activities.

Health and Safety Committee Organization and Roles



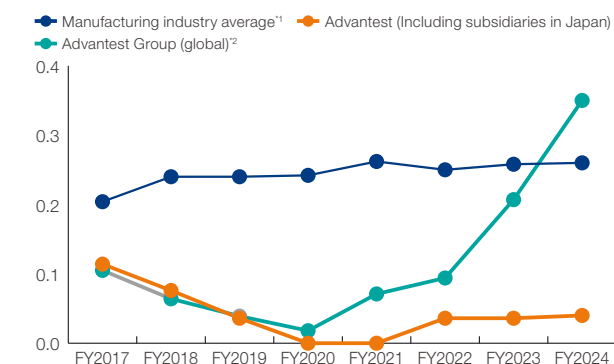
Health and Safety Committee	Site Health and Safety Committee	Health and Safety Committee Secretariat Liaison Meeting	Each Division
- Decisions on important H&S issues - Evaluation of activity results - Determination of key activity themes - Information sharing on occupational accidents	- Managing the progress of targets - Trends in legal amendments - Investigation into the causes and set the measures to prevent recurrence. - Safety management measures - Other matters relating to the promotion of H&S	- Sharing of targets and activities of each office - Progress management of activity themes - Sharing of common issues to be addressed - Sharing of accident cases and measures to prevent recurrence	- Dissemination of targets and activities to employees - Promotion of H&S activities - Reporting of issues and case studies - Safety management measures in the workplace - Other matters relating to the promotion of health and safety

Promoting Stronger Cooperation with Overseas Locations

The Advantest Group has begun to reinforce health and safety information sharing and collaboration between the Japanese headquarters and its overseas affiliates. To promote health and safety activities based on global standards, we are conducting situation analyses at each overseas location with reference to the RBA(*) Code of Conduct (B. Safety and Health), setting specific goals and key themes, and promoting related activities. In addition, by sharing the unique activities, safety and health measures, and improvement measures at each site, we aim to raise the level of safe and secure working environments on a global level.

*RBA (Responsible Business Alliance): As the world's largest industry coalition dedicated to responsible business conduct in global supply chains, RBA publishes a Code of Conduct covering labor, safety and health, environmental conservation, and corporate ethics.

LTIR Trends



*1: Manufacturing industry average

The average frequency rate for the Japanese manufacturing sector, published by the Ministry of Health, Labour and Welfare, is converted into LTIR here.

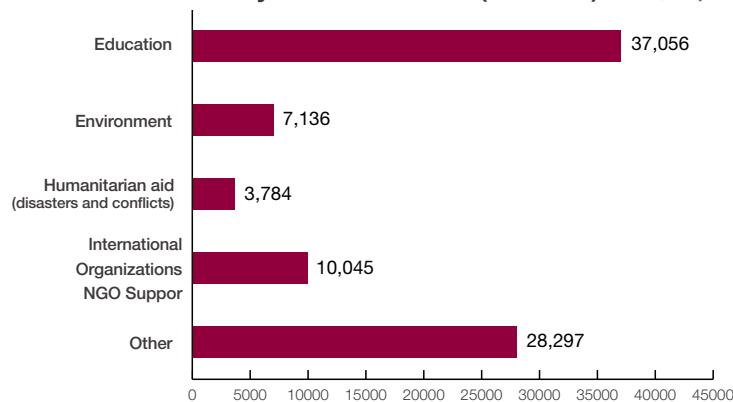
*2: Advantest Group (global)

For countries and regions that do not track working hours, total actual working hours are calculated approximately from the standard number of working days and the average number of employees.

People Community Contributions

Based on our corporate philosophy, the Advantest Way, Advantest is committed to being a responsible corporate citizen that contributes to the realization of a sustainable and better society through a wide range of social contribution activities around the world. We go beyond simple donations, emphasizing activities that address the needs of our local communities. These activities include educational support, humanitarian aid, and environmental conservation efforts. Each of our employee volunteers is dedicated to addressing social issues, serving those less fortunate in the countries and regions where Advantest operates. In addition to donations to international organizations, our activities have expanded to include multifaceted support such as partnerships with local educational institutions, assistance to disaster-stricken areas, tree planting activities, and beach cleanups. These activities have also led to enhanced employee engagement, respect for diversity, and the cultivation of a global perspective. Going forward, we will continue to engage in dialogue with local communities as we carry out more sustainable and meaningful activities in the future.

● Community Contributions (FY2024) Unit: 1,000 yen



* Totals do not include volunteer activity, other employee activities, or donations in kind.



Volunteers who participated in the beach clean-up (USA)



Volunteer planting tree stems in plastic bags (Malaysia)

Contributing to the local community through the restoration of historic buildings

Advantest America, in partnership with Habitat for Humanity, continues to participate in housing construction and renovation projects in San Jose, California. In October 2024 and June 2025, employee volunteers contributed to the restoration of the historic, century-old Pallesen Apartments, thereby fulfilling their commitment to the local community. This project is an effort to preserve buildings that were slated for demolition due to redevelopment and convert them into affordable homeownership opportunities.

Advantest employees worked to prepare the roof shingles and window frames for painting and interior construction, helping to create a safe home for local families. Employees who had participated in past activities also had a valuable opportunity to deepen their connection with the community as they witnessed the progress of the project. We will continue to fulfill our corporate responsibilities in terms of both sustainable social development and social contribution through collaboration with local communities.



Volunteers who participated in the project

11 Year Financial Highlights

Advantest corporation and its consolidated subsidiaries. Each fiscal year beginning on April 1

		IFRS										
		FY2014 (2015/3)	FY2015 (2016/3)	FY2016 (2017/3)	FY2017 (2018/3)	FY2018 (2019/3)	FY2019 (2020/3)	FY2020 (2021/3)	FY2021 (2022/3)	FY2022 (2023/3)	FY2023 (2024/3)	FY2024 (2025/3)
Financial Results												
Fiscal year	(Unit)											
Net sales	Million yen	163,803	162,111	155,916	207,223	282,456	275,894	312,789	416,901	560,191	486,507	779,707
Gross profit	Million yen	91,755	91,475	89,740	106,588	154,039	156,497	168,291	235,907	319,061	246,030	445,085
Selling, general and administrative expenses*1	Million yen	74,897	78,878	75,835	82,101	89,377	97,789	97,565	121,173	151,374	164,402	216,924
Operating income	Million yen	16,858	12,597	13,905	24,487	64,662	58,708	70,726	114,734	167,687	81,628	228,161
EBITDA*2	Million yen	21,588	17,562	19,063	29,511	69,629	69,600	82,482	129,702	189,083	107,732	255,236
Income (loss) before income taxes	Million yen	20,767	11,767	15,022	24,282	66,211	58,574	69,618	116,343	171,270	78,170	224,774
Net income (loss) attributable to owners of the parent	Million yen	16,753	6,694	14,201	18,103	56,993	53,532	69,787	87,301	130,400	62,290	161,177
Cash flows from operating activities	Million yen	24,481	7,728	15,833	28,254	44,792	66,475	67,830	78,889	70,224	32,668	285,971
Cash flows from investing activities	Million yen	-1,310	-2,395	-3,521	-2,329	-15,915	-38,819	-16,831	-46,907	-26,706	-27,940	-42,189
Cash flows from financing activities	Million yen	-1,298	-13,531	-1,002	-15,237	-13,724	-17,916	-30,415	-68,736	-77,434	10,760	-82,818
Free cash flows*3	Million yen	23,171	5,333	12,312	25,925	28,877	27,656	50,999	31,982	43,518	4,728	243,782
Cash and cash equivalents at end of year	Million yen	97,574	85,430	95,324	103,973	119,943	127,703	149,164	116,582	85,537	106,702	262,544
Fiscal year-end	(Unit)											
Shareholders' equity	Million yen	101,810	93,619	109,517	124,610	198,731	231,452	280,369	294,621	368,694	431,178	506,539
Total assets	Million yen	233,237	210,451	231,603	254,559	304,580	355,777	422,641	494,696	600,224	671,229	854,210
Information per share*4	(Unit)											
Basic earnings (loss) per share	¥	24.04	9.59	20.27	25.49	75.59	67.53	88.47	112.39	174.35	84.45	218.67
Diluted earnings (loss) per share	¥	21.92	8.85	18.49	23.17	71.84	67.24	87.96	111.82	173.68	84.16	218.01
Shareholders' equity per share	¥	145.82	134.07	154.83	174.01	251.13	291.63	356.82	387.93	500.61	584.25	690.80
Dividend per share	¥	3.75	5.00	6.25	8.00	23.00	20.50	29.50	30.00	33.75	34.25	39.00
Number of shares issued at year-end		798,267,080	798,267,080	798,267,080	798,267,080	798,267,080	798,267,080	798,267,080	798,169,060	766,169,060	766,141,256	766,141,256
Management indicator	(Unit)											
Overseas net sales as a % of total net sales	%	92.0	92.0	88.2	93.2	94.7	94.6	95.5	96.1	96.3	95.9	98.0
Net sales per employee	Million yen	35.9	36.1	35.3	46.5	61.0	54.7	59.5	70.2	85.6	71.9	111.4
Gross profit margin	%	56.0	56.4	57.6	51.4	54.5	56.7	53.8	56.6	57.0	50.6	57.1
Operating Income Margin	%	10.3	7.8	8.9	11.8	22.9	21.3	22.6	27.5	29.9	16.8	29.3
Net income ratio	%	10.2	4.1	9.1	8.7	20.2	19.4	22.3	20.9	23.3	12.8	20.7
SG&A ratio to sales	%	45.7	48.6	48.7	39.6	31.6	35.4	31.2	29.1	27.0	33.8	27.8
R&D Expenses	Million yen	29,507	31,298	31,170	33,540	37,852	40,070	42,678	48,367	60,094	65,492	71,399
R&D as a % of total net sales	%	18.0	19.3	20.0	16.2	13.4	14.5	13.6	11.6	10.7	13.5	9.2
Capital Expenditures	¥100 million	42	40	48	54	66	99	137	180	250	208	210
Depreciation and Amortization	¥100 million	47	50	52	50	50	109	118	150	214	261	271
EBITDA margin*5	%	13.2	10.8	12.2	14.2	24.7	25.2	26.4	31.1	33.8	22.1	32.7
Cash conversion cycle	Day	143	163	186	137	132	162	134	136	178	272	207
Shareholders' equity ratio	%	43.7	44.5	47.3	49.0	65.2	65.1	66.3	59.6	61.4	64.2	59.3
ROE	%	18.5	6.9	14.0	15.5	35.3	24.9	27.3	30.4	39.3	15.6	34.4
ROIC*5	%	8.7	6.4	7.1	11.9	27.5	20.5	20.7	28.4	34.6	13.5	31.5
Dividend payout ratio	%	15.6	52.2	30.8	31.4	30.4	30.4	33.3	26.7	19.4	40.6	17.8
Yen exchange rate	US Dollar	108	121	108	111	110	109	106	112	134	143	153
	Euro	140	133	119	129	129	121	123	130	140	155	164

^{*1} Selling, general and administrative expenses from the fiscal year ended March 31, 2015 are composed of selling, general and administrative expenses, other income/expenses. Figures for the fiscal year ended March 31, 2014 consist of research and development expenses, selling, general and administrative expenses, and impairment charges.

^{*2} EBITDA= Operating income + Depreciation and amortization, EBITDA margin = EBITDA/Sales

^{*3} Free cash flows= Cash flows from operating activities + Cash flows from investing activities

^{*4} Advantest has issued a 4-for-1 stock split of common stock, effective October 1, 2023. The information per share figures are based on the assumption that the stock split had been issued at the beginning of fiscal 2014.

^{*5} 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.

		(Unit)	CY2014	CY2015	CY2016	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024
Global real GDP growth (Source: IMF)	%		3.5	3.4	3.3	3.8	3.6	2.9	-2.7	6.6	3.8	3.5	3.3
Worldwide semiconductor sales (Source: WSTS)	Billion US dollar		336	335	339	412	469	412	440	556	574	527	631
SoC tester market size (Source: Advantest)	Million US dollar		1,950	1,650	2,000	2,200	2,550	2,700	3,000	4,300	4,000	3,300	4,100
Memory tester market size (Source: Advantest)	Million US dollar		420	470	470	750	1,150	650	1,200	1,300	1,200	1,100	1,900