ADVANTEST®

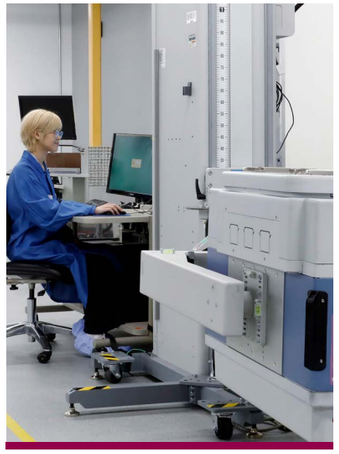
TESTING THE FUTURE

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Integrated Annual Report 2026

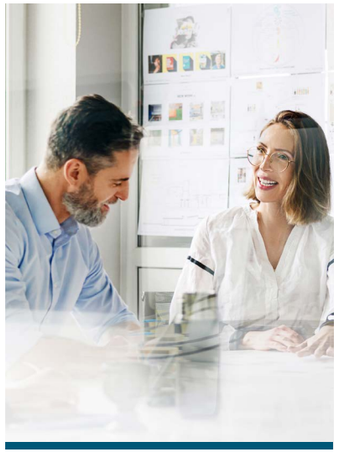
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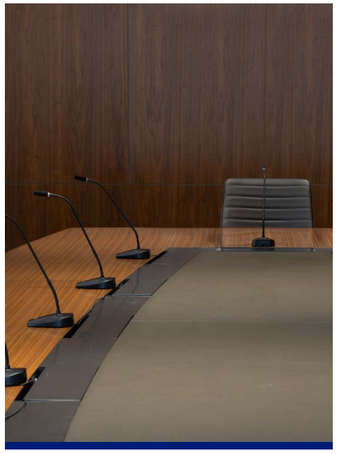
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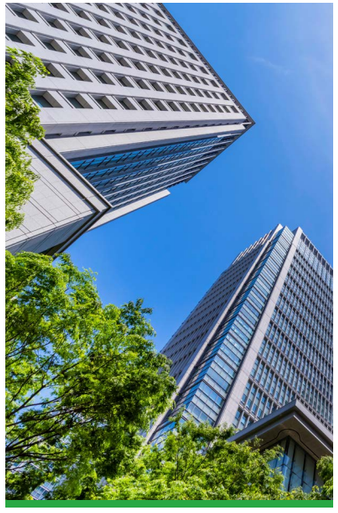
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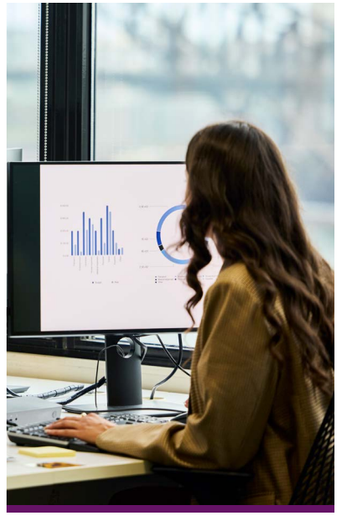


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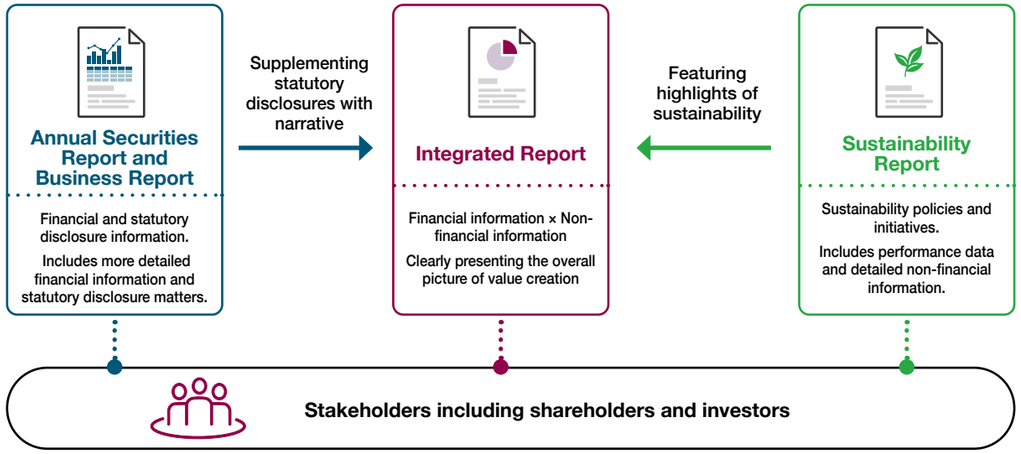
As advances in semiconductors continue to expand the possibilities for society and industry, Advantest supports this progress through its test technologies. This Integrated Report illustrates how we create value and translate it into future growth from both financial and non-financial perspectives. We aim to clearly communicate our thinking and initiatives—beyond what can be conveyed through statutory disclosure documents—to a broad range of stakeholders, including shareholders and investors.

Through messages and dialogues with management, the report also conveys the thinking behind our strategies and decision-making, as well as our perspectives on future challenges. It further seeks to express Advantest's values and distinctive character as a company, which cannot be fully captured through quantitative information alone.

Information Disclosure Focus

Advantest primarily discloses its corporate value creation initiatives and results through its Annual Securities Report and Business Report, Sustainability Report, and Integrated Report.

The Integrated Report brings together financial and non-financial information to present an overall picture of Advantest's business, strategy, and value creation. For more specialized and detailed financial and statutory disclosure information, please refer to the Securities Report and Business Report. For information on our sustainability policies, initiatives, and performance data, please refer to the Sustainability Report.



Reporting Period & Scope

This report covers FY2025 (April 1, 2025 to March 31, 2026) and, where appropriate, also refers to events occurring before or after this period. Unless otherwise specified, the scope of data collection covers all companies included in Advantest's consolidated financial statements.

Disclaimer Regarding Forward-Looking Statements

This report contains forward-looking statements based on Advantest's current expectations, estimates, and forecasts. These statements involve known and unknown risks, uncertainties, and other factors that may cause Advantest's actual financial condition or results of operations to differ materially from those expressed or implied by such forward-looking statements. These statements do not constitute a guarantee by Advantest regarding future outcomes. Except as required by law, Advantest undertakes no obligation to update or revise any forward-looking statements as a result of new information, future events, or other circumstances.

The Advantest Way



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

Purpose & Mission

Why do we exist

Enabling Leading-Edge Technologies

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

Vision

What we want to be

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

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

Core Values

What we value most

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

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



Overview

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Group CEO Message

Building on Success

I am pleased to say that FY2025 was another successful year for Advantest. We achieved record highs in sales, operating profit, and net income, supported by continued strong demand for AI-related semiconductors and high-performance computing (HPC) applications. To me, these results demonstrate a strong foundation built over many years of supporting our customers with superior test solutions. Careful planning and strategic investment in key technologies allowed us to seize significant opportunities this past year, offering competitive solutions that cater to the complexity of modern high-performance devices. We also invested in expanding capacity and new partnerships, so we can serve customers as they expand production to meet rising demand.

As we expect the market for AI to continue to grow throughout FY2026 and beyond, Advantest remains uniquely positioned to navigate the converging pressures of today and enable our customers to bring new innovations to market with speed and velocity. With this in mind, I see FY2026 as a year full of opportunity.

Innovating Across the Test Flow

The path I see ahead of us continues to be shaped by demand for AI. AI-related investment is not limited to one application or generation of devices. Rather, we're seeing its influence across the industry and beyond. AI chips are mosaics of innovation, pulling the most advanced technologies from every sector—combining high-speed processors with high-bandwidth memory devices, and now even optical interconnects and photonics. Moreover, next-generation advanced packaging technology is expected to become even more complex.

Each of these technologies brings its own needs and requirements. Thermal management, power efficiency, reliability, performance—as these complexities converge, the test requirements for high-performance devices grow increasingly sophisticated. This presents a significant mid- to long-term opportunity for us. By offering best-in-class test solutions, we enable customers to improve yield, quality, and bring more products to market faster.

Moreover, our opportunities are not limited to a single product area. We have a broad portfolio across SoC test, memory test, device interfaces, handlers, system-level test, software tools, data analytics, and related services. As customer requirements expand, we're working to leverage our broad portfolio to create a unified test flow that offers superior solutions at each "insertion" or step in the testing process. By connecting each insertion



Douglas Lefever
Representative Director,
Senior Executive Officer,
Group CEO

Group CEO Message

> *"Ultimately, our goal is to move beyond our traditional role as a test equipment company and become a provider of unified test solutions."*

through an integrated test cell, we can automate the entire test flow. A key part of this approach is what we call the "distribution of test." This enables customers to move test content between insertions, so they can determine which tests are performed at each stage to optimize efficiency, coverage, and cost based on their specific needs. Ultimately, our goal is to move beyond our traditional role as a test equipment company and become a provider of unified test solutions. By leveraging our expertise, we aim to deliver a unified end-to-end test flow that helps customers reduce test time and accelerate time-to-market as they scale to meet growing demand.

We understand our customers' technical requirements and are well-positioned to support them across the test flow. Looking ahead, however, I believe one of the industry's greatest challenges will be capacity. As demand for AI devices continues to accelerate, we must scale alongside our customers to support this unprecedented growth. Delivering a handful of test systems at a time is completely different from delivering thousands. Modern testers are extraordinarily complex systems, consisting of over one million components and requiring significant manufacturing, integration, and service capabilities. Moreover, constraints could arise in the future that we're not yet aware of, such as such as raw material and component shortages. To stay ahead of these challenges, we are continuing to expand our production capacity and strengthen our supply chain. By investing proactively today, we are better positioned to meet growing customer demand, reduce the risk of future capacity constraints, and deliver the scale and reliability our customers will need in the years ahead.

As we work to improve automation, efficiency, and test architectures, we are also investing in the capacity, supply chain, and operational capabilities necessary to keep pace with customer demand. Balancing innovation with scalable execution will be critical as the industry enters its next phase of AI-driven growth.

Creating Value Through Collaboration

As semiconductor technologies become more advanced, no company can address every challenge alone. Customer relationships and collaboration are becoming increasingly important. We have to start working with customers early in development so we can better understand emerging requirements and develop solutions that are more closely aligned with their needs. Our participation in the EPIC Platform through our strategic partnership with Applied Materials is an important example of this. As advanced packaging and new device architectures grow more complex, we aim to create stronger links between front-end manufacturing and back-end test. Through this collaboration, we can share learnings and contribute our test expertise earlier and more effectively to develop fully integrated solutions.

We have also leveraged partnerships to foster development in new sectors where we see significant long-term growth potential. Silicon photonics is one such area. As AI and HPC workloads continue to scale, optical interconnect technologies are expected to play an increasingly critical role in data center architectures. This shift will require new approaches to device validation, measurement, and production test. In collaboration with industry partners, we have developed an innovative test cell for silicon photonics and co-packaged optics devices, supporting customers from wafer-level validation through final test. By investing early in R&D and joint development efforts, we have built a differentiated portfolio of test solutions designed for high-volume manufacturing of silicon photonics devices. As adoption of optical interconnect technologies accelerates, we believe our established partnerships, technical expertise, and market leadership position us to capture additional growth opportunities and further expand our role in this rapidly evolving market.

These are just a couple of the partnerships that have allowed us to expand the portfolio of superior test solutions we bring to the market. We will continue to build strategic partnerships across the ecosystem that will enable us to cover end-to-end high-volume manufacturing needs from design to system-level test and beyond. For us, collaboration is critical to enable future growth.

Group CEO Message

"I often think of Advantest as a garden—it's an ever-changing, living thing.… As a global team, we work hard to take care of this garden—together, we fertilize, water, rake, and trim. Resources, such as a strong supply chain, workforce development, and cash flow, give us the tools we need to keep everything healthy."

Nurturing Growth Across Seasons

In many ways, today's industry is moving faster than anyone could have possibly imagined. As I think about the opportunities that lie ahead, it's crucial that we continue to invest in the resources we need to drive long-term growth and value creation.

I often think of Advantest as a garden—it's an ever-changing, living thing. Our automated test equipment (ATE) could be seen as healthy trees, standing tall and proud after many years of careful cultivation, whereas new investments, such as silicon photonics, are more similar to young saplings beginning to take root. As a global team, we work hard to take care of this garden—together, we fertilize, water, rake, and trim. Resources, such as a strong supply chain, workforce development, and cash flow, give us the tools we need to keep everything healthy.

Management plays an important role in tending this garden. Sustainable growth is not simply about maximizing this season's harvest—it is about cultivating an environment where value can continue to grow year after year. That requires careful stewardship of our resources, thoughtful investment in new opportunities, and the discipline to balance near-term performance with long-term objectives. As seasons change, we have to adapt and plant seeds that will flourish for generations to come.

Our culture of INTEGRITY is the foundation of our longevity—it is the soil from which everything grows. For more than 70 years, INTEGRITY has fostered the respect and trust that define who we are as a company. It nourishes our relationships with customers, supports collaboration across teams, and provides the stability needed to navigate periods of rapid change. As we continue to grow, balancing innovation with operational discipline will remain a challenge. Yet our shared commitment to INTEGRITY unites us across regions, functions, and businesses, ensuring that growth never comes at the expense of our values. Just as healthy soil sustains a garden, INTEGRITY provides the foundation that enables Advantest to thrive today while cultivating the opportunities of tomorrow.

Building a Foundation for Future Growth

FY2026 may be the final year of our Third Mid-Term Management Plan, but our growth agenda extends far beyond this. Advantest's purpose & mission is to enable leading-edge technologies. In the AI era, that purpose is becoming even more meaningful. By working closely with customers and partners, advancing our technology leadership, strengthening our operations and supply capabilities, and preserving the culture that has sustained us for more than 70 years, we are planting the seeds for the next generation of innovation and growth. With a strong foundation and a clear sense of purpose, we are confident in our ability to create lasting value and remain the most trusted and valued test solutions company in the semiconductor value chain.

Group COO Message

Clear Accountability and Collaboration Supporting Global Operations

Against the backdrop of growth in the semiconductor market and continued advancements in technological innovation, Advantest has expanded its business globally. In this environment, the key challenge is how we build a management and operational foundation that enables us to respond swiftly and effectively to diversifying customer needs and rapidly changing markets. I believe this foundation is an important element that underpins Advantest's competitiveness.

In the semiconductor industry, the pace of technological innovation and market changes is accelerating, and the value chain, spanning from R&D, production, sales, and support, is expanding globally. To respond effectively to this environment, Advantest has established a structure that empowers the CxOs by granting them authority and accountability within their respective domains, rather than centralizing decision-making. For a global company like Advantest, we believe that enhancing the quality and speed of decision-making and implementing management practices that allow the entire Group to achieve shared success is the most effective management approach. Under this structure, we maintain accountability in each management domain while enabling high-quality decision-making based on expertise and agile collaboration across functions and regions. As a result, even as our business continues to expand globally, we are able to maintain operations that combine speed, scale, and consistency, and build a management foundation that is resilient to change.

Execution Capability Supported by Collaboration Among RU, BU, and FU

Advantest's global operations are based on close collaboration among Regional Units, Business Units, and Functional Units, each of which plays a distinct role. Regional Units are closest to customers and markets, and are responsible for regional operations, including sales, support and services, and supply chain activities. They make prompt decisions and take appropriate action based on the specific circumstances in each region. Business Units are responsible for enhancing the competitiveness of products, technologies, and solutions, while Functional Units support the group-wide foundation through specialized functions such as finance, human resources, and IT.

A key feature of Advantest's business operating model is that Regional Units autonomously support Business Units and Functional Units in working and executing across regions, based on the market conditions and



Koichi Tsukui

Koichi Tsukui
Representative Director,
Senior Executive Officer and President,
Group COO

Group COO Message

> *"I will continue to work toward building a more productive, resilient, and trusted business foundation, while balancing prompt decision-making close to the front lines with the maximization of the Group's overall strengths. With INTEGRITY as our foundation, we will bring together the execution capabilities of each and every employee to drive sustainable growth and enhance corporate value."*

customer needs of each region. This enables us to optimize our operations around the world. It is this cumulative effort of mutual collaboration that serves as the source of Advantest's global execution capabilities.

My Role as Group COO

Within this framework, my role as Group COO is to enhance the effectiveness of global operations, primarily from my position overseeing the Regional Units. A key responsibility is to harness the autonomy of each region, connect that autonomy with the overall corporate strategy through collaboration with Business Units and Functional Units, and guide the Group toward a structure in which it can demonstrate its full potential. Through this execution capability, I believe our ultimate objective is to enhance the value we provide to stakeholders, including customers, partners, and shareholders.

I am also responsible for the area of global business operations, including IT, and am continuously working to improve operational efficiency. To support business growth, it is essential not only to establish an effective organizational structure but also to create mechanisms that enhance the quality and speed of day-to-day operations and decision-making. Through initiatives such as digital transformation, business process reform, supply chain transformation, strengthening IT architecture and security, and promoting the use of AI, we are evolving our operations to be more productive, resilient, and adaptable to change.

These initiatives go beyond simple efficiency improvements. They also contribute to greater supply chain resilience, enhanced risk management capabilities, improved cost competitiveness, and ultimately, greater value for our customers. I recognize that improving the quality of our operations strengthens the foundation of management and is directly linked to enhancing corporate value.

INTEGRITY as the Foundation for Decision-Making

At the same time, a structure that delegates authority and accountability to the leaders of each domain does not function based on systems and mechanisms alone. Only when it is accompanied by shared values does decentralized decision-making become a source of organizational strength. At Advantest, the foundation for this is our core value of INTEGRITY.

INTEGRITY goes beyond mere honesty. It embodies the attitude of sincerely facing the facts, doing the right things in the right way, making decisions with transparency, and fulfilling our responsibilities. This value is indispensable to Advantest's management structure, in which each CxO makes decisions under clear accountability, and each region and function operates autonomously. It is precisely because we share these common values that we have a unified basis for decision-making and consistency across the entire organization. This, in turn, leads to trust from customers and society.

Since its founding, Advantest has contributed to the advancement of industry and society through "measurement." Our commitment to pursuing precision, accurately understanding facts, and creating value based on that foundation are deeply aligned with INTEGRITY. I believe it is precisely because we have this DNA that Advantest can combine strong execution capability with reliability, even within a globally expanding business structure.

Looking Ahead

The business environment surrounding Advantest will continue to undergo significant changes. That is why we must not only adapt to these changes, but also further refine our management and operations based on the premise that change is the norm. Under the CxO structure, we will further clarify authority and accountability, and strengthen collaboration across regions, businesses, and functions to further enhance the effectiveness of our global operations.

As Group COO, I will continue to work toward building a more productive, resilient, and trusted business foundation, while balancing prompt decision-making close to the front lines with the maximization of the Group's overall strengths. With INTEGRITY as our foundation, we will bring together the execution capabilities of each and every employee to drive sustainable growth and enhance corporate value.

FY2025 Highlights

¥1,128.6B
Record Sales

44.2%
Operating margin
Operating income ¥499.1B (record high)

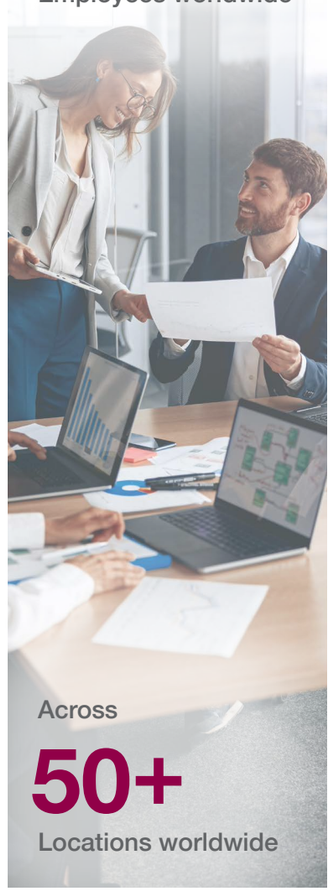


-76%
GHG reduction rate
(Scope 1+2 vs. FY2018)



Over 2x
Increase in production capacity since 2022

7,200+
Employees worldwide



Across
50+
Locations worldwide

¥375.4B
Record Net Income



54.4%
ROIC
(Return On Invested Capital)

65%
Overall market share
(+7 pts YoY)



No. 1
In TechInsight's customer satisfaction survey

History

1950s~ Main uses of semiconductors: Mainframe Computer

1980s~ Personal Computer

2000s~ Mobile Phone

2020s~ Big Data/AI

1954
Founded in Japan



1969
Entered the semiconductor tester market



1990s
Expanded globally as the semiconductor industry grew



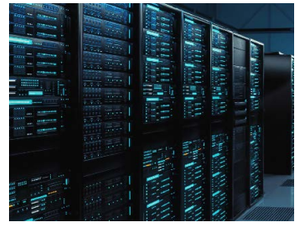
2011
Strengthened global competitiveness through the Verigy acquisition



2018
Announced Grand Design and first mid-term management plan



2020s
Growth accelerated by rising demand for advanced semiconductors



2025
First time exceeding JPY 1 trillion in revenue

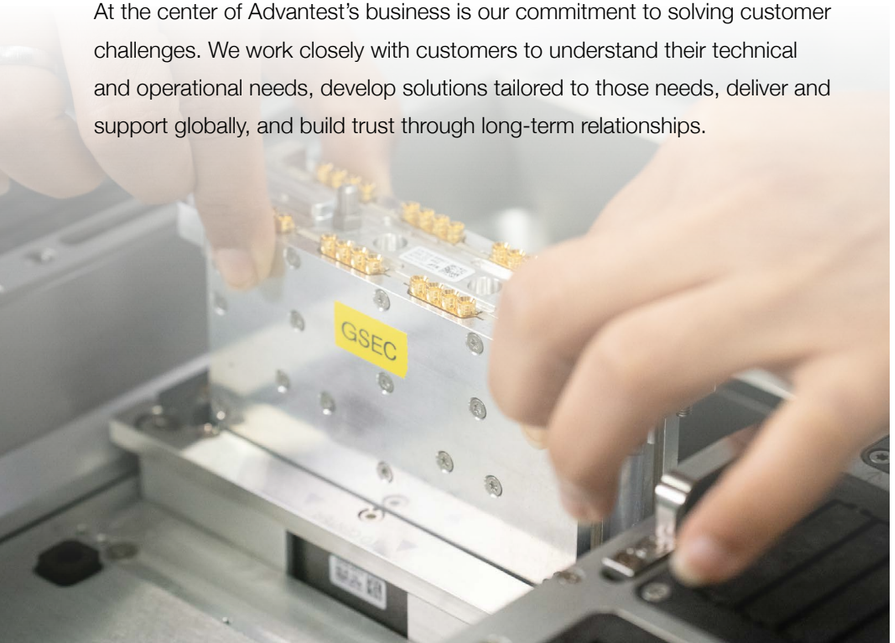


How We Create Value

Creating value by solving customers' challenges through advanced measurement technology and integrated test solutions

For more than 70 years, Advantest has supported customers' innovation through advanced measurement technology. As semiconductors become more complex and play an increasingly critical role in society, the role of test continues to expand. Test is no longer only a process for confirming quality. It is becoming an essential enabler of semiconductor innovation, helping improve performance, enhance reliability, increase yield, and shorten time-to-market.

At the center of Advantest's business is our commitment to solving customer challenges. We work closely with customers to understand their technical and operational needs, develop solutions tailored to those needs, deliver and support globally, and build trust through long-term relationships.





A Advanced measurement technology

Advantest's foundation is advanced measurement technology. Since our founding, we have applied our expertise in precise and reliable measurement to support the development of leading-edge technologies. This capability remains central to our ability to address the increasingly complex test requirements of next-generation semiconductor devices. ▶ P. 25-26 Our R&D



B Broad and integrated test solution portfolio

Advantest provides a broad portfolio of test solutions, including SoC and memory test systems, test handlers, device interfaces, system-level test systems, interconnect solutions, SEM metrology products, support and services, and data-driven solutions. By integrating these capabilities, we aim to provide comprehensive solutions optimized for each customer's test flow and device requirements. ▶ P. 15-16 Business Segment



C Trusted customer relationships

Through close and continuous dialogue, we seek to understand customers' current needs, future technology roadmaps, production priorities, and strategic challenges. By staying close to customers from development to high-volume production and field support, we support them as a long-term partner in bringing advanced semiconductor technologies to market. ▶ P. 27-28 Our Customer Relations



D Flexible production capabilities

Advantest combines in-house manufacturing capabilities with external production partners to build a flexible and scalable production structure. Moreover, we are building long-term relationships with suppliers to secure key components. This hybrid model enables us to respond to changes in demand while maintaining quality, reliability, and supply continuity. ▶ P. 29-31 Our Strategy for Building a Resilient Supply Chain



E Global talent and INTEGRITY

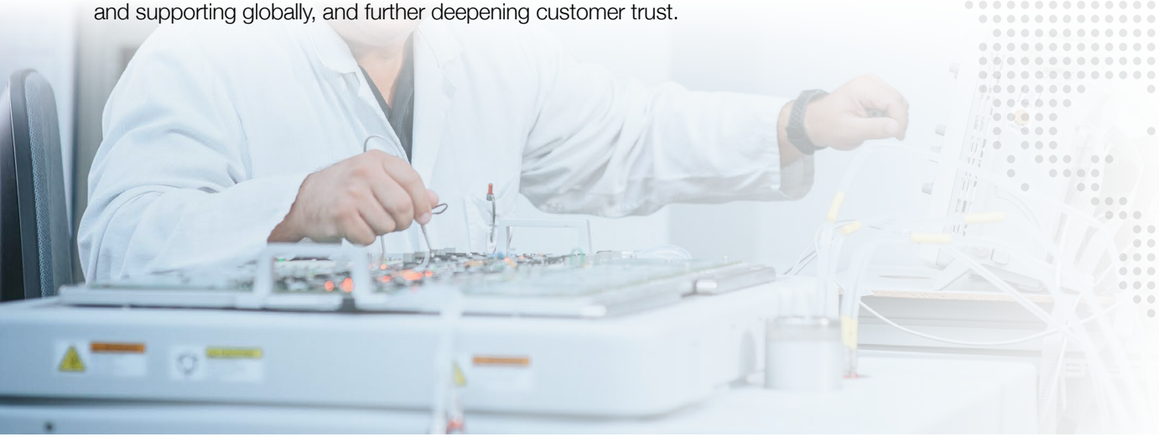
Our people are essential to Advantest's business strength. Engineers, field service teams, sales teams, supply chain professionals, and corporate functions collaborate across regions and business units to solve customer challenges. INTEGRITY, our core value, provides a common foundation for decision-making, collaboration, and trust.

▶ P. 32-33 Frameworks and Initiatives Supporting the Execution of Our Human Capital Strategy

How We Create Value

How our business works

At the core of Advantest's business is an unwavering commitment to solving customer challenges. This commitment drives a continuous cycle: understanding customer needs, developing best-in-class solutions, delivering and supporting globally, and further deepening customer trust.





Through this cycle, Advantest supports the development and production of advanced semiconductor devices. Our role is to help customers address increasingly complex test requirements and support the semiconductor ecosystem with technologies, solutions, and global capabilities that are essential to innovation.

Value Created Through This Cycle

Advantest supports customers from product development through volume production, helping them achieve outcomes such as those shown below.

- Improved quality and reliability
- Higher productivity
- Yield improvement
- Faster time-to-market

By continuing to strengthen these capabilities, Advantest aims to remain the most trusted and valued test solution company in the semiconductor value chain.

Business Segment

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

Test System Business Segment

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

Test System

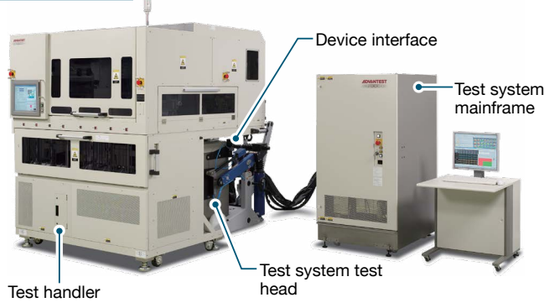
Test systems are primarily used in the wafer or final testing stages of the semiconductor process, testing a large number of semiconductor devices automatically and simultaneously. Test data not only determines whether a test result is a pass or fail but also provides various insights that lead to improvements in semiconductor processes.

Semiconductor devices are broadly categorized into System-on-Chip (SoC) and memory, and Advantest offers test systems that can handle both. For SoC test systems, we adopt a modular structure with interchangeable functional boards, enabling flexible adaptation to various types of semiconductor devices. For memory, we offer specialized equipment that can simultaneously test large quantities of memory devices with the same specifications.

Test Handlers & Device Interfaces

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

Example of a test cell



System Level Test System

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

Services and Others Segment

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

Support Service

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

Metrology / SEM

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

Advantest Interconnect Solutions™

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

Business Segment

How Our Solutions Fit Into Test Processes That Enable Semiconductor Quality

Major test processes in semiconductor development and manufacturing where Advantest's products and solutions are applied

Business Segment
Test System Business

SiConic®
Silicon Validation Solution



Test System
(Wafer / Package)



Test Handlers
(Automated Handling)



Device Interfaces



System Level Test (SLT) Systems



Key Semiconductor Test Processes

Design verification / Silicon verification



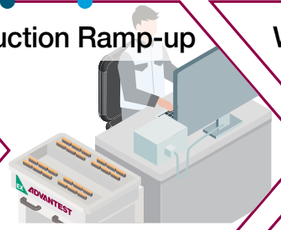
Verify that circuits / prototype chips operate operate according to specifications.

Photomask Inspection



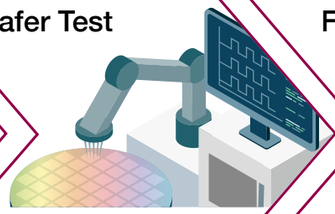
Inspect photomasks used to transfer circuit patterns for defects

Production Ramp-up



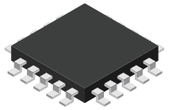
Evaluate device characteristics and establish a mass production process.

Wafer Test



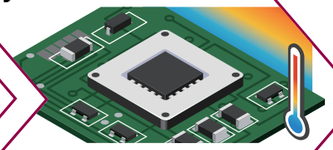
Test the electrical characteristics of individual chips on a wafer

Final Test



Perform final checks of quality and functionality after packaging

System Level Test



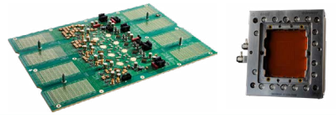
Tests under near-real-world operating conditions to detect defects that are difficult to identify at the device level

Business Segment
Services & Others

Metrology / SEM



Test Sockets / Test Interface Boards



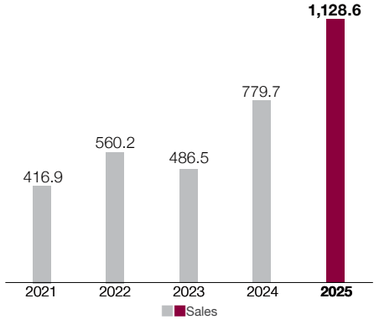
Advantest® Cloud Solutions Cloud solutions that support yield improvement and production optimization through data integration and analytics

Customer Support Comprehensive support across all stages, from installation to operation, maintenance, and improvement

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

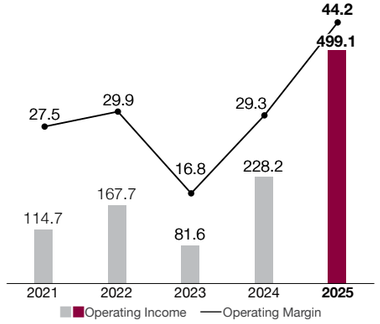
Sales
(Billion yen)

Expanding AI-related demand and increased supply capacity drove sales to a record high.



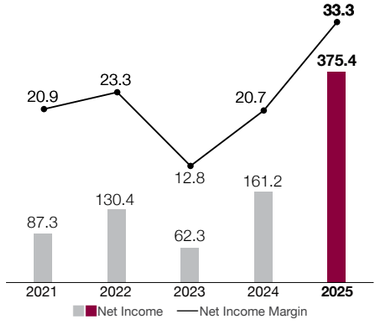
Operating Income / Operating Margin
(Billion yen /%)

Improved product mix and stronger cost discipline significantly enhanced profitability.



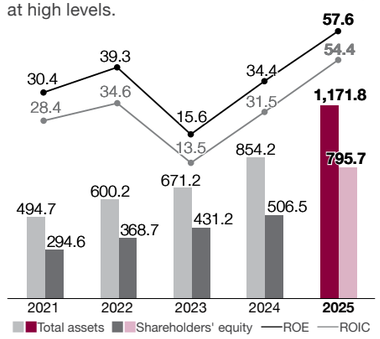
Net Income / Net Income Margin
(Billion yen /%)

Net income margin reached the 30% range.



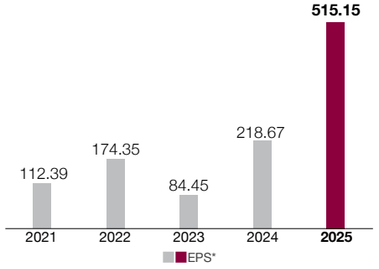
Total Assets / Shareholders' Equity / ROE / ROIC (Billion yen / Billion yen / % / %)

Capital efficiency improved alongside growth in total assets, with ROE and ROIC remaining at high levels.



Basic EPS
(Yen)

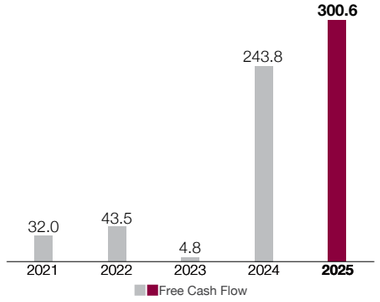
EPS surged, driven by record earnings.



*Advantest has issued a 4-for-1 stock split of common stock, effective October 1, 2023. The above EPS figures are based on the assumption that the stock split had been issued at the beginning of fiscal 2021.

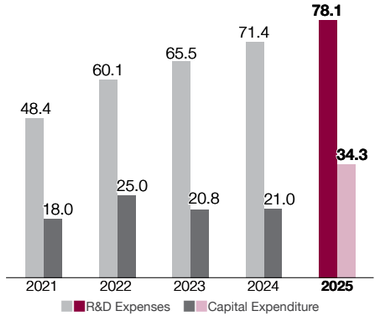
Free Cash Flow
(Billion yen)

Improved cash generation drove free cash flow to a record high.



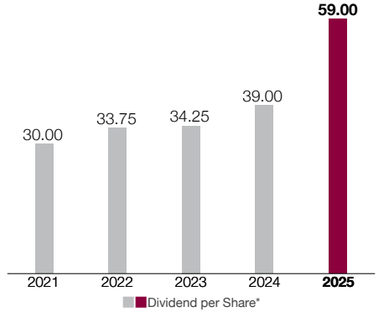
R&D Expenses / Capital Expenditure
(Billion yen)

R&D and capex were consistently expanded to support growth.



Dividend per Share
(Yen)

Dividends increased for six consecutive years, reflecting steady execution of shareholder returns.

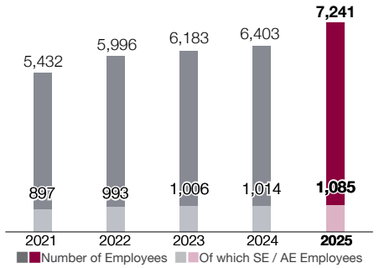


*Advantest has issued a 4-for-1 stock split of common stock, effective October 1, 2023. The above dividend per share figures are based on the assumption that the stock split had been issued at the beginning of fiscal 2021.

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

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

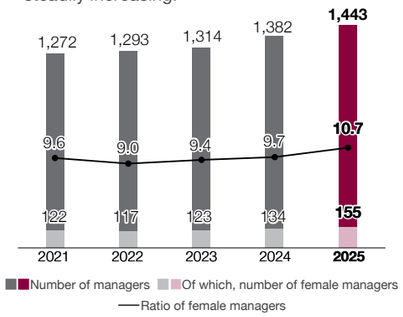
Continuous investment in human capital in anticipation of future business expansion



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

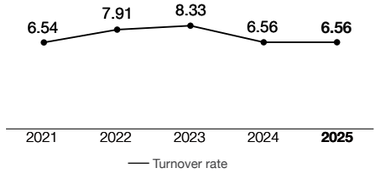
Number of managers / Ratio of female managers
(Number / %)

The number of female managers has been steadily increasing.



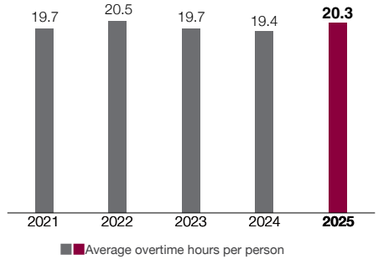
Turnover rate
(%)

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



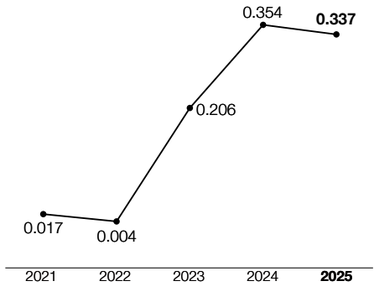
Average overtime hours per person (Japan, China, South Korea)
(Hours / Month)

A slight increase from the previous fiscal year due to significant business expansion.



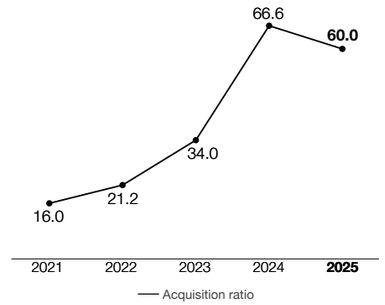
Lost Time Injury Rate (Global)
(Number)

We will continuously discuss safety issues to improve the workplace environment.



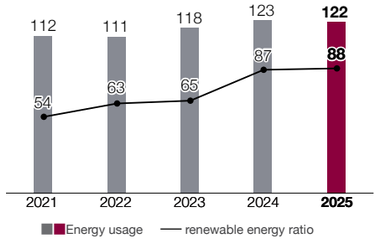
Number of male employees taking paternity or childcare leave (Japan)
(%)

A majority of male employees participate in childcare



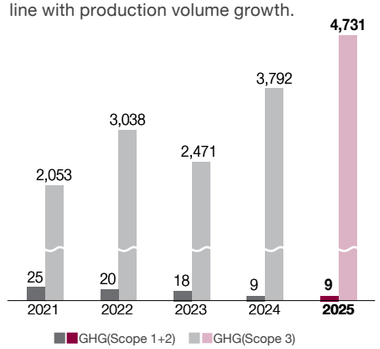
Energy usage / renewable energy ratio
(GWh / %)

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



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

Scope 3 GHG emissions have increased in line with production volume growth.





Strategy

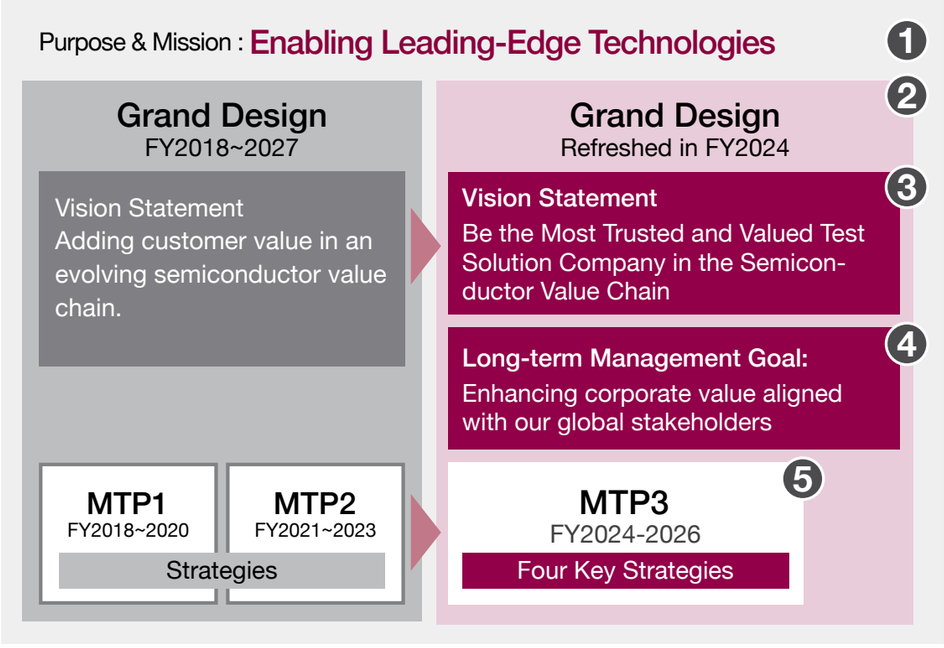
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Mid- to Long-term Management Policy: the “Grand Design”

Advantest’s corporate purpose and mission is “Enabling Leading-Edge Technologies.” The “Grand Design” defines the commitments and strategies needed for Advantest to cut thrive as a company that embodies this corporate mission and purpose.

In FY2018, we formulated this management policy for the first time, and in 2024, we updated it based on our latest long-term business environment forecast.

Under the “Grand Design,” we formulate a three-year management plan, and we are now executing the third Mid-term Management Plan (MTP3).



Components of our mid- to long-term management policy

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

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

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

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

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

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

Advantest expects the semiconductor test-related market to continue to grow in the medium- to long-term, while experiencing short-term down cycles. In addition, Advantest believes that its business opportunities will expand over the medium- to long-term, not only as the semiconductor market grows, but also as the industry faces the structural challenges of managing the complexity of semiconductors.

Against this industry landscape, Advantest Group has been implementing its three-year Third Mid-term Management Plan (MTP3) since FY2024, which was formulated in accordance with the refreshed "Grand Design."

Advantest believes that the strategic initiatives under MTP3 are, overall, progressing ahead of expectations, led by efforts to realize the provision of "Automation of Test" and to build the industry ecosystem that will serve as its foundation. In FY2026, the final year of the mid-term plan, Advantest will continue to advance various initiatives aimed at enhancing corporate value over the medium- to long-term.

Four Strategies of MTP3: Backgrounds and Progress in FY2025

1 Outpace the growth in our core market

In the core market, Advantest expects key growth opportunities to arise from increased semiconductor production volumes, the trend toward higher performance semiconductors, and the increasing complexity of semiconductors going forward. To seize these opportunities, Advantest will create new value that brings "Automation of Test," or improved efficiency in semiconductor testing, to its customers. These can be achieved not only by improving the performance of individual test solutions, but also through the organic integration of its diverse portfolio of products and solutions, and collaborations with external partners. Through these efforts, Advantest will strive to continue to grow faster than its core market.

Progress in FY2025

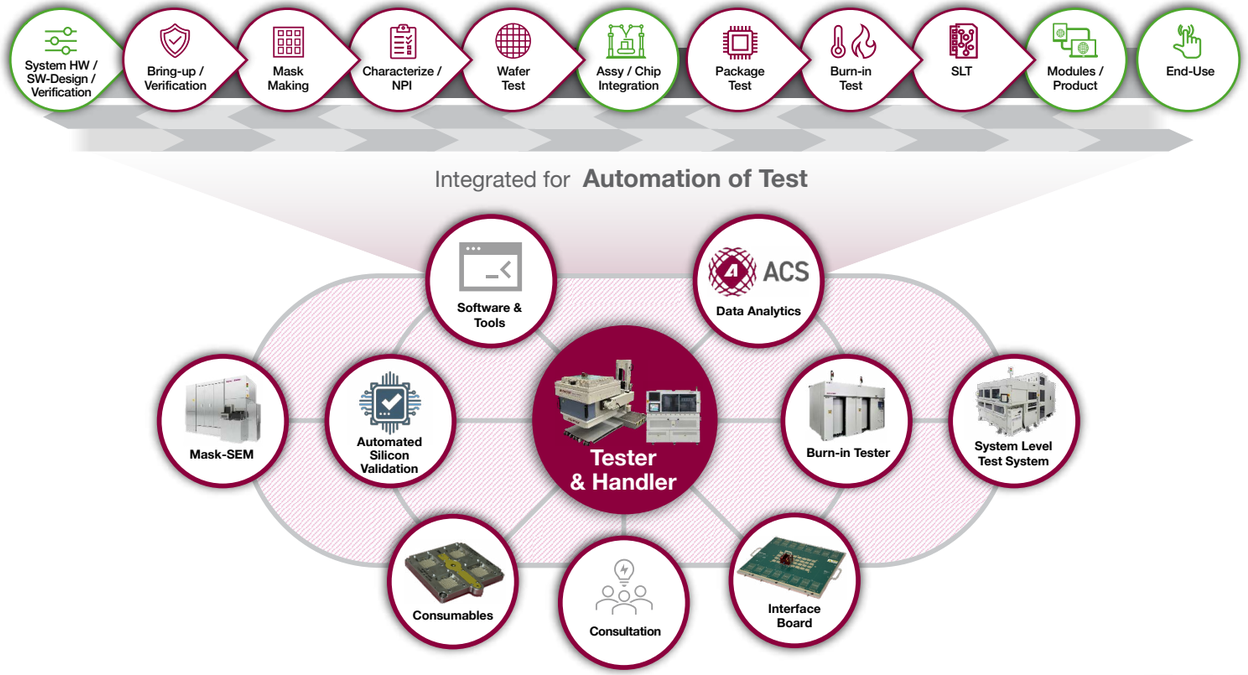
- Further expanded our market share in the semiconductor tester (ATE) market (CY2024: 58%; CY2025: 65%) by expanding sales of products with strong customer appeal that anticipate changes in test demand, as well as through key customer and regional strategies.
- Launched several next-generation test solutions.
- Strengthened R&D capabilities to address medium- to long-term industry challenges. Advanced preparations for the market introduction of high-value-added test solutions in high-growth areas such as next-generation DRAM and silicon photonics, securing the first large ATE order for volume production in the latter.

2 Expand adjacently / new businesses

As semiconductors continue to become more sophisticated and complex, there is growing demand for more comprehensive and more integrated test solutions. Advantest has been expanding its business into system-level test and test peripherals, and will continue to further increase the value it provides to customers. More specifically, Advantest will utilize its installed-base products to promote its field services and Advantest® Cloud Solutions, while also pursuing new initiatives aimed at enhancing customer value in markets adjacent to its core business.

Progress in FY2025

- Successfully expanded industry awareness of SiConic®, a groundbreaking automated silicon validation solution, in the semiconductor value chain.
- Expanded cross-industry collaborative initiatives—such as the opening of the "Advantest Innovation Center" and participation in Applied Materials, Inc.'s EPIC (Equipment and Process Innovation and Commercialization) platform—aimed at driving further test value creation.
- Deepened strategic partnerships with three probe card manufacturers, aiming to develop high-performance total testing solutions that will meet customers' future testing needs.



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

3 Drive operational excellence

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

Progress in FY2025

- Fulfilled surging customer demand through advanced supply chain management and strong supplier collaboration.
- Expanded the governed use of AI internally to accelerate operations and improve efficiency.
- Enhanced talent acquisition, development, and retention capabilities, and developed attractive workspaces to support future growth.

4 Enhance sustainability

Advantest will further strengthen its foundation for enhancing corporate value through proactive and positive measures on sustainability issues such as climate change and human rights, the execution of responsible business activities, including legal compliance and adherence to ethical business practices, and the reinforcement of risk management and enhancement of corporate governance. In doing so, Advantest aims to earn greater trust from its stakeholders. Advantest will also continue to cultivate a common culture and shared values within the company, as these are the starting points for promoting initiatives related to sustainability.

Progress in FY2025

- Despite business expansion, GHG emissions (Scope 1 and 2) were successfully held flat year over year.
- Strengthened management execution capacity and enhanced the ability to respond to the increasing complexity of the business environment by appointing multiple executives with deep semiconductor industry knowledge and diverse, advanced expertise and experience.

Targeted Management Metrics

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

Furthermore, in October 2025, Advantest revised all indicators upward from its initial announcement in June 2024, reflecting a stronger-than-expected outlook for AI/HPC semiconductor testing demand and progress in internal strategic initiatives such as market share expansion.

	MTP3 targets*1 (FY2024-FY2026 Avg.)	FY2024 Results*2	FY2025 Results*2
Sales	**JPY 835 - 930B**	JPY 779.7B	JPY 1,128.6B
Operating profit margin	**33 - 36%**	29.3%	44.2%
Net income	**JPY 207 - 248B**	JPY 161.2B	JPY 375.4B
Return on Invested Capital*3 (ROIC)	**34 - 39%**	31.5%	54.4%
Basic EPS	**JPY 284 - 341B**	JPY 218.67B	JPY 515.15B

*1 Revised targets as of October 2025. The revised targets combine actual results through FY2025 H1 with performance forecasts for FY2025 H2 and FY2026 as of that time. The forecast exchange rate assumptions were 140 yen to the US dollar and 155 yen to the euro.

*2 Actual exchange rates were 153 yen to the US dollar and 164 yen to the euro in FY2024, and 150 yen to the US dollar and 173 yen to the euro in FY2025.

*3 Return on Invested Capital = NOPAT / Invested capital (average at beginning and end of period). NOPAT = Operating income x (1 - tax ratio 25%). Invested Capital = Borrowings + Corporate bonds + Total equity, excluding lease liabilities.

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

CFO Message



Hisako Takada
Chief Financial Officer (CFO)

Reflecting on My First Year as CFO

It has been one year since I joined Advantest and assumed the role of CFO. Over the course of this year, one of the management challenges I have come to recognize most strongly is the high degree of volatility inherent in the semiconductor industry. In addition to sales and profits, share prices also fluctuate significantly.

Preparing for such volatility requires us to maintain buffer inventory to accommodate sudden increases in future demand, while also preserving sufficient liquidity and stability on the balance sheet. At the same time, these measures entail various additional costs, making it essential to strike an appropriate balance with capital efficiency. I have come to see the need to enhance efficiency while maintaining financial stability as an extremely important management priority for Advantest.

Over the past year, we have held extensive discussions on these challenges, including at meetings of the Board of Directors. With regard to inventories, for example, we have established a basic framework and policy under which we clearly define the required level of buffer inventory and the rationale behind it, review that level regularly, and take prompt action when inventory exceeds the appropriate threshold.

We have also completed a one-year share repurchase program, while working to optimize the balance sheet as a whole, including our capital structure and capital levels.

Specific Initiatives Underway

The term “optimization” may suggest little more than adjustment. However, given the currently favorable market environment, I believe Advantest has reached a stage at which we must address both growth investment and shareholder returns.

In particular, responding to the demand fluctuations characteristic of the semiconductor market and making strategic investments at the right time are essential not only to capture near-term business opportunities, but also to secure Advantest’s sustainable growth. We are currently establishing a framework that will enable us to make such decisions with both agility and discipline.

More specifically, our focus is on the following three areas:
* Establishing appropriate levels of inventory and liquidity
* Managing the balance between capital efficiency and financial stability
* Making scenario-based management decisions that assume fluctuations in market conditions

Through these initiatives, our policy is to consistently execute the necessary strategic investments steadily, while understanding volatility as a given, thereby maintaining a stable financial foundation over the medium to long term.

In recent years, indicators such as profit margins and ROE have remained at high levels, while sales have grown substantially. As a result, total assets exceeded ¥1 trillion for the first time in fiscal 2025. From the perspective of the scale of our assets and capital as well, Advantest is entering a new stage of growth.

I understand that this was also one of the factors considered when Rating and Investment Information, Inc. (R&I) upgraded our issuer credit rating from “A+” to “AA–” in July. Our strong business performance in recent years has further strengthened our financial soundness and has placed us in a position to make proactive investments in future growth.

Issuance of Convertible Bonds

In April 2026, Advantest issued ¥100 billion in convertible bonds. There were three principal considerations behind this decision.

1. Responding Promptly to Further Growth in Future Demand
Of the funds raised, ¥70 billion is scheduled to be allocated to expanding production capacity and securing inventory.

As we look ahead to medium- and long-term demand growth, there is a possibility that, if we are unable to provide the products required by our customers, Advantest itself could become a bottleneck to the growth of the semiconductor market. We therefore determined that it was important to secure the necessary funds in advance and execute investments promptly, both to support the sound development of the semiconductor market and to maintain and strengthen our competitiveness.

2. Utilizing Debt
The semiconductor sector is characterized by significant fluctuations in business performance, and I believe it is an industry in which companies should remain cautious about the continuous use of substantial financial leverage.

At the same time, Advantest’s financial soundness has improved considerably as a result of its strong performance in recent years, creating greater capacity to utilize debt. In considering our financing options, we compared convertible bonds with alternatives including straight bonds and bank borrowings. In the current environment of rising interest rates, the ability to raise funds at a zero coupon was a key feature of convertible bonds and an important factor that ultimately determined our choice.

Although the amount issued was limited in relation to our market capitalization, we also considered the potential for a lower cost of capital by incorporating convertible bonds into our capital structure.

CFO Message

3. Making Effective Use of the Rise in Our Share Price

Another major reason for selecting convertible bonds was that, against a backdrop of high market expectations, our share price had risen to a level at which dilution could be kept extremely low, even if all of the bonds were converted into shares.

The convertible bonds issued in 2014 were fully converted into shares, and the estimated dilution ratio at the time of issuance was 8.3%. By contrast, the dilution ratio for the latest issuance is expected to be approximately 0.4%, enabling us to limit the impact on existing shareholders to a very low level. In addition, we incorporated restrictions on conversion so that dilution would be less likely to occur over a short period of time.

Given the high volatility of Advantest's shares, the conversion premium* was set at a high level of 60%. Nevertheless, I understand that investor demand was approximately eight times the issue amount, once again demonstrating the market's strong expectations for Advantest's future.

Although our business performance and cash flow were both strong, we anticipate continued substantial funding requirements, including timely growth investment and shareholder returns. The issuance of these convertible bonds was therefore intended to preserve our future strategic options and enhance the flexibility of our financial strategy.

* Conversion premium (%) = (Conversion price ÷ share price at the time of issuance – 1) × 100

Publication of the Annual Securities Report and Business Report

On June 26, 2026, Advantest disclosed its Annual Securities Report and Business Report as a single combined document. We believe this was the first initiative of its kind undertaken by a Japanese company.

For the past four years, Advantest has disclosed its Annual Securities Report before the Annual General Meeting. However, taking into account the audit process and the simultaneous filings of the English translation, which we have traditionally provided, disclosure two business days before the Annual General Meeting represented the practical limit.

Against this backdrop, we amended our Articles of Incorporation at last year's Annual General Meeting, establishing a framework that enables us to hold the meeting in July. This made it possible to provide shareholders with sufficient time to read the Annual Securities Report before exercising their voting rights.

The team responsible for disclosure then proposed combining the Annual Securities Report and the Business Report, saying:

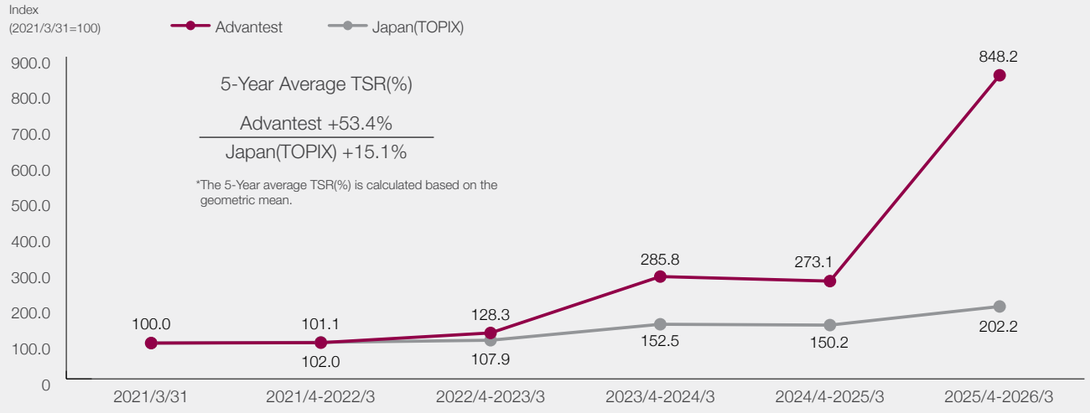
"The first year will undoubtedly be challenging. However, once we establish the process, we will be able to eliminate duplicated work in subsequent years and make the overall process more efficient. We would very much like the opportunity to take on this challenge as a way of embodying operational excellence."

In response to this forward-looking proposal, we decided as a company to pursue the combined disclosure.

To make it a reality, we worked not only with departments across the company, but also maintained close communication with external stakeholders, including regulatory authorities such as the Financial Services Agency and the Ministry of Justice, disclosure support providers, and our independent auditors. Through a series of study sessions and extensive discussions, we addressed one by one the issues that arose precisely because there was no precedent, and ultimately brought the combined report to publication with the knowledge and cooperation of all those involved.

We do not regard this publication as an end in itself. We will continue to make improvements so that we can provide investors and other stakeholders with information that is even more useful and easier to understand.

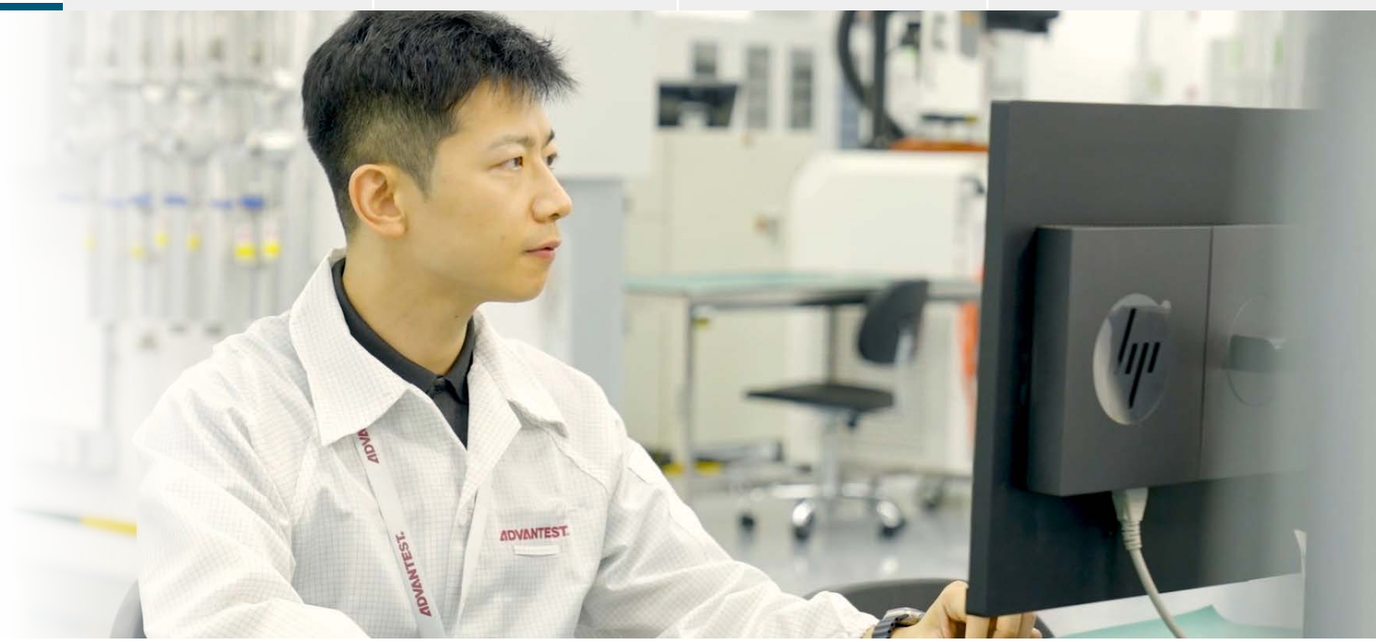
Total shareholder return (TSR)



TSR(%) for each period	2021/4-2022/3	2022/4-2023/3	2023/4-2024/3	2024/4-2025/3	2025/4-2026/3
Advantest	+1.1%	+27.2%	+157.5%	-12.7%	+575.1%
Japan(TOPIX)	+2.0%	+5.9%	+44.6%	-2.3%	+52.0%

*TSR stock prices are based on fiscal year-end index data from March 31, 2021 to March 31, 2026.

Our R&D



Anticipating next-generation test challenges through global collaboration

Advantest's advanced measurement technology is supported by a global R&D structure that combines deep technical expertise with close alignment to customer roadmaps. As semiconductor devices become more complex, test requirements continue to expand in accuracy, performance, coverage, speed, and efficiency. Advantest's role is to anticipate these evolving requirements and develop technologies that help customers address increasingly complex challenges across the semiconductor value chain.



An integrated approach to innovation

As semiconductor architectures evolve, test challenges are no longer limited to a single device, process, or test insertion. Technologies such as chiplets, advanced packaging, high-bandwidth memory, and silicon photonics are creating new requirements that span thermal behavior, signal integrity, power management, data volume, and system-level performance. Addressing these challenges requires an integrated approach to solution development, combining multiple technical perspectives to respond to increasingly complex customer requirements.

At the same time, the pace of change in the semiconductor industry continues to accelerate, making shorter and more agile development cycles increasingly important. Advantest is strengthening its ability to respond to market windows through initiatives such as advanced development tools, parallel development, and technology pre-development.

Delivering value through customer-driven R&D

Through R&D that is closely connected to customer needs and future technology trends, Advantest continues to strengthen the measurement technologies and integrated test capabilities that form the foundation of its business. This commitment enables Advantest to support the development and production of leading-edge semiconductor devices and contribute to innovation across the semiconductor ecosystem.

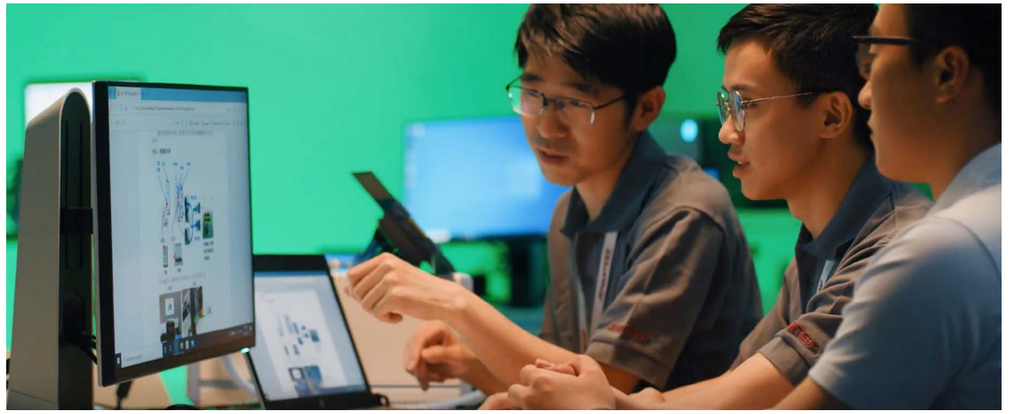
Our R&D

Global collaboration across development centers



A key strength of Advantest's R&D lies in the collaboration between its major development centers in Böblingen, Germany, and Gunma, Japan. Each site brings distinctive expertise, experience, and product development capabilities. By leveraging the complementary strengths of these two locations and promoting close collaboration between them, Advantest is able to bring together global engineering knowledge and development resources across regions. This collaboration also supports shorter development cycles by enabling teams to share expertise early and pursue parallel development more effectively.

Cross-functional collaboration



A key strength of our R&D lies in cross-functional collaboration across hardware, software, applications, product engineering, and customer-facing teams. This collaboration enables us to incorporate customer needs early in the development process and leverage diverse technical expertise to create integrated solutions that deliver long-term value to customers.

"Advantest's R&D is built on deep expertise in advanced measurement technologies and a global development structure that is closely aligned with customers' future technology roadmaps. As the pace of change in the semiconductor industry continues to accelerate, shorter development cycles are essential to hit the right market windows and keep pace with technological evolution. To achieve this, we are leveraging advanced development tools, promoting parallel development and technology pre-development, and strengthening collaboration across our global development sites. Through these initiatives, we create solutions that anticipate next-generation test challenges and support customers as they work to bring leading-edge semiconductors to the world as quickly as possible."



Juergen Serrer
Senior Executive Officer
Chief Technology Officer (CTO)

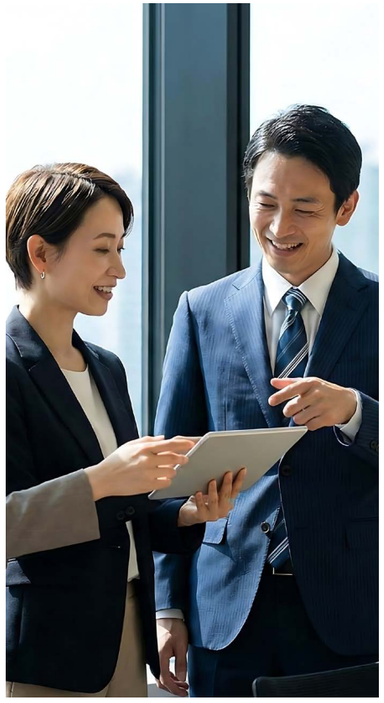
Our Customer Relations



Building trust through close engagement with customers

Trusted customer relationships are central to Advantest's business. In a semiconductor industry where technology, market conditions, and customer requirements are changing rapidly, customer relations are not limited to introducing products or responding to immediate demand—they are a critical means of understanding customers' technology roadmaps, production priorities, business models, and strategic challenges at an early stage.





Understanding customers' current and future needs

Advantest works closely with leading semiconductor companies around the world to understand the issues they face as devices become more complex. Our customer base spans the semiconductor value chain, including fabless companies, IDMs, foundries, and OSATs. This broad customer reach enables Advantest to understand diverse requirements across design, manufacturing, assembly, packaging, and test, and to provide solutions that address challenges at multiple points in the semiconductor ecosystem.

In particular, Advantest has built strong relationships with leading customers driving AI and HPC-related semiconductor innovation. As AI devices become more complex and performance requirements continue to rise, these customers require solutions that go beyond individual test systems. They seek comprehensive expertise that spans test content, device handling, thermal and power challenges, production ramp-up, supply capabilities, field support, and data-driven improvements.

By maintaining close and continuous dialogue with customers, Advantest seeks to understand not only what customers need today, but also what they will need tomorrow. This customer engagement allows us to identify emerging requirements early and align our solutions with customers' long-term technology and business priorities.

Deepening trust as a long-term partner

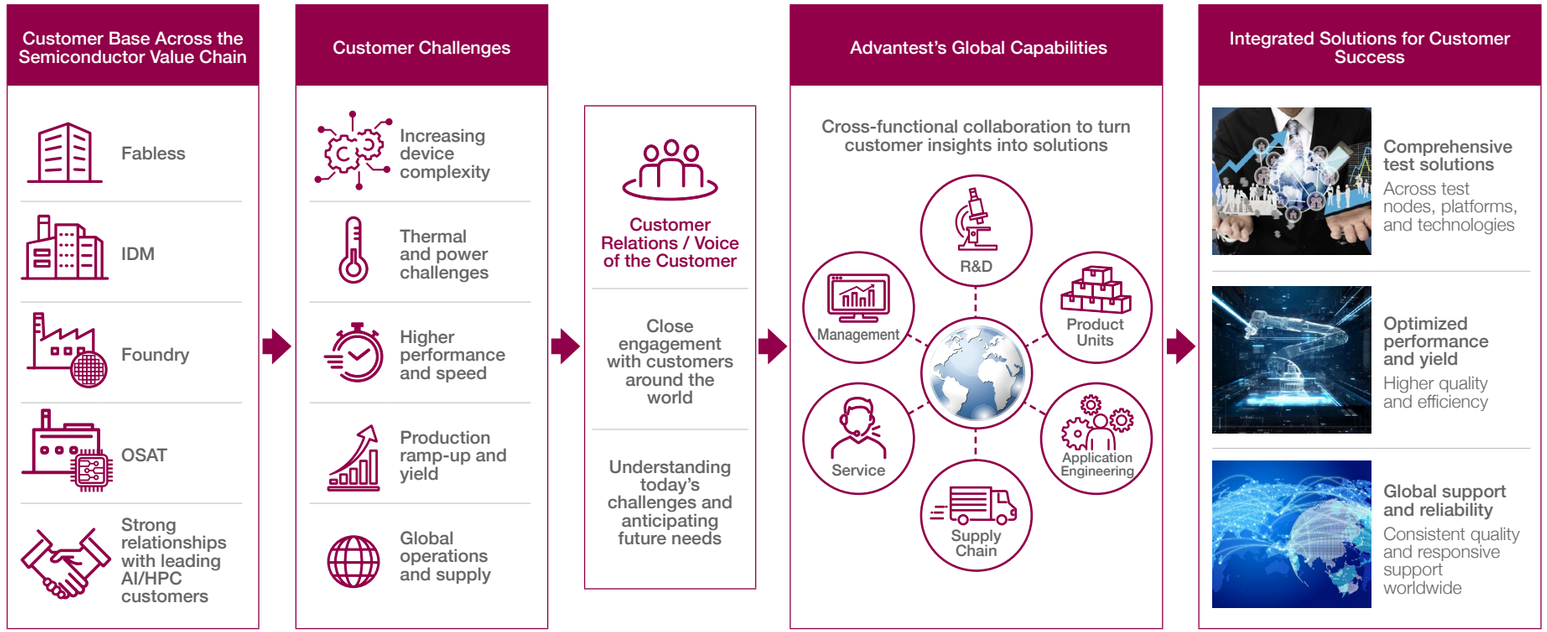
Long-term trust enables Advantest to engage with customers not only on current projects, but also on future opportunities. By maintaining close relationships with industry leaders and monitoring changes in technology and market direction, Advantest can identify emerging needs early and support customers as a strategic partner.

Through trusted customer relationships, Advantest strengthens its ability to solve customer challenges, support semiconductor innovation, and continue expanding its role across the semiconductor value chain.

Our Customer Relations

Aligning with Customer Priorities

A key responsibility of our customer-facing teams is ensuring that Advantest's strategic priorities remain closely aligned with the evolving needs of our customers. Through ongoing engagement and close collaboration, our Sales team develops deep insight into customers' technology roadmaps, manufacturing requirements, and the challenges facing both individual companies and the broader industry. These insights are shared across Advantest, enabling teams throughout the organization—from R&D and application engineering to supply chain management, customer support, and executive leadership—to make informed decisions and work toward a common objective: develop integrated, superior test solutions that help our customers achieve success. This cross-functional alignment enables us to leverage expertise from across our global organization to address increasingly complex challenges and create lasting value for our customers.



Trust is built through continuous dialogue and a deep understanding of where our customers are heading. By engaging with customers from the early stages of their technology development, we can anticipate their emerging needs and connect them with Advantest's global technologies and solutions. This enables us to contribute to solving the challenges customers face today, while also supporting them as a long-term partner in the next generation of semiconductor innovation.



Sanjeev Mohan
Senior Executive Officer
Chief Customer Relations Officer (CCRO)

Our Strategy for Building a Scalable and Resilient Supply Chain

Strategic Supply Chain Transformation Enables Future Growth and Delivers a Competitive Advantage.

In FY2025, we saw demand for testers for AI-related high-performance semiconductors grow significantly, and we achieved record-high sales. With a focus on mid- to long-term growth trends, we have made upfront investments to expand our supply capabilities rather than reacting after demand materializes. We believe these efforts have enabled us to ensure reliable supply during periods of rapid demand growth.

As we deepen relationships with a growing number of customers amid an increasingly complex semiconductor value chain, our supply capabilities have become more important than ever before. Against this backdrop, we recognize that the ability to capture customer demand and ship products reliably when needed is itself a competitive advantage, and we are continuing to expand our supply chain capacity and scalability to support this.

An achievement I am particularly proud of in FY2025 is the progress we have made in implementing digital transformation across our supply chain. After taking a closer look at our business processes, we utilized digital technologies and methods to enhance the speed and effectiveness of our decision-making.

I would also like to highlight the continued adoption of advanced Sales and Operations Planning (S&OP) and strategic scenario planning, as well as enhanced inventory management in support of our “just-in-case” strategy. Through these efforts, we have built a strong cross-functional structure that helps us quickly grasp changes across our customer and supplier base, turn those insights into actions, and respond with greater agility and flexibility to evolving market conditions. As we continue to integrate information flows across our supply chain network, we will further enhance our agility and readiness for whatever comes next.

Through these efforts and working closely with our suppliers over time, we have built strong, long-term relationships based on trust that support sustainable growth for both parties. We believe that this trust will enable us to navigate the challenges that lie ahead, while we continue to strengthen the resilience of our supply chain by expanding and diversifying our supplier network.

Increasing Complexity in the Business Environment

We can look at the challenges facing our supply structure from three perspectives: technology, customers, and our supply chain.

From a technology perspective, against the backdrop of the rapid evolution of the AI industry, efforts to achieve higher performance in AI-related semiconductors are gaining momentum. In addition, the adoption of advanced packaging technologies, such as 3D integration, has enabled the integration of heterogeneous chips, including logic and memory, making semiconductors increasingly complex. As semiconductors continue to evolve, the challenges involved in semiconductor design and manufacturing are growing, while customers are working with shorter product development cycles.

From a customer perspective, as semiconductors become more advanced and complex, managing the supply chain is becoming increasingly challenging. Geopolitical shifts are prompting customers to diversify and optimize their regional supply chains, requiring them to restructure procurement, production, and supply frameworks. Moreover, as semiconductor design and manufacturing become more challenging, it is increasingly difficult for customers to estimate the number of testers they need. This is especially true during the ramp-up of next-generation semiconductors when uncertainty is high and manufacturing conditions, such as yield rates and test times, can vary significantly.

We also face challenges within our own supply chain. Our testers consist of a wide variety of components, and the absence of even a single part can prevent



Richard Junger
Senior Executive Officer
Chief Supply Chain Officer (CSCO)

Our Strategy for Building a Scalable and Resilient Supply Chain

completion of the final product. Moreover, supply and demand for the materials required to manufacture our products have tightened across the industry, leading, in some cases, to more competition for component procurement. As a result, ensuring both stable and agile sourcing has become an increasingly demanding task, requiring new ways to orchestrate the supply chain.

Supply Chain Transformation Strategy

In response to this evolving business environment, we are advancing our supply chain transformation strategy with a focus on three priorities: pursuit of scale, resilience, and speed.

First, in terms of scale, shipment capability is a key source of competitive advantage in our industry. We take a “just-in-case” approach in preparing our end-to-end supply chain. At the core of this approach is “strategic scenario planning”, which draws on a broad range of market indicators — customer demand, industry trends, wafer loading, technology trends, supply capabilities — to develop and refine upside, base, and downside scenarios. By working closely with our cross-functional teams and suppliers and by leveraging buffer strategies and visibility tools, we are enhancing our ability to respond quickly and effectively to changing market conditions.

From a resilience perspective, we are continuing to diversify our supply base and supply chain footprint. To enhance the stability of our supply structure, we are implementing measures such as multi-sourcing for key components, multi-site manufacturing, long-term supply agreements, and multi-tier buffer strategies. These initiatives are not merely measures to mitigate risk, but strategic investments aimed at ensuring that we can fulfill our commitments to customers even in highly uncertain environments. Strategic inventory plays a particularly important role, serving both as a buffer against potential supply disruptions and as a means of responding quickly to unexpected increases in demand. Of course, this means that product rollovers require careful inventory management to minimize the risk of obsolescence, and we work closely with our business units to manage this balance.

Finally, speed is becoming increasingly important as our customers’ product development cycles continue to shorten. To keep pace with their technology development and capture new growth opportunities, we identify the optimal supply chain structure for each product from the early stages of the design process and build in scalability throughout the production ramp-up phase. We are also working to shorten time-to-market and accelerate time-to-volume, while building the supply capabilities needed to respond quickly and effectively to periods of rapid demand growth.

Strengthening competitive advantage through cross-functional collaboration and partnerships

Two key elements underline the supply chain transformation strategy detailed above.

First, we have established a cross-functional collaboration framework that brings together our R&D, business units, supply chain, and sales teams to work as one to create value. By making decisions based on what is best for the business as a whole, rather than a function-by-function perspective, we can respond more quickly and flexibly to changes in the market environment.

This collaboration begins early in the product lifecycle. Quality, cost, and delivery are considered from the initial design stage through production ramp-up and customer support. Rather than waiting until the final stage, we believe in embedding quality throughout all phases, from product design to procurement to manufacturing. This integrated approach enables us to expand supply while maintaining the high quality our customers expect from us.

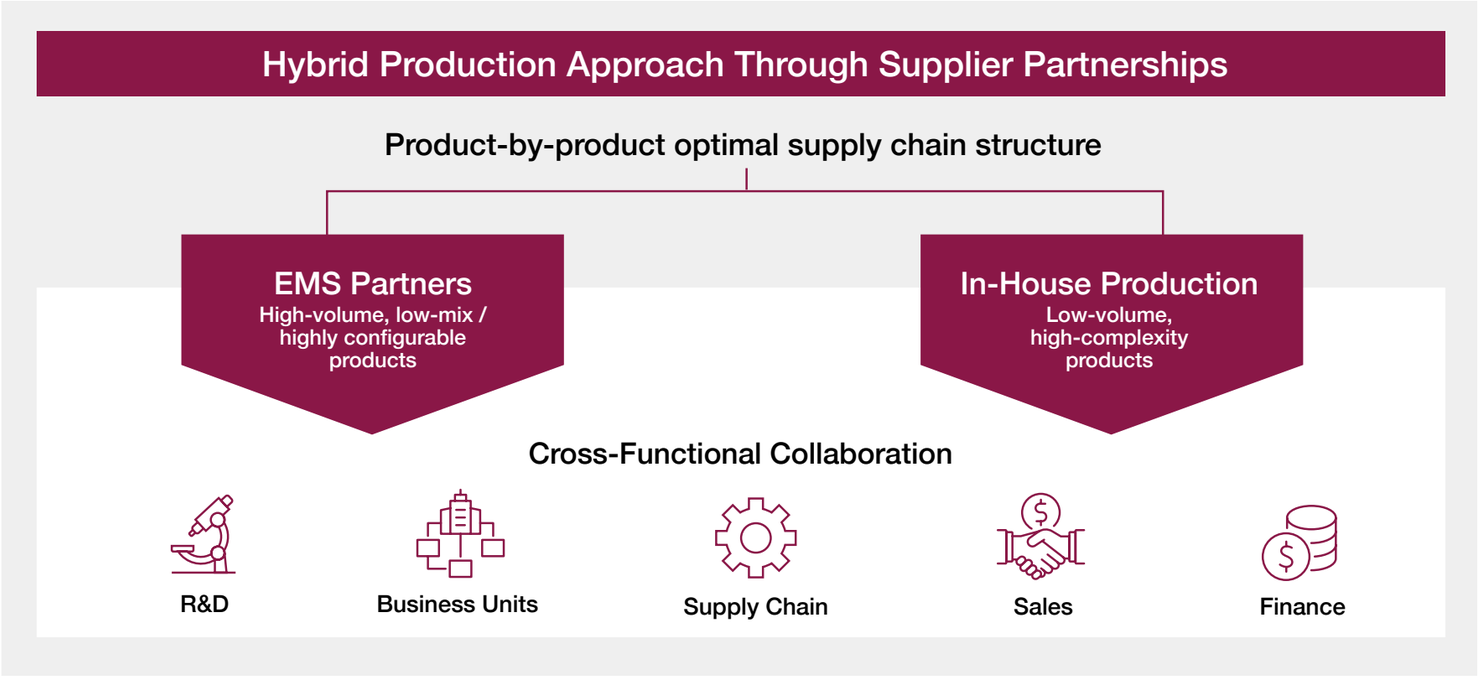
With the rapid pace of technological innovation, demand fluctuations, and supply constraints, our business environment has grown increasingly uncertain. Faced with this uncertainty, we use the integrated “strategic scenario planning” mentioned earlier, working cross-functionally to share



Our Strategy for Building a Scalable and Resilient Supply Chain

information, assess multiple scenarios, and adjust our supply chain quickly in response to changes in our business and the broader market environment. This collaboration goes beyond simple coordination between departments; it strengthens our ability to execute and remain competitive.

The second element is to deepen collaboration with our suppliers. We take a hybrid approach to production that combines outsourced and in-house manufacturing. For each product, we design an optimal supply chain structure and balance these two manufacturing modes. For high-volume, low-mix or highly configurable products, we utilize fully outsourced manufacturing through Electronics Manufacturing Services (EMS) partners, leveraging their scale and manufacturing expertise. Conversely, for low-volume, high-complexity products, we handle the production in-house. Both types of products require a higher level of sophistication in both design and manufacturing, which makes close coordination across design, engineering, and supply chain teams essential to ensure precision and quality. By strategically combining outsourced and in-house manufacturing, we can flexibly scale production in response to business cycles and changing market demands, while also strengthening our risk diversification against potential supply disruptions. As such, this approach serves as a strong foundation for scalability and supply chain resilience.



Value Propositions (Outcomes)

Finally, Advantest's value propositions. We have positioned customers and suppliers as important stakeholders and have analyzed the value to be provided to each as follows.

Customers

- Contributing to customer business growth by solving customer issues
- Contributing to improving customers' environmental issues

Suppliers

- Expanding business growth opportunities
- Co-creation of sustainable social value

To deliver these value propositions, Advantest must be a company that enables sustainable growth. To this end, we remain committed to providing our customers with leading-edge test solutions in a timely and reliable manner, addressing the challenges they face and supporting their evolving needs. In doing so, we will support innovation in semiconductors that contributes to a more sustainable society and a better future for all.

Furthermore, we will continue to strengthen our relationships with suppliers to create a more sustainable procurement and supply ecosystem. By creating stable demand, sharing mid- to long-term growth opportunities, and working together to generate social value, we aim to foster partnerships built on mutual success. Through the value we build together, we strive for further trust from both our customers and suppliers.



Frameworks and Initiatives Supporting Our Human Capital Strategy

Building on INTEGRITY, our shared core value, Advantest implements human capital initiatives globally to support the growth of each employee and build organizational strength.

We are working to create an environment where diverse talent can continuously demonstrate their capabilities. This means establishing structures that support our business units and tailoring skill development to each person's roles and career stages. From recruitment to training to retention and career transitions, we see the entire employee life cycle as a single, integrated process.

1. A Global HC Structure that Supports the Business

As our business expands globally and our organization becomes increasingly diverse, our approach to human capital must also evolve. In addition to responding to the legal systems and labor markets of each region, we must identify the talent and skills required by each function and effectively leverage the expertise and human capital practices developed across our global organization.

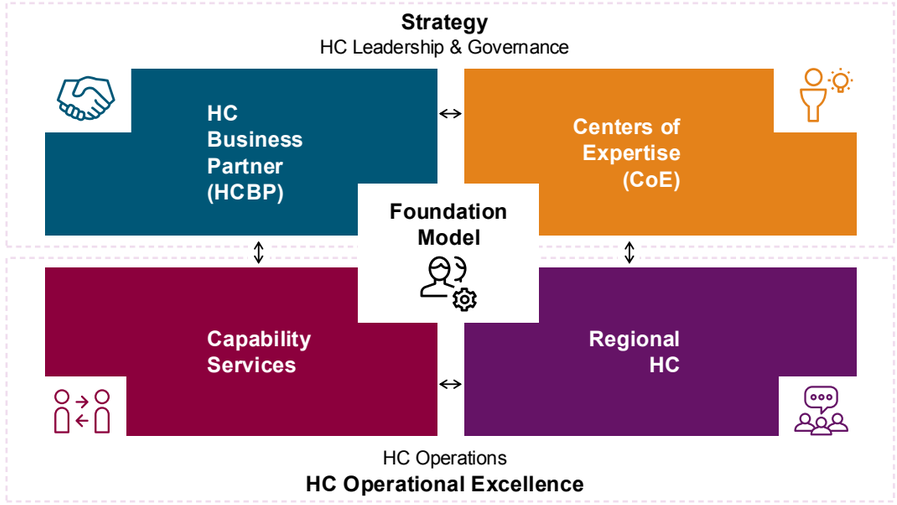
Traditionally, the support that human capital provided business functions was limited to a regional scope. Going forward, we are transitioning toward a more global support structure that enables the entire organization to leverage talent and expertise available in each region as needed, while being mindful of varying needs and cultural differences.

To strengthen the collaboration between the business and human capital functions, Advantest established the new role of Human Capital Business Partner (HCBP) in September 2026, based on the concept of Global Human Capital Transformation (GHCX). HCBPs understand the strategies of the BUs and FUs, and they bridge the needs of business and human capital in each region. In addition, by participating in BU and FU meetings and strategic discussions, they also clarify the direction of the business and identify the talent and capabilities that will be required in the future.

Within the global HC structure, HCBPs work in collaboration with the Center of Expertise, which is responsible for specialized areas of human capital; Capability Service, which oversees global operations; and Regional HC, which manages operations in each region.

The Center of Expertise provides human capital management with specialized insights and global policy. Capability Service manages globally standardized operations while pursuing further efficiency and creating additional value. Regional HC supports local employees and organizations based on the systems, cultures, business environments, and labor markets of each region. By connecting the business needs identified by HCBPs with these functions, we support the development and implementation of the human capital initiatives required by the business.

Global Human Capital Transformation (GHCX) Framework



Frameworks and Initiatives Supporting the Execution of Our Human Capital Strategy

2. Systematic Talent Development and the Enhancement of Expertise

Advantest's fundamental approach to talent development is to enhance individual strengths, or the abilities of each employee, and organizational strengths, which embody the collective knowledge and experience of the entire organization. By strengthening both, we seek to build human capital, enhance employee engagement, and contribute to value creation over the medium to long term.

We develop talent based on the Advantest Development Framework so that employees can acquire the skills required for their respective roles and career stages. The framework systematically organizes the capabilities that are expected of each employee, ranging from foundational skills common to all employees to advanced skills, leadership skills, and the skills required of senior leaders and executives. It provides clear career paths for both technical and non-technical employees, while offering learning opportunities suited to their individual objectives and stages of development.

Skill development combines structured learning opportunities, such as training programs, with development through practical work experience. In technical fields in particular, employees expand the knowledge and expertise required for their work through on-the-job training, working alongside experienced colleagues to address actual customer challenges.

We also place importance on sharing the knowledge and experience gained by individuals through their work across teams, functions, and regions. We not only strengthen individual expertise but also capture and apply that knowledge across the organization, using it to support the development of other employees and drive operational improvements. In this way, individual strengths become organizational strength.

Through these initiatives, we support the continuous growth of employees while strengthening talent and organizational capacity to drive future business growth.

For more information on the Advantest Development Framework, please visit our website.

3. Supporting Growth and Engagement Throughout the Employee Lifecycle

We view our relationship with employees as a continuous lifecycle that spans from pre-hire interactions through onboarding, skill development, retention, and career transitions. Based on the Advantest Employee Lifecycle, we provide seamless initiatives tailored to each stage, supporting the growth of every employee and creating an environment in which individual growth is aligned with the Company's business objectives.

At the Attraction stage, we communicate information about our business, job responsibilities, corporate culture, and working environment to engage with prospective talent. During recruitment, we seek to attract talent with the capabilities and expertise our business needs.

During the Onboarding stage after joining the company, we help new employees understand our corporate culture, business operations, organizational structure, work processes, and internal policies. We also provide opportunities to learn about The Advantest Way and INTEGRITY, supporting employees so they can contribute effectively as members of the organization.

During the Development stage, we foster skill development tailored to each employee's roles and career stages through learning programs and on-the-job training based on the Advantest Development Framework. We also provide employees opportunities to review business objectives, skill development, and future career aspirations through ongoing dialogue and feedback with their managers.

At the Rewards and Retention stages, we strive to appropriately recognize employee contributions while working to enhance engagement and provide a workplace environment in which they consistently perform at their best. We conduct employee engagement surveys on an ongoing basis and analyze the results at global, regional, and organizational levels, linking the findings to improvement activities tailored to the issues identified in each area.

We also position Transition, including offboarding, as an important stage of the Employee Lifecycle, ensuring that employees can transition to their next role or career stage smoothly. By supporting employees throughout every stage of their careers, we help each individual grow while strengthening the organization as a whole.

We are also working to instill INTEGRITY throughout every stage of the Employee Lifecycle, including recruitment, onboarding, skill development, performance evaluation, and day-to-day management. Through employee workshops and training programs for managers, we connect INTEGRITY with daily decision-making and behavior, leadership, and teamwork.

Advantest Employee Lifecycle



Risk Management

Our Basic Risk Management Philosophy

Advantest defines risk factors as uncertainties that may hinder the realization of its corporate vision: “Be the most trusted and valued test solution company in the semiconductor value chain.” Advantest seeks to enhance corporate value over the medium- to long-term by mitigating such risks. Advantest takes a strict stance and maintains a zero-tolerance approach toward conduct that violates applicable laws and regulations or conflicts with “The Advantest Way,” as such conduct may impair Advantest’s fundamental value foundation. On the other hand, with respect to risks that contribute to the achievement of strategic objectives and value creation, Advantest places importance on translating stakeholder expectations into growth initiatives through deliberations at the Executive Management Committee, while taking into account acceptable risk levels, in order to realize Advantest’s corporate vision.

Risk Universe

Advantest has established a “Risk Universe,” which comprehensively organizes risk factors that may hinder the realization of its corporate vision. The Risk Universe is formulated based on information such as macroeconomic conditions, industry trends, laws and regulations, and stakeholder expectations, and systematically organizes the risks recognized by Advantest, regardless of whether such risks arise from internal or external factors. It consists of four risk categories: “Strategic Risk,” “Operational Risk,” “Financial Risk,” and “Legal, Compliance, Group Governance, and Intellectual Property Rights Risk.” Strategic Risk refers to “risks that affect corporate value creation and the achievement of growth strategies, such as changes in the external environment and critical business decisions,” while the other categories refer to “risks that affect the maintenance of the management foundation and the smooth execution of management policies and strategies.” In addition, in light of the rapidly changing business environment, Advantest includes in its Risk Universe extreme risks—events that are currently considered to have a low probability of occurrence in the short-term but may have a significant impact should they materialize—and seeks to strengthen preparedness for such events.

For details on each risk included in the Risk Universe, please refer to the “Item 2. Business Overview 3. Risk Factors,” section of the Annual Securities Report and Business Report for the fiscal year ended March 2026.

Risk Universe

1. Strategic Risk

a. Market Fluctuations	b. Trust from Customers	c. Politics & Geopolitics	d. Growth Investments	e. Customer Portfolio

2. Operational Risk	3. Financial Risk	4. Legal, Compliance, Group Governance, and Intellectual Property Rights Risk
a. Information Security & Operational Efficiency	a. Foreign Exchange Fluctuations	a. Human Rights, Harassment & DEI*
b. Supply Chain	b. Credit Ratings	b. Ethics & Compliance
c. Product Lifecycles	c. Taxation	c. Responsible Operations
d. Own Business Continuity		d. Trade Compliance
e. Human Capital		e. Group Governance & Internal Control
		f. Intellectual Property Rights
		g. Litigation

*Diversity, Equity & Inclusion

Risk Management

To mitigate strategic risks, our company is implementing the following measures to reduce such risks.

Risk Description	Risk Mitigation Measures
a. Market Fluctuations Potential significant impact on current and future business performance due to fluctuations in semiconductor capital expenditure levels	• Advantest mitigates the impact of fluctuations in the semiconductor and related equipment markets through the development of a product portfolio that covers semiconductor testing demand from the development phase through the mass production phase, as well as the strengthening of its service business, including recurring revenue offerings. • In addition, Advantest works to enhance its ability to respond to market fluctuations by continuously monitoring semiconductor market trends, technology trends, and outlooks for demand for test equipment. Based on these factors, Advantest also flexibly optimizes the allocation of service engineers and R&D engineers. Furthermore, Advantest continues to improve its sales processes, supply chain management, and coordination between sales and production through the utilization of digital tools. In addition, Advantest works to appropriately manage customer credit risk and risks related to the recovery of trade receivables. • Moreover, to enhance its supply responsiveness in the event of a sharp increase in demand for its products and based on medium- to long-term demand growth outlooks, Advantest undertakes initiatives, including maintaining strategic inventory buffers and steadily expanding production capacity. • From a financial perspective, based on a business environment in which fluctuations in the semiconductor and equipment markets may materialize in a complex manner over a short period, Advantest works on a routine basis to strengthen downside resilience in business performance during semiconductor market downturns and to ensure financial soundness by increasing the proportion of variable costs in its cost structure, entering into financing facilities agreements, and improving the cash conversion cycle.
b. Trust from Customers If Advantest's customer responsiveness fails to meet customers' expected levels, there is a risk that trust in Advantest may decline, which could restrict the continuation of business relationships and the acquisition of growth opportunities.	• As a foundation for maintaining and enhancing trust from customers, Advantest works to strengthen its technical understanding and customer responsiveness. Specifically, by engaging in opportunities for technical information exchange with key customers regarding future test solutions, Advantest seeks to gain insight into next-generation semiconductor technologies, product specifications, future customer challenges, and test solutions to address such challenges. In addition, by advancing fundamental research into elemental technologies from a long-term perspective while concurrently developing mass-production technologies for Advantest's next products, Advantest is strengthening its ability to timely deliver products and solutions that meet customer expectations. • In order to enhance customer responsiveness, it is essential both to cultivate the ability to more accurately capture customer needs and to implement the ability to translate such needs into solution proposals. Accordingly, Advantest provides facilitation-skill enhancement training to system application engineers (SAEs), who are required to maintain the closest engagement with customers, and promotes the enhancement of customer responsiveness and product development capabilities using AI. • Through these initiatives, Advantest has begun to demonstrate the value of its test solutions to customers, centered on semiconductor testers across a broader range of the semiconductor value chain than ever before. As a recent example, Advantest has commenced the provision of the innovative solution “SiConic®,” which automates silicon validation. In addition, through collaboration and technical partnerships with external partners such as probe card manufacturers and prober manufacturers, Advantest is working to develop new products and solutions that address customer challenges, while also enhancing its service offerings. • Through initiatives to expand these products and solutions, Advantest aims to contribute more extensively to improving the quality and reliability of customer products and enhancing productivity in customers' design and manufacturing operations, and continues to aim to be the company that earns the deepest trust from customers in the industry.

Risk Management

Risk Description	Risk Mitigation Measures
c. Politics & Geopolitics There is a risk that changes in regulatory environments in various countries, driven by geopolitical tensions and economic security considerations, may impose constraints on Advantest's business activities, including procurement, manufacturing, and sales.	• In preparation for potential changes in regulatory environments related to trade, investment, and technology management in various countries arising from increasing geopolitical risks, Advantest appropriately identifies the impact on its business activities and/or takes necessary measures. • Specifically, Advantest continuously monitors geopolitical trends by utilizing reliable information sources regarding trends related to tariffs, export control regulations, economic sanctions, and related regulatory developments. In addition, to assess the impact of geopolitical risks on its business in a multi-faceted manner, Advantest conducts scenario analyses that take into account region-specific risks and evaluates their impact on business activities. • Furthermore, through participation in industry associations and expert committees, Advantest gathers information and exchanges views on policy trends and regulatory discussions surrounding the semiconductor industry, and undertakes initiatives aimed at avoiding excessive regulations on the semiconductor industry and mitigating their impact.
d. Growth Investments There is a risk that the outcomes anticipated from growth investments may not be sufficiently realized, which could constrain the enhancement of corporate value over the medium- to long-term.	• Through communication with technology-leading companies in the industry and experts, Advantest seeks to understand the direction of technologies or business portfolios, business models, and operating models that Advantest should possess going forward. In addition, based on the insights obtained, Advantest undertakes initiatives to expand its businesses and revenue sources and thereby supports its medium- to long-term and sustainable growth. These initiatives include advancing its solution portfolio under the strategic theme of “Automation of Test,” realizing growth opportunities in adjacent markets, and exploring new semiconductor related business domains. • In addition, by establishing discipline in the investment decision-making process, Advantest seeks to improve the accuracy of investment planning and reduce investment risks. In particular, research and development investments are critical investments that influence future business growth potential and profitability. Advantest works to improve R&D investment returns and mitigate risks through the formulation of product roadmaps that meet customer needs and corresponding formulation of workforce plans, the improvement of development efficiency through product platform strategy, and the forecasting and evaluation of investment effectiveness based on ROIC. With respect to corporate acquisitions and capital and business alliances, Advantest also makes investment decisions after comprehensively considering factors such as projected investment effectiveness, the technological advantages of the target companies, alignment with Advantest's core competencies, and compatibility of corporate cultures.
e. Customer Portfolio There is a risk that changes in investment decisions or business relationships of major customers may have a significant impact on Advantest's business performance, as a small number of top customers account for a substantial portion of net sales.	• To mitigate the risk of performance volatility arising from its customer portfolio, Advantest works to diversify revenue opportunities and achieve stable revenue growth by further strengthening relationships with existing customers, and by enhancing access to future growth opportunities. • Specifically, to further increase customer satisfaction, Advantest enhances its understanding of each customer's medium- to long-term technology trends, business strategies, and capital investment plans through ongoing dialogue, and provides appropriate responses based on such understanding. In addition, from the perspective of supporting the growth of a diverse range of customers regardless of scale, Advantest establishes service structures, including dedicated teams, not only for existing customers but also for future key customers. Through the provision of tailored services aligned with the specific challenges and needs of each customer, Advantest works to enhance customer trust. Furthermore, to expand its customer base, Advantest has strengthened the local operations of its subsidiaries in markets expected to grow, such as India. In addition, in certain regions, Advantest broadens access to promising customers and new growth opportunities through strategic alliances with external partners.



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Message from the Chairperson of the Board



Yoshiaki Yoshida
Chairperson

How Does the Board Evaluate the Progress of MTP3

FY2026 marks the final year of the Third Mid-Term Management Plan (MTP3). While the rapid advancement of AI technologies and investment in the data centers that support them are driving demand for advanced semiconductors, the business environment surrounding Advantest is becoming increasingly complex due to geopolitical risks and supply chain uncertainties. Against this backdrop, guided by our corporate philosophy of “Enabling Leading-Edge Technology,” we are investing in future growth while strengthening the foundations of our business.

Since the launch of MTP3, Advantest has successfully captured the opportunities presented by the expanding semiconductor market and achieved rapid business growth. Our strong performance is attributable to our ability to expand our market share alongside the growth of the tester market, and it is safe to say that our competitive advantage has been further strengthened. The Board highly values the efforts of management and all Advantest employees. While the rapid expansion of our operations has undoubtedly placed considerable pressure on our frontline workforce, I am confident that the dedication of our employees to addressing customer challenges has earned the trust of many customers.

The expansion of the AI-related market is still in its early stages and represents a significant growth opportunity for Advantest. At the same time, changes in the market environment are occurring more rapidly than ever, and uncertainty is increasing. The Board must strongly support management in driving the business forward while also overseeing whether investment decisions and risk management are being conducted appropriately from a long-term perspective.

Initiatives to Enhance the Effectiveness of the Board

For the Board to contribute to enhancing corporate value, it is essential to create an environment in which each director can fully apply their knowledge and experience and engage in frank and constructive discussions.

For the first time, Advantest conducted its FY2025 Board effectiveness evaluation with the support of an external third-party organization. In addition to a questionnaire completed by all directors, the external organization conducted individual interviews with each director. This process enabled us to gain a clearer understanding of the candid concerns and perspectives of individual directors, which then served as the basis for discussions by the Board. We will continue identifying areas for improvement and taking concrete actions aimed at shaping the Board for the future.

In July 2025, we also established the BoD Administrative Office as the department responsible for supporting the Board, thereby clarifying the organization tasked with creating an environment in which the Board can serve as a forum for effective discussions. As Chairperson, I am committed to acting as a bridge between management and the Outside Directors, ensuring that necessary information is shared in an appropriate and timely manner.

We also continue to hold annual off-site Board meetings at our overseas locations. We believe that providing Outside Directors with opportunities to engage directly with employees and management at these locations and to gain firsthand understanding of Advantest’s business operations and global corporate culture is highly valuable in enhancing the effectiveness of the Board’s supervisory functions.

At Advantest, Outside Directors with diverse experience and backgrounds engage in open and candid discussions with members of management, based on a relationship of mutual trust. We are committed to further developing this culture and enhancing the effectiveness of the Board.

The Board’s Priorities for Enhancing Corporate Value

Enhancing corporate value cannot be achieved simply by accumulating short-term financial results. Amid significant changes in the business environment—including the acceleration of technological innovation, the rapid growth in AI-related markets, and heightened geopolitical risks—the Board has an important responsibility to establish a management foundation that enables sustainable growth. Japan’s Corporate Governance Code, revised in 2026, also calls on boards of directors to set the broad strategic direction for the company, support appropriate risk-taking by management, and provide highly effective oversight from an independent standpoint.

As Chairperson, I am strongly conscious of my role as a bridge between the executive and non-executive sides of the Board, particularly with the Outside Directors. At Advantest’s Board meetings, Outside Directors with diverse experience and members of management engage in candid and constructive discussions on matters such as growth investments for the AI and high-performance computing era, human capital strategy and succession planning, strengthening supply chain resilience, and responding to geopolitical risks. Through these discussions, we aim to actively pursue future growth opportunities while conducting objective evaluations of risks, thereby leading to higher-quality decision-making.

Furthermore, constructive dialogue with shareholders and investors is also an important element in strengthening the Board’s supervisory function. In June 2026, Advantest became the first company in Japan to file a combined Annual Securities Report and Business Report, submitting it 35 days prior to the Annual General Meeting. We had been preparing for this initiative since the previous fiscal year to ensure that shareholders would have sufficient time to carefully review our management policies and financial performance prior to the deliberation of the agenda items at the Annual General Meeting.

We believe that proactively communicating the long-term value creation strategy, rather than responding passively to questions from investors, will lead to more constructive dialogue. Going forward, the Board will continue to incorporate the perspectives gained through dialogue with shareholders and investors into management decisions, while striving to achieve highly transparent governance and enhance corporate value over the medium to long term.

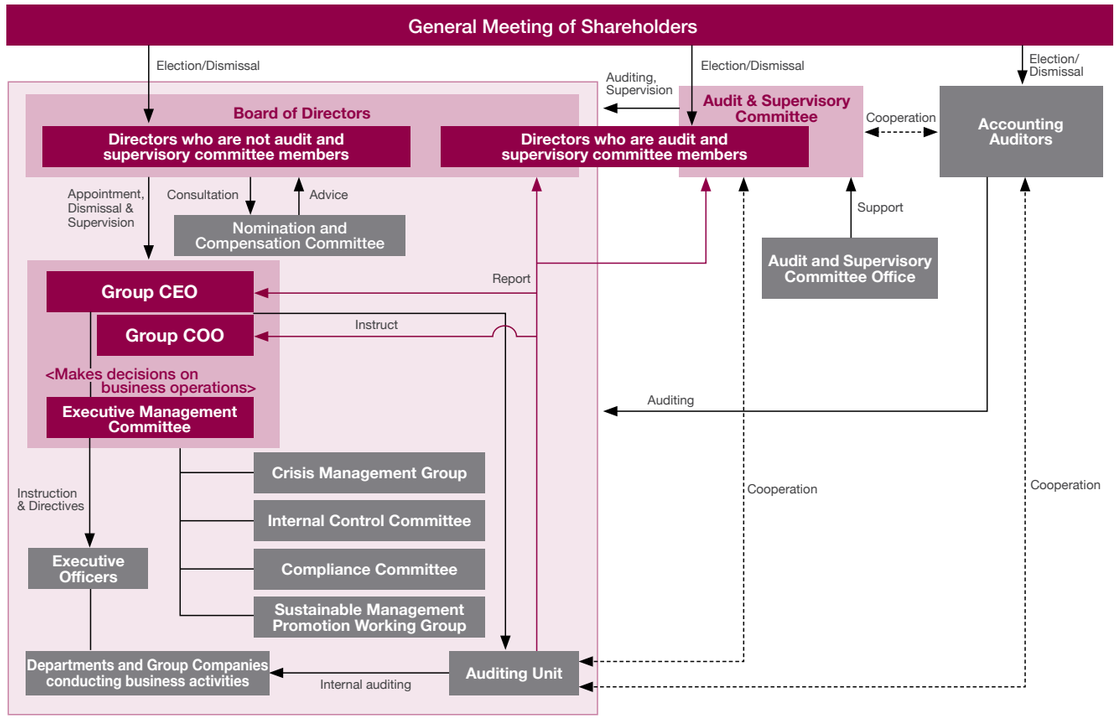
Corporate Governance

Corporate Governance Basic Policy

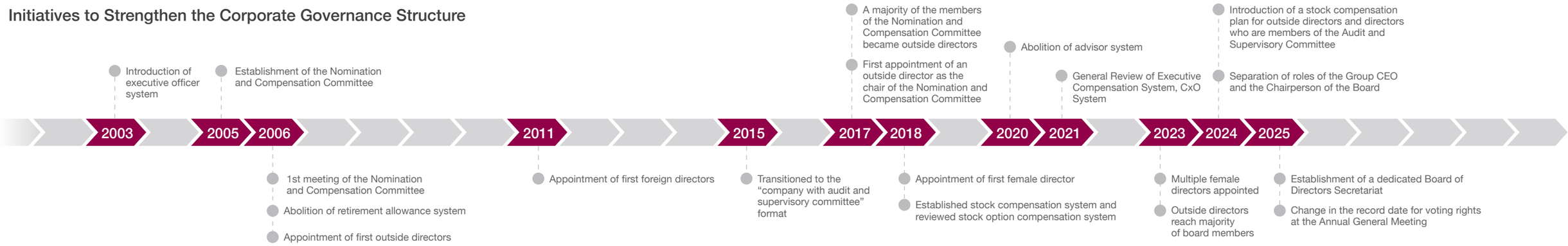
Advantest's corporate mission is "Enabling Leading-Edge Technologies." Advantest constantly strives to improve so that we can offer products and services that will satisfy customers around the world and contribute to the future of society through the development of the most advanced technologies. In accordance with this corporate mission and in response to our mandate from stakeholders, Advantest emphasizes open, honest, and respectful dialogue with all stakeholders at all times, aiming to achieve a sustainable level of business development for Advantest and to enhance corporate value over the mid/long-term. We consistently seek the sources of issues to identify their essence and find optimal solutions. To that end, Advantest strives to operate a fair, effective, transparent governance system as our basic approach to corporate governance. Our Corporate Governance Basic Policy is published on our website.

Advantest Corporate Governance Policy

Corporate Governance Structure



Initiatives to Strengthen the Corporate Governance Structure



Corporate Governance

Annual General Meeting

Advantest regards the Annual General Meeting as an important opportunity to deepen dialogue with shareholders. In 2026, taking shareholder convenience into consideration, we held the meeting in Chiyoda-ku, Tokyo, where our head office is located. To enable as many shareholders as possible to participate, we once again provided a live webcast of the meeting and accepted comments from shareholders viewing the webcast. We also invited questions in advance via the internet to further enhance dialogue with shareholders.

At the meeting, we responded to three questions submitted in advance, 16 questions from shareholders attending in person, and two comments selected from those received from shareholders viewing the live webcast. The Group CEO also gave a presentation entitled “Advantest’s Path to the Future.” In addition to reviewing our achievements in FY2025, the presentation outlined our progress toward becoming an integrated test solutions provider and our initiatives to enhance corporate value sustainably, providing shareholders with an opportunity to deepen their understanding of the medium- to long-term management direction of the Advantest Group.

Following the meeting, we held an informal discussion session between attending shareholders and our executives, providing an opportunity for two-way communication and allowing us to hear a wide range of views directly from shareholders.





Initiatives to Support Shareholders’ Consideration of Agenda Items

To promote constructive and effective engagement with shareholders, Advantest is working to create an environment in which shareholders have sufficient time to review the Securities Report and the Business Report before considering the agenda items for the Annual General Meeting.

Provision of Information and Expansion of the Review Period Before the Annual General Meeting

At the Annual General Meeting held on June 27, 2025, shareholders approved a proposal to partially amend the Articles of Incorporation to change the record date for voting rights at the Annual General Meeting from March 31 to May 15, enabling the meeting to be held approximately one month later than previously.

This has allowed us to secure a period of at least three weeks between disclosure of the Securities Report and the Business Report, and the Annual General Meeting.

By holding the meeting in July, we also avoid the period in which shareholder meetings in Japan are heavily concentrated, helping create an environment in which more shareholders can participate. The 2026 Annual General Meeting was held on July 31, with approximately 200 shareholders attending.

Disclosure of an Integrated Securities Report and Business Report

Advantest prepared and disclosed a single document integrating the Securities Report and Business Report.

The Securities Report is prepared pursuant to the Financial Instruments and Exchange Act, while the Business Report is prepared pursuant to the Companies Act. Integrating these two statutory documents was an unprecedented undertaking in Japan. Approximately one year in advance, Advantest launched an internal project to examine how this could be achieved. Led primarily by the Accounting and General Affairs functions, we worked closely with relevant government authorities, our audit firm, legal counsel, disclosure support providers, and other stakeholders to resolve the various issues involved, ultimately realizing Japan’s first integrated Securities Report and Business Report.

As a result of this initiative, shareholders are now able to exercise their voting rights with reference to the information contained in the integrated Securities Report and Business Report. For Advantest, we also expect the initiative to contribute to operational excellence by reducing duplicated work and improving efficiency from the following year onward.

Corporate Governance

The Board of Directors

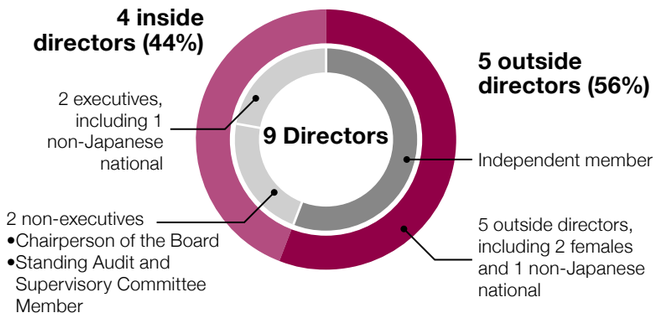
The Board of Directors serves as the Company's management decision-making body, determining significant matters relating to the management policies and management strategies of the Advantest as a whole, while supervising the execution of business by executive bodies. The Company has strengthened the supervisory function of the Board by appointing outside directors to constitute a majority of the Board and, since April 2024, separating the roles of Group CEO and Chairperson of the Board of Directors, with a non-executive director serving as Chairperson.

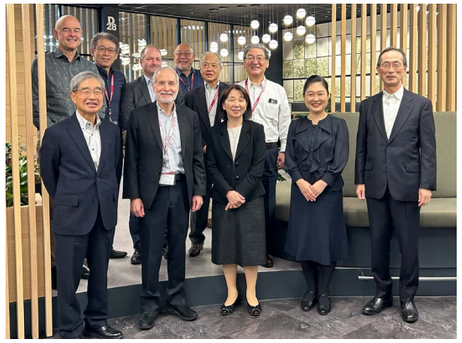
The Board includes two non-Japanese directors, both of whom are U.S. citizens, and two female directors, enabling discussions that draw on diverse expertise and perspectives. To facilitate smooth communication among all directors, simultaneous interpretation between Japanese and English is provided at Board meetings, while meeting materials and minutes are made available in both languages.

In FY2025, the Board held 13 meetings, each lasting approximately three to five hours, to deliberate on significant matters. The Board also held an annual offsite meeting to discuss mid- to long-term issues that could not be fully addressed during regular Board meetings. At both Board meetings and offsite meetings, directors with broad knowledge and experience expressed their views from their respective perspectives on a wide range of agenda items, leading to active and substantive discussions.

Furthermore, in July 2025, the Company established the BoD Administrative Office under the CEO Office as the department responsible for the Board of Directors' secretariat. Through various forms of support, including the provision of information to independent outside directors, the Company has reinforced its support framework for enhancing the effectiveness of the Board.

Composition of the Board (As of July 2026)





Off-site meeting held in Germany

Main discussion and reporting items of the Board of Directors in FY2025

- Based on the "Grand Design," the mid- to long-term management policy reviewed in 2024 from a long-term perspective, the Board of Directors approved revisions to the Targeted Management Metrics of the "Mid-Term Management Plan (FY2024–FY2026)" to reflect recent changes in the external environment and the progress of business performance.
- To enhance the effectiveness of the Board of Directors, a board evaluation was conducted using a questionnaire administered to all directors. Upon receiving a report on the results of the evaluation and analysis covering the overall Board of Directors' meeting, including its operation and the status of discussions in FY2025, the Board of Directors discussed such results.
- In order to promote the delegation of authority that enables both fairness and transparency of management and prompt decision-making, the Board of Directors discussed matters to be submitted to the Board of Directors and the criteria therefor, and approved amendments to the Regulations of the Board of Directors and the Executive Management Committee.
- The Nomination and Compensation Committee provided advice regarding the enhancement of executive compensation systems aimed at providing sound incentives that contribute to enhancing Advantest's corporate value and ensuring global competitiveness, and the Board of Directors approved the proposal.
- The Board of Directors discussed the composition of the Board of Directors and the selection of director candidates from July 2026 onward, based on the report from the Nomination and Compensation Committee.
- The Board of Directors received a report from the Nomination and Compensation Committee on the Group CEO evaluation, which had been conducted by the Directors excluding those concurrently serving as an Executive Officer, together with the Group CEO's comments on such evaluation.
- The Board of Directors also discussed measures to accelerate the development and strengthening of next-generation and subsequent-generation management talent that will contribute to the succession planning for the Group CEO and other CxO positions, which had been discussed by the Nomination and Compensation Committee.
- To realize the provision of high-performance total test solutions that meet future customer needs, the Board of Directors received reports from management on the progress of various strategic investment initiatives aimed at building strategic partnerships across the semiconductor supply chain, and discussed these matters.
- The Board of Directors reviewed capital allocation in line with the growth strategy, discussed the mid- to long-term capital policy taking into account growth investments, shareholder returns and financial stability.
- Amid a significant increase in demand for high-performance computing chips and high-bandwidth memory (HBM) driven by the rapid expansion of generative AI, management reported on initiatives to strengthen the overall business process from procurement to customer support—through collaboration among R&D, production, sales, and field service functions, with a view to enhancing the supply capability of testers and technical services, and the Board of Directors discussed these initiatives.
- Based on the fourth strategy set forth in the Grand Design, "Enhance sustainability," the Board of Directors received reports on specific measures and progress under the Sustainability Action Plan 2024–2026 established under the Mid-term Management Plan.
- The Board of Directors received reports on feedback from shareholders and investors, as well as market evaluations, obtained through IR activities, including dialogues with shareholders and investors, conducted by management throughout the year.
- Compliance reports were provided four times a year and internal audit reports twice a year. The Board of Directors received reports on compliance-related incidents, including whistleblowing cases via the helpline, as well as on the internal audit framework and findings.

Corporate Governance

Evaluation of the effectiveness of the Board of Directors

To enhance the effectiveness of the Board of Directors, the Company conducts an annual evaluation of the effectiveness of the Board of Directors. For the effectiveness evaluation for FY2025, with reference to practices adopted by global companies and a view to enhancing objectivity and independence of the evaluation process, the Company conducted an analysis and evaluation with the support of an independent third-party organization, through questionnaires and individual interviews with all Directors. The main evaluation items included the roles and functions of the Board of Directors, its composition, its operations, responses by the executive management side, the importance and the sufficiency of agenda items, and the resources and the effectiveness of the Board Secretariat.

As a result of the evaluation, it was confirmed that the Company's Board of Directors is generally functioning effectively overall. At the same time, it was also confirmed that the Board of Directors shares a common recognition of the need to adapt to the Company's further business expansion. The evaluation results were reported to the Board of Directors, and all Directors held discussions based on the explanation provided by the independent third-party organization.

The details of the effectiveness evaluation are as follows.

1. Process for Conducting the Effectiveness Evaluation

Determination of Evaluation Target and Method

(i) Evaluation Target
The Board of Directors

(ii) Evaluation Method
Questionnaires to all Directors, nine in total
Individual interviews conducted by the independent third-party organization

Preliminary Interviews and Preparations

- Prior to implementation, regarding the current situation and identified issues, the independent third-party organization conducted individual interviews with the Chairperson of the Board of Directors, the Group CEO, the Group COO, and the Board Secretariat.
- The independent third-party organization reviewed materials including minutes of Board of Directors meetings for the past two years.

Implementation of the Evaluation Process for the Target Participants

- Questionnaires were conducted for all Directors regarding matters such as the roles and functions of the Board of Directors, its composition, its operations, responses by the executive management side, the importance and the sufficiency of agenda items, and the resources and the effectiveness of the Board Secretariat.
- Individual interviews were conducted with all Directors, including a peer review*.
  * Individual evaluations conducted mutually among Directors

Reporting of Results and Discussions

- The independent third-party organization presented the evaluation results to the Board of Directors, followed by discussions. In the report presented to the Board of Directors, current practices among global companies, including items such as the composition of the Board of Directors, attributes of the Chairperson, and backgrounds of the Directors, were shared, enabling the Board to recognize differences between such practices and the Company's current governance structure.
- The Board confirmed and discussed the contents of the evaluation results and future issues to be addressed.

2. Summary of the Effectiveness Evaluation Results

Key elements supporting the effectiveness of the Company's Board of Directors

As a result of the effectiveness evaluation, it was confirmed that the Company's Board of Directors is functioning effectively overall. In particular, the independent third-party organization identified the following three factors as key elements supporting the effectiveness of the Company's Board of Directors and as distinctive characteristics of the Company:

1. The Board has provided timely and decisive support for the Company's transformation toward a global management structure capable of capturing growth opportunities in rapidly expanding markets
2. Several Outside Directors demonstrate a strong commitment to the Company, contributing significant time and engagement
3. Members of the Nomination and Compensation Committee conduct interviews with Executive Officers and carefully document evaluation outcomes through those interviews and observations of management reporting, while also taking an active role in the succession planning process

Key future challenges

At the same time, it was recognized that the Company's Board of Directors is at a transitional phase toward a more advanced model, one that is designed to address structural changes in the business environment and sustain growth in expanding markets, and establishing a Board composition capable of effectively overseeing the executive management structure. Specifically, the following three issues were identified as key future challenges:

1. Building alignment and shared understanding regarding the desired future state of the Board and its operating model
2. Executing Board Composition and Board Succession Planning aligned with the Board's desired future state
3. The Board of Directors' continued consideration of succession planning for the Group CEO, taking into account the activities of the Nomination and Compensation Committee

Corporate Governance

Audit and Supervisory Committee

The Audit and Supervisory Committee consists of one inside director and two outside directors and is chaired by Sayaka Sumida, an outside Audit and Supervisory Committee member. To ensure the effectiveness of audits by overseeing daily business execution, promptly collecting internal information, and sharing such information with non-standing members, one inside director has been appointed as a standing member of the Audit and Supervisory Committee. In FY2025, the Audit and Supervisory Committee held 14 meetings, with all members attending every meeting.

In accordance with the audit policy, audit plan, priority audit items, and assignment of duties established by the Committee, the Audit and Supervisory Committee audits the execution of duties by directors, executive officers, and other business execution bodies. Information obtained through on-site inspections conducted by the standing Audit and Supervisory Committee member, attendance at important meetings—including the Executive Management Committee, Business Plan Meeting (Budget Meeting), and Internal Control Committee—and hearings of business reports from executive divisions is shared with the entire Audit and Supervisory Committee. Outside Audit and Supervisory Committee members participate, as necessary, in on-site inspections conducted by the standing member and actively audit and supervise the status of business execution at the Company. When matters requiring feedback are identified through these investigations and audit activities, the Committee expresses its views to directors and the heads of relevant departments and also provides recommendations to the Executive Management Committee.

The Audit and Supervisory Committee also seeks to strengthen its audit and supervisory functions from multiple perspectives through close collaboration with the Auditing Unit and the independent auditor, as well as exchanges of views with outside directors who are not Audit and Supervisory Committee members and with auditors of Advantest Group companies.

Nomination and Compensation Committee

Advantest has established the Nomination and Compensation Committee as a non-mandatory organization complementary to the Board of Directors, which decides 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 FY2025, the Nomination and Compensation Committee met 14 times with all members attending all meetings. The main activities of the Nomination and Compensation Committee in FY2025 were as follows:

Candidates for Directors and Executive Officers and the Management Structure

Under the structure of directors effective after June 2025 and executive officers effective after April 2026, the Nomination and Compensation Committee considered appropriate candidates and proposed them to the Board of Directors. Regarding the organizational structure for directors effective after July 2026, the Nomination and Compensation Committee, after obtaining the views of each director, considered appropriate candidates and an optimal management structure and proposed its conclusions to the Board of Directors as appropriate.

Evaluation of the Group CEO

The Nomination and Compensation Committee obtained evaluations of the Group CEO's performance for the fiscal year from directors excluding those concurrently serving as executive officers, and also obtained comments from the CEO. Based on these inputs, the Committee prepared a report, submitted it to the Board of Directors, and engaged in discussions and exchange of views.

Succession planning for the Group CEO and CxOs

The Nomination and Compensation Committee prepared a proposal on measures to accelerate the development and strengthening of next-generation and next-next-generation management talent, which will contribute to succession planning for the Group CEO and CxOs, and engaged in discussions and exchange of views with the Board of Directors.

Operation of Base Compensation, Performance-based Bonuses and Stock Compensation

Evaluating the performance of each executive officer against pre-defined roles and expected results, individual evaluations of executive bonuses for FY2025 were discussed, finalized and reported to the Board of Directors. The Nomination and Compensation Committee discussed and proposed to the Board of Directors the base compensation, performance indicators for performance-linked bonuses and stock compensation for FY2025. Furthermore, based on external benchmark data regarding executive compensation, the Nomination and Compensation Committee discussed a partial revision of the executive compensation system for FY2026, as well as base compensation and stock compensation, and submitted a proposal to the Board of Directors.

Establishment of Stock Ownership Guidelines

From the perspective of sharing profits with shareholders, the Nomination and Compensation Committee established stock ownership guidelines and recommended to hold shares equivalent to four years' worth of base compensation for the Group CEO and two years' worth of base compensation for executive officers other than the Group CEO.

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.

Corporate Governance

Executive Compensation

Based on our Purpose & Mission and vision, our executive compensation system is designed to contribute to the enhancement of corporate value and is guided by the following three principles:

1. A compensation mix and compensation level that attract international human resources who can support our global business development
2. Performance-based bonuses that are strongly linked to business performance
3. Stock compensation that promotes value sharing with shareholders and encourages management from a medium- to long-term perspective

Executive compensation comprises base compensation, performance-based bonuses, restricted stock compensation, and performance-based stock remuneration. Compensation proposals are deliberated by the Nomination and Compensation Committee and submitted to the Board of Directors. Compensation is then determined and administered through resolutions of the Board of Directors and within the framework approved by the Annual General Meeting.

To further promote value sharing with shareholders, the Company has established stock ownership guidelines recommending that executive officers hold the Company's shares, including restricted stock (RS) and restricted stock units (RSUs), above prescribed levels. Both value-based and share-count criteria are established based on the amount of base compensation and the share price at the start of the Mid-Term Management Plan, and executive officers are expected to meet either criterion within five years.

- Group CEO: Equivalent to four years of base compensation
- Executive officers other than the Group CEO: Equivalent to two years of base compensation

The Company has also established malus and clawback provisions. If certain events occur, including violations of applicable laws, regulations or internal rules, or the discovery of errors requiring a material retrospective restatement of the consolidated financial statements, the Company may, by resolution of the Board of Directors, reduce future compensation or require the repayment of compensation previously paid.

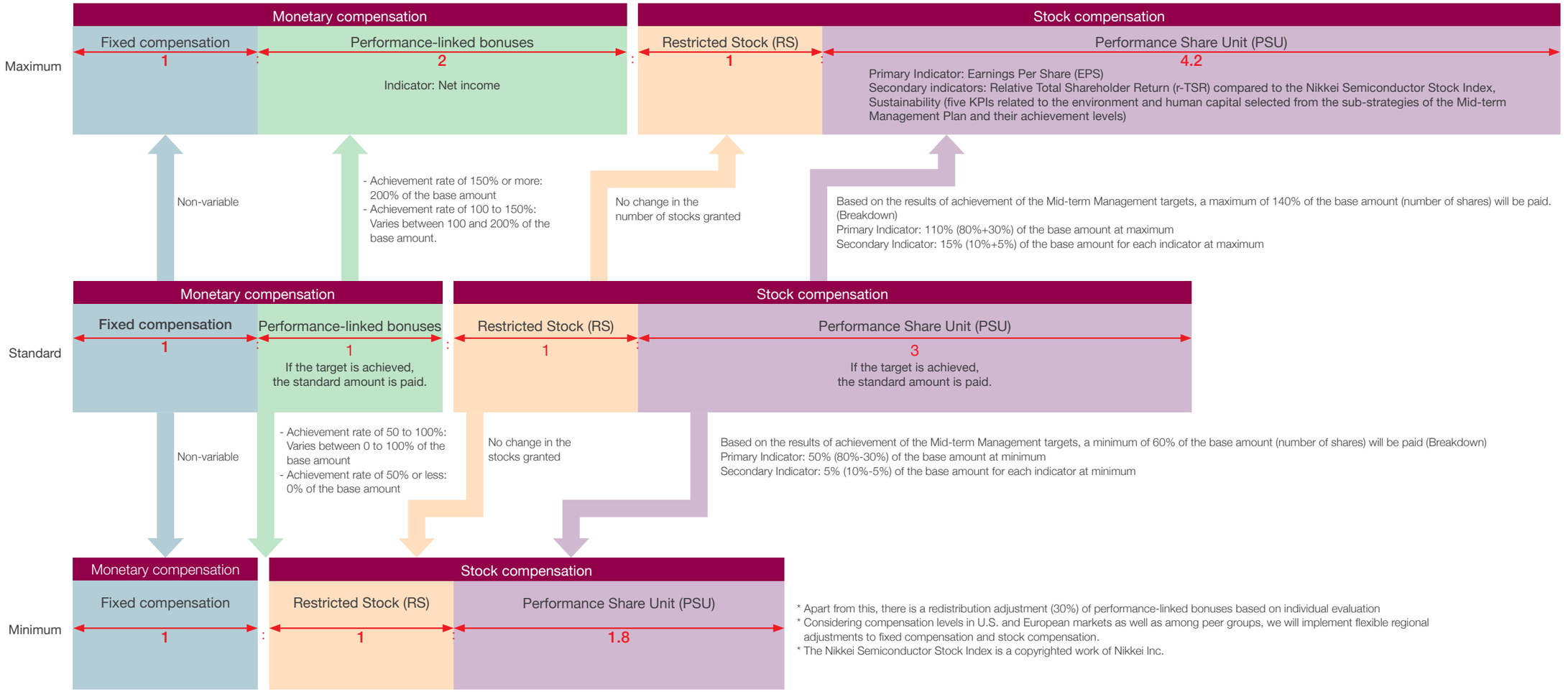
Compensation Composition

		Monetary compensation		Stock compensation	
		Fixed compensation	Performance-linked bonuses	Restricted stock compensation (RS)	Performance Share Unit compensation (PSU)
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.
* PSUs are granted once every three years, upon completion of the Mid-term Management Plan.

Corporate Governance

Visualization of compensation for the Group CEO



* Apart from this, there is a redistribution adjustment (30%) of performance-linked bonuses based on individual evaluation
* Considering compensation levels in U.S. and European markets as well as among peer groups, we will implement flexible regional adjustments to fixed compensation and stock compensation.
* The Nikkei Semiconductor Stock Index is a copyrighted work of Nikkei Inc.

Board of Directors



Director, Audit and Supervisory Committee Member
Yuichi Kurita

Outside Director, Audit and Supervisory Committee Member
Sayaka Sumida

Outside Director
Toshimitsu Urabe

Outside Director
Larry Meixner

Representative Director, Senior Executive Officer and President, Group COO
Koichi Tsukui

Representative Director, Senior Executive Officer, Group CEO
Douglas Lefever

Director, Chairperson of the Board
Yoshiaki Yoshida

Outside Director
Naoto Nishida

Outside Director, Audit and Supervisory Committee Member
Tomoko Nakada

Skill Matrix

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

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 fulfillment of the responsibility 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 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
❶ 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
❷ Semiconductor	Semiconductor related industries	Experience in semiconductor-related industries and knowledge of the semiconductor industry
❸ 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
❹ Sales & Marketing	Sales and marketing	Experience and knowledge as a head of a sales and marketing department*1,2
❺ 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
❻ 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
❼ 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
❽ Global Business	Global business	Experience at a global organization or experience working in a foreign country
❾ Digital Transformation	IT & DX	Experience and knowledge as a head of an IT department, 1, 2 and as a head 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

Skill Matrix

Skill Matrix

			Attribute				Fundamental managerial activities deemed essential for carrying out management duties and guiding/ supervising our management team											Key areas of our immediate management issues	
							❶ Management & Corporate Strategy			❷ Semiconductor	❸ Technology			❹ Sales & Marketing	❺ Finance & Accounting		❻ Legal & Compliance	❼ Human Capital Management	❽ Global Business	❾ Digital Transformation
							Management		Business investment and M&A	R&D, Semiconductor, Industries & Technologies			SCM, production, and quality assurance	Sales and marketing	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		Semiconduc-torrelated industries	Industries & technologies (incl. Environment and Energy)	Research & development			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	■	○	○	○									○	○	○
	Naoto Nishida	Male	Japanese			■				○	○	○	○						○	
	Larry Meixner	Male	American			■	○	○	○		○	○							○	○
	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					○	○	○	○				○	○			○	
	Kesa Yorozu	Female	American						○	○							○		○	
	Robert Leindl	Male	German							○			○	○					○	○

Message from a Newly Appointed Outside Director

Advantest is a company I have long admired. It has held a leading position for decades in one of the world's most ruthlessly competitive industries, a feat that demands constant reinvention rather than comfort with past success. And yet, by definition, that job is never done.

Starting with my doctoral research at Stanford University, I have worked in areas connected to the semiconductor industry for much of my career. I have never lost my fascination with the quiet complexity beneath the surface of a silicon chip, nor my conviction that a relentless focus on innovation and R&D excellence is what allows a company like Advantest to keep setting the pace for its industry.

My connection to Japan began 25 years ago, directing the U.S. R&D laboratory for Yazaki Corporation. At Sharp Corporation, I served as President of Sharp's largest overseas R&D subsidiary and ultimately as Deputy CTO of Sharp Corporation. I then served for seven years as CTO of Mitsubishi Chemical Group, Japan's largest chemical company. Each role taught me, in a different way, how much strength a company can gain through the integration of both Japanese and international perspectives into its management and its science. Most recently, as founding President of Albert Invent Japan K.K., I am helping to accelerate R&D through the application of data science and AI, work that keeps me engaged at the leading edge of innovation.

Technology is the beating heart of Advantest, and I believe our full potential can only be realized through a genuinely global mindset in both R&D and management. I look forward to bringing this perspective to the Board, and to contributing to Advantest's continued growth and corporate value.

“Driven by my passion for combining the strengths of Japanese and international approaches to business, I will contribute to Advantest's competitiveness.”



Larry Meixner
Outside Director

Interview with Outside Directors



Building a Company Where Business and Talent Grow Together

Aligning Global Talent and Business Strategy

Advantest aims to evolve beyond being a supplier of test equipment to become an “integrated test solutions company” that supports the entire semiconductor value chain. ▶ P.15-16 Business Segment
To execute this business transformation globally, the Company is also strengthening its global management structure through the CxO framework and collaboration among its Business Units, Functional Units, and Regional Units. ▶ P. 9-11 Group COO Message
As semiconductors become increasingly complex and advanced and Advantest’s business continues to expand, the expertise and organizational capabilities required of the people supporting the business are becoming broader and more diverse. How can the Company respond to these changes and translate its human capital strategy into stronger medium- to long-term competitiveness and value creation? Outside Director Toshimitsu Urabe, Chair of the Nomination and Compensation Committee, and Executive Officer and Chief Human Capital Officer (CHO) Keith Hardwick discuss leveraging global talent, leadership development, corporate culture, employee growth opportunities, and the possibilities presented by AI.

(Moderator: Executive Office Co-CHO Yasushi Yoshimoto)

Making Business Strategy and Human Capital Strategy Mutually Reinforcing

Yoshimoto As demand for semiconductors—essential products that support society and industry—continues to expand rapidly, the role of testing, which is indispensable to the semiconductor value chain, is becoming increasingly important. Against this backdrop, 98% of Advantest’s sales are generated outside of Japan and approximately 70% of our employees work outside Japan. Given the global nature of our business, how should we approach our human capital strategy?

Urabe Human capital strategy and business and growth strategies should be mutually reinforcing. While “structure follows strategy,” there is also another side to this relationship: “strategy follows structure.” A human capital strategy has little meaning unless it supports the company’s business and growth. At the same time, those strategies are shaped by the company’s people, organization, and corporate culture.

At Advantest, we anticipate future changes in markets and customer needs and formulate our long-term vision, Grand Design, and our mid-term management plans on the foundation of our corporate philosophy of INTEGRITY, with our human capital strategy positioned as a key element in their execution. I believe there are two key considerations in shaping Advantest’s human capital strategy going forward. The first is Advantest’s evolution into the most trusted and valued test solutions company in the semiconductor value chain—the vision set out in the Grand Design. Providing integrated solutions requires expertise not only in technical fields such as hardware, software, and services, but also across an even broader range of disciplines, including legal and finance. To respond to increasingly complex customer needs and lead the market, we must leverage external expertise while developing and building the necessary capabilities within the Company. Our human capital strategy must support these efforts by fostering an organization in which diverse professionals can thrive across a wide range of fields. The second is the global deployment of talent needed to make this evolution possible. Globalization is not an end in itself. Advantest has built an effective organization to meet customer needs around the world and appointed the best people to each role, regardless of nationality or work location. The high proportion of overseas sales and employees is

Interview with Outside Directors

also one result of Advantest having accurately responded to changes in the semiconductor industry, enabling it to survive and grow. We must continue to pursue the best business structure we can as customers and markets change.

The Board will continue to closely monitor whether our human capital strategy is further advancing these two aspects and translating them into medium- to long-term competitiveness and value creation.

Yoshimoto In other words, as the business strategy evolves, the expertise and organizational structure required to execute it also changes, and the human capital strategy must evolve accordingly. Keith, how is the Human Capital function translating this connection between business strategy and human capital strategy into concrete mechanisms?

Keith As Mr. Urabe noted, the Human Capital function must understand the business strategy and anticipate the talent and organizational capabilities that will be required as the business evolves.

To support this, we introduced a new role called the Human Capital Business Partner, or HCBP, in September 2026. HCBPs participate in meetings and strategic discussions within the BUs and FUs they support, enabling them to understand where the business is heading and what talent and capabilities will be required. They then connect those business needs with the teams responsible for areas such as recruitment, compensation, and talent development, as well as with the Human Capital teams in each region. Historically, the Human Capital function tended to support the business on a regional basis. Going forward, we are shifting toward a model in which the strongest talent and expertise available in each region can be deployed for the benefit of the entire global organization. HCBPs serve as a two-way bridge between the business and the Human Capital function, connecting human capital strategy directly with the execution of business strategy.

“Human capital strategy and business and growth strategies should be mutually reinforcing. A human capital strategy has little meaning unless it supports the company’s business and growth. At the same time, those strategies are shaped by the company’s people, organization, and corporate culture.”



Urabe The HCBP model creates opportunities not only for the Human Capital function to understand the business, but also for business leaders to learn about human capital management.

It could also be valuable for future management talent to spend some time gaining experience in planning and executing human capital strategy. Understanding how people are recruited, developed, and matched to roles is important experience for anyone who may assume a senior management position in the future.

I hope the HCBP model will deepen the two-way dialogue between the business and the Human Capital functions. Human capital strategy should not only support the execution of business strategy; it should also help develop Human Capital professionals who understand the business and business leaders who understand human capital management.



“Our employees are Advantest’s most valuable asset. They drive innovation and create the solutions that meet customers’ future needs and enable the innovations of tomorrow.”

Talent and Organizational Capabilities Supporting Rapid Growth

Yoshimoto Advantest’s business has expanded significantly over the past several years. What challenges do you see in terms of talent and organizational capabilities as we seek to sustain this rapid growth?

Urabe During periods of rapid growth, talent and organizational capabilities can struggle to keep pace. In core business areas, talent tends to be strengthened relatively quickly in line with business growth. By contrast, corporate functions such as legal, finance, and Human Capital, for example, often respond more slowly to changes as business scales. This is not simply a matter of headcount. As the business grows, corporate functions must not only process a greater volume of work; they must also provide new services and develop new forms of expertise. For example, as a traditionally hardware-centered business expands into software, services, data utilization, and subscription-based business models, the legal and finance functions require new knowledge and experience in areas such as contracts, accounting, and treasury management.

There are limits to what can be handled entirely in-house from the outset.

Interview with Outside Directors

Particularly in new areas, we must actively draw on external professionals and expertise. However, relying on external resources alone does not build organizational strength. The knowledge gained externally must be retained within the Company and connected with our existing people and systems so that it becomes part of the organization's collective expertise.

Keith Within the Human Capital function, we are pursuing both external recruitment and internal development to support the company's growth and business transformation.

We currently need people with new knowledge and experience in technical areas such as AI and optical-electrical integration, as well as in capacity expansion and supply chain management. As our manufacturing model evolves, experience in utilizing external manufacturing partners is also becoming increasingly important.

At the same time, recruiting new talent is not enough. We must use the expertise brought in by new employees from other companies to strengthen our existing workforce and broader organization.

Supporting rapid growth also requires us to change how work is performed rather than simply continuing to add people. We are using AI to improve efficiency across a wide range of activities, including design and test-program generation.

Urabe The key is to combine the acquisition of external talent with internal development. When the knowledge brought in by new employees is shared throughout the company, recruitment becomes more than a way to increase headcount—it becomes an opportunity to enhance the organization as a whole.

> *"The key is to combine the acquisition of external talent with internal development. When the knowledge brought in by new employees is shared throughout the company, recruitment becomes more than a way to increase headcount—it becomes an opportunity to enhance the organization as a whole."*
>
> *Toshimitsu Urabe*
> *Outside Director*

At the same time, as the business grows and employees' expertise and backgrounds become more diverse, leadership becomes increasingly important. This applies not only to the executive level. At the divisional and team levels, we also need leaders who can bring together people with different areas of expertise and different perspectives and align them toward a common objective.

Although it may be necessary to recruit management talent externally, developing management talent internally remains one of our most important priorities. One of the most effective ways to develop people with strong motivation and high potential is to systematically give them opportunities to take on challenging assignments involving business or organizational transformation.

Keith That thinking is reflected in the succession-planning process we are currently strengthening on the executive side. Each CxO discusses potential future successors with the Group CEO, Group COO, and Human Capital function and develops plans based on the experience each candidate will need. We are also looking beyond immediate successor candidates to the next generation of leadership. Regardless of their current title or length of service, we identify high-potential individuals—what we refer to as "Rising Stars"—at an early stage and give them opportunities to take on new challenges as they develop into future leaders.

Urabe Succession planning requires a long-term perspective that extends beyond immediate successors to the generations that follow.

The Board and the Nomination and Compensation Committee have discussed the importance of developing management talent for immediate succession and for the generations that follow. The CEO must consider the future leadership of the Company, while each CxO develops successors within their respective areas. Maintaining this chain of leadership development is what ultimately creates a strong organization. With this in mind, we are focusing not only on CEO succession but also on succession planning for senior executives.

> *"Regardless of their current title or length of service, we identify high-potential individuals—what we refer to as "Rising Stars"—at an early stage and give them opportunities to take on new challenges as they develop into future leaders."*
>
> *Keith Hardwick*
> *Chief Human Capital Officer (CHO)*

Developing Talent and Organizational Strength at the Leading Edge

Yoshimoto Advantest is a leader in the semiconductor test system market. How do you view the strengths of the people who support this competitiveness?

Urabe There is a two-way relationship: our people support the Company's competitiveness, while the work and opportunities the Company provides

Interview with Outside Directors

> *"The ability to work every day with some of the world's leading semiconductor companies, engaging with cutting-edge technologies and extremely high performance standards, is one of the major attractions of working at Advantest. Through these experiences, employees can deepen their knowledge and expertise and expand their own potential."*
>
> *Keith Hardwick*
> *Chief Human Capital Officer (CHO)*

help our people grow. Advantest occupies an important position within the semiconductor ecosystem. We support the quality and reliability of semiconductor products, while the data and insights generated through testing can also be applied to the development, design, and manufacturing processes.

As Advantest evolves beyond hardware to provide a broader range of solutions encompassing software, services, and data utilization, the areas in which employees can contribute—and the opportunities available to them—will continue to expand.

Keith Our employees are Advantest's most valuable asset. They drive innovation and create the solutions that meet customers' future needs and enable the innovations of tomorrow.

In this way, Advantest can provide employees with unique opportunities for growth. The ability to work every day with some of the world's leading semiconductor companies, engaging with cutting-edge technologies and extremely high performance standards, is one of the major attractions of working at Advantest.

Through these experiences, employees can deepen their knowledge and expertise and expand their own potential.

Yoshimoto How do you translate these valuable experiences and opportunities into the development of individual expertise and stronger organizational capabilities?

Keith On-the-job training is extremely important. Particularly in technical fields, employees develop their expertise by working alongside experienced colleagues to address real customer challenges.

It is also important that the knowledge and experience gained by individuals is shared across the organization. That is how we transform individual expertise into organizational strength.

We are also expanding our collaboration with universities and research institutions. Through internships, students can gain exposure to Advantest's technologies and solutions. Moreover, we work with universities to develop curricula and provide opportunities for students to learn using Advantest equipment.

These initiatives are not solely intended to recruit graduates to Advantest. We also see great value in developing engineers who will go on to contribute across the semiconductor industry, including within our customers' organizations.

Urabe One of Advantest's major strengths is that our engineers engage in problem-solving from the customer's product development and design stages.

This proximity to customers is both a source of competitive advantage and an important growth opportunity for our employees. The Board will continue to examine whether employees around the world are being given the roles and growth opportunities they need to aspire to become No. 1 professionals in their respective fields.

Balancing Global Consistency with Regional Diversity

Yoshimoto As our organization expands globally, how do we balance consistent global standards with respect for regional and individual diversity?

Urabe To earn the deep trust of customers around the world and deliver greater value as an integrated test solutions company, our organizations, functions, roles, and positions must be designed rationally regardless of location and continuously reviewed as customers and markets change.

When people perform the same role, the responsibilities, expected outcomes, and skill levels associated with that role should, in principle, be consistent regardless of the country or region in which they work. This requires us to establish common, work-based principles and systems globally and develop an integrated and systematic job architecture.

At the same time, working styles, business practices, legal systems, economic conditions, and social and cultural environments differ by region. Employees

> *"Employees perform globally defined roles while living and working within the unique context of their respective regions. Therefore, expectations for the role should be consistent, while regional and individual diversity should be respected...Global consistency and diversity are not mutually exclusive."*
>
> *Toshimitsu Urabe*
> *Outside Director*

Interview with Outside Directors

perform globally defined roles while living and working within the unique context of their respective regions.

We should therefore avoid imposing complete uniformity. Expectations for the role should be consistent, while regional and individual diversity should be respected.

Keith As our customers' businesses become increasingly global, Advantest must be able to support them consistently across regions. At the same time, we must understand local cultures, business practices, and customer relationships and respond in ways that are appropriate for each market.

Our future Human Capital model combines global functions such as the Center of Expertise and HCBPs with Regional HC. We will strengthen globally consistent systems and expertise, while Regional HC addresses the legal requirements, cultures, labor markets, and business needs of each region.

I do not see regional diversity as an obstacle to global consistency. I see it as one of Advantest's strengths. Customer expectations and ways of working differ from one region to another. It is precisely because we understand the local culture that we can support customers more effectively in each market.

Our ability to access outstanding talent and knowledge from around the world is another major advantage of being a global company.

Urabe Global consistency and diversity are not mutually exclusive. Success depends on clearly distinguishing what should be common across the organization and what should be tailored to regions and individuals.



"If we become complacent, our growth will stop. One expression frequently used by the management team is that we must remain "humble and hungry." "

"We want to foster a virtuous cycle in which highly valued professionals can thrive, contribute to enhancing corporate value, and, in turn, further enhance their own value in the market."



As our workforce becomes more diverse, it becomes even more important to clarify the values that everyone should share. INTEGRITY serves as the foundation for these shared values. The professionalism required to achieve No. 1 in one's area of expertise, and the willingness to respect different cultures are both expressions of INTEGRITY.

I see Advantest as a company that has developed its own distinctive form of globalization on the foundation of this corporate culture while adapting to changes in customers and markets.

Keith INTEGRITY is not simply a slogan. It is the foundation for our day-to-day decisions, leadership, and collaboration across teams.

We translate INTEGRITY into concrete behavior through recruiting, onboarding, workshops for all employees, and leadership development programs. Leaders, in particular, are expected to demonstrate INTEGRITY through their own actions.

By maintaining a consistent global foundation while drawing on the strengths and diversity of each region, we aim to execute a human capital strategy that is distinctively Advantest.

Value Creation Develops People, and People Create the Next Cycle of Value

Yoshimoto What is most important in connecting human capital with competitiveness and sustainable value creation?

Urabe From the perspective of corporate management, human capital strategy is a critical foundation for executing business and growth strategies. From the employee's perspective, work is more than a paycheck—it also provides opportunities for self-fulfillment and for enhancing their expertise and professional value in the broader talent market.

As a company grows, it creates new jobs, roles, and opportunities for employees to take on challenges. Their growth, in turn, supports the Company's competitiveness and future growth. Creating this virtuous cycle of value creation is one of the most important roles of Human Capital.

Keith Advantest currently holds the No. 1 position in the semiconductor test system market. However, if we become complacent, our growth will stop.

One expression frequently used by the management team is that we must remain "humble and hungry."

Interview with Outside Directors

Being “humble” means not taking our No. 1 position for granted. Being “hungry” means never being satisfied with the status quo, maintaining the drive to improve, innovate, and grow.

It is particularly important when the Company is performing well for management to continue communicating this mindset and encouraging employees to go beyond the level we have already achieved.

Urabe The virtuous cycle connecting corporate growth and employee growth does not continue automatically. As the business environment changes, the work we do and the skills that create value today may no longer do so tomorrow. The Company must therefore continue creating new growth opportunities and roles and provide an environment in which employees can develop in response to change.

The Company’s growth is also not supported only by employees working in the most advanced technological fields. It is important to recognize roles across the organization, including those that may be less visible than leading-edge work. From the Board’s perspective, we want to continue asking whether the management team is proactively responding to changes in the business environment and pursuing opportunities for growth. At the same time, we want to foster a virtuous cycle in which highly valued professionals can thrive, contribute to enhancing corporate value, and, in turn, further enhance their own value in the market.

Embedding AI into Organizational Capabilities to Accelerate Value Creation

Yoshimoto Earlier, you discussed AI in the context of improving operational efficiency. From a longer-term perspective, how should we think about the relationship between AI, human capital, organizational capabilities, and value creation?

Keith I do not believe AI will eliminate the need for people. AI supports and extends human experience, expertise, and judgment. That is why I encourage employees to use AI actively to enhance their own capabilities.

By combining AI-enabled support with human experience, expertise, and judgment, we can work more efficiently and create greater value.

Urabe As Keith noted, this should not be framed as “AI versus people.” What matters is how we combine the strengths of AI and people.

From a management perspective, we must go beyond viewing AI simply as a tool used by individual employees and instead consider it as a component of organizational strength.

Traditional information technologies have primarily augmented human thought and action and expanded what people can do. AI, by contrast, has the potential to perform parts of the human thought process itself. We must therefore move beyond the idea of people using AI simply as a tool. Rather, “people + AI” should evolve business processes, knowledge accumulation, and decision-making mechanisms, thereby enhancing the capabilities of the organization as a whole.

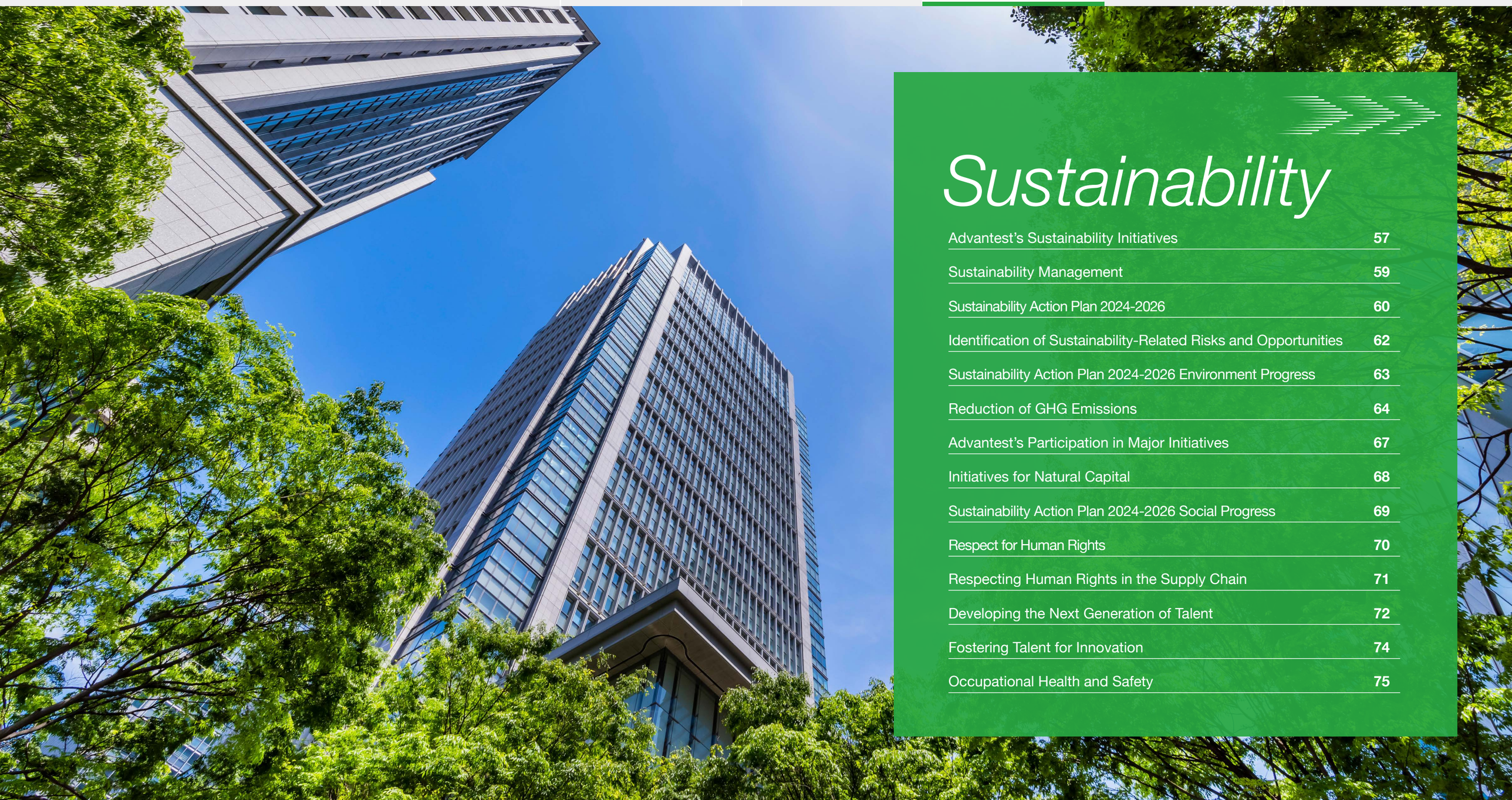
For example, companies accumulate a great deal of knowledge over years of experience, but much of it is limited to the individual employee. AI can help turn this collective knowledge into an organizational asset that is accessible across languages, cultures, and regions.

Of course, AI offers both opportunities and risks. Decisions based on AI-generated output must be carefully validated, and we must also guard against overreliance on AI. At the national and societal levels, some degree of regulation will likely be considered alongside efforts to promote its use. In business, however, I believe the starting point should be how to use AI effectively. We must strengthen our people and our organization while integrating technology, business strategy, human capital strategy, and organizational design. This will enable us to maximize the positive effects of AI while minimizing its negative impacts.

When AI is embedded appropriately as a resource, it enhances the combined strength of our people and our organization. Our ability to achieve this will be a defining factor in sustaining corporate growth and competitiveness in the years ahead.

> *“...this should not be framed as AI versus people...When AI is embedded appropriately as a resource, it enhances the combined strength of our people and our organization. Our ability to achieve this will be a defining factor in sustaining corporate growth and competitiveness in the years ahead.”*
>
> *Toshimitsu Urabe*
> *Outside Director*

Yoshimoto Before we close, I’d like to reflect on what we’ve discussed today. Today’s discussion has reaffirmed that human capital strategy is both a foundation for executing business strategy and a critical management priority for connecting employee growth with sustainable value creation.
It has also highlighted the importance of strengthening the capabilities of our people and organization on the foundation of INTEGRITY, while balancing global consistency with regional diversity and integrating AI across the organization. These points will be essential as Advantest pursues its next stage of growth.
Thank you both for sharing your perspectives today.



Sustainability

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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 the needs of the present without compromising the ability of future generations to meet their own 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.

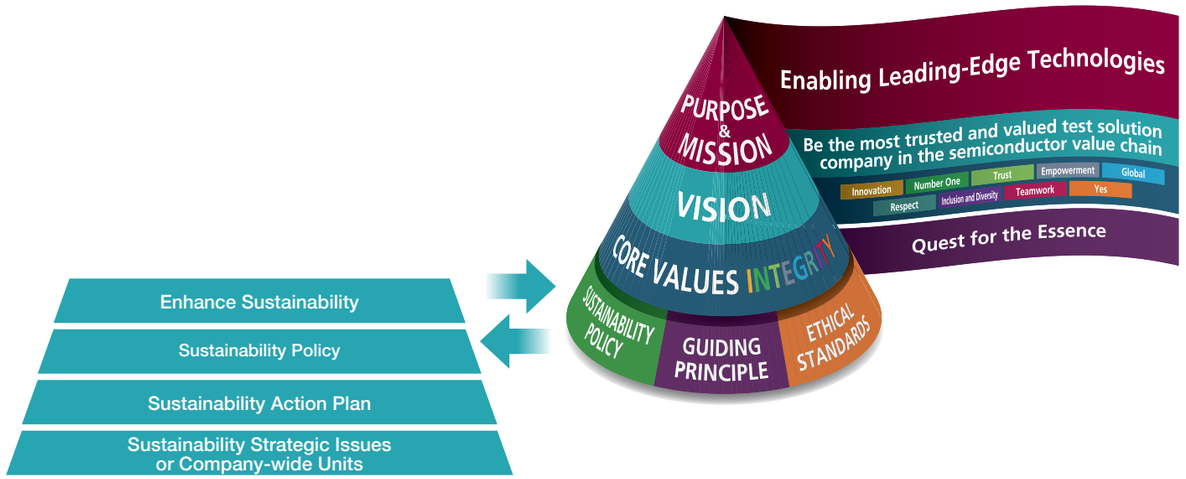
Our Approach to Sustainability Issues

Advantest's corporate purpose and mission are "Enabling Leading-Edge Technologies." Advantest has consistently contributed to the development of society by constantly striving to improve itself to provide products and services that satisfy its customers worldwide. 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 all. 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.

Advantest has positioned "Enhance Sustainability" initiatives as one of the strategies in its 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

The Advantest Way



Advantest's Sustainability Initiatives

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.

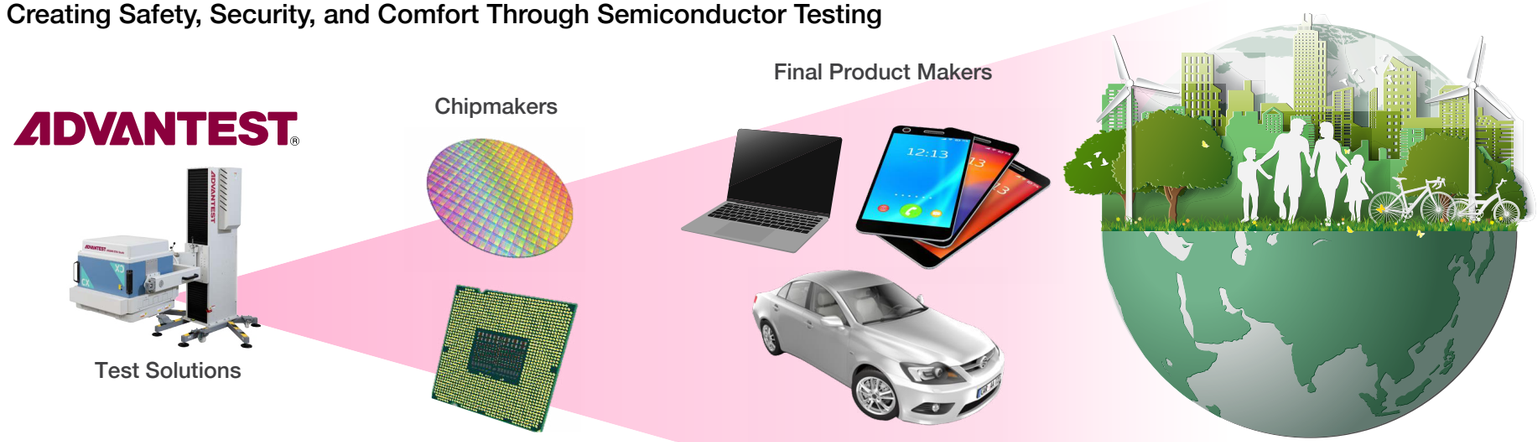
As a result of the evaluation of the significance of sustainability-related risks and opportunities, three areas have been designated as particularly important: climate change, workers in the value chain, and the company's own workforce. Advantest is enhancing its efforts in these areas.

Semiconductors and Sustainability

At Advantest, we believe that semiconductors play a crucial role in helping build a sustainable society. 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 believe these initiatives address the need to reduce environmental impact across the entire semiconductor value chain and will lead to increased customer trust and expanded business opportunities. 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.

Creating Safety, Security, and Comfort Through Semiconductor Testing



Supporting Customer Innovation ▶ R&D and Production of Semiconductors with Higher Functionality ▶ Semiconductors Saturate Modern Life ▶ Worldwide Safety, Security, and Comfort

Sustainability Management

Based on the Sustainability Policy, Advantest has established a Sustainability Action Plan that sets specific targets to be achieved during the Mid-term Management Plan period. To promote initiatives across the company, each CxO, including the Group CEO, is assigned responsibility for a specific sustainability issue and is accountable for advancing initiatives in that area. In addition, the Sustainability Action Plan is integrated into annual business plans at the business unit level to help ensure the steady execution and progress of these initiatives.

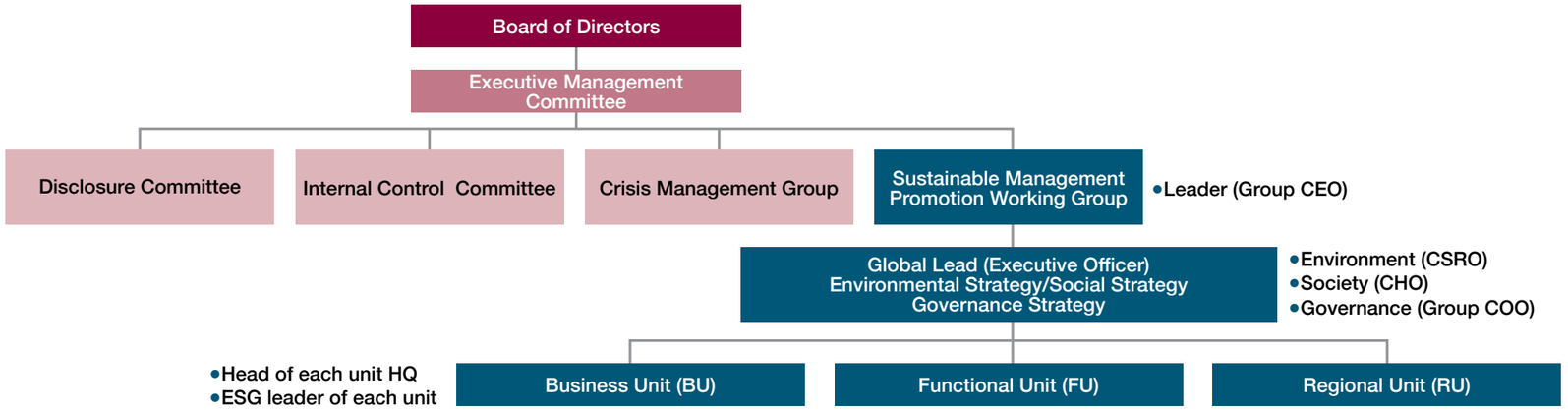
Furthermore, in order to promote sustainability initiatives in an agile manner across the entire group, Advantest established the Sustainable Management Working Group (SMWG), a team reporting directly to the Executive Management Committee, in fiscal year 2020. The SMWG is a group-wide committee composed of leaders from major business units, functional units, and regional units, and is chaired by the Group CEO. With respect to sustainability-related matters, the CSRO (Chief Stakeholder Relations Officer) is responsible for environmental matters, the CHO (Chief Human Capital Officer) for social matters, and the Group COO for governance matters, each overseeing their respective areas of responsibility.

Within the SMWG, Advantest regularly discusses and updates sustainability issues that should be addressed on a cross-Group basis according to assessments of the materiality of sustainability-related risks and opportunities for Advantest, as well as sustainability-related issues identified at each unit. Through these discussions, Advantest aims to further promote and deepen sustainable management.

The overall progress of Advantest's sustainability initiatives is reported regularly to the Executive Management Committee, where corrective actions are considered as necessary. Furthermore, sustainability-related risks and opportunities determined to be material, as well as the process for assessing their materiality, are deliberated by the Executive Management Committee and reported to the Board of Directors.

In addition, as part of our executive compensation system, Advantest aims to establish a system that enhances corporate value based on the management philosophy and vision of the group. In June 2024, Advantest partially revised its compensation system and adopted sustainability evaluation as one of the secondary indicators for performance-based stock remuneration.

Sustainability Promotion System



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*1	KPIs	KPI Target (FY2026)	Result (FY2024)	Progress (FY2025)
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	In light of strong progress, the management targets, which had been set as average indicators over the three-year medium-term management plan period, were revised upward. In addition, FY2025 performance exceeded all of the revised targets, demonstrating results that surpassed expectations.
	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 rating agencies	Maintaining high standards of evaluation by major 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%	10.7%
			CHO	Ratio of female employees among candidates (Level 6) for executive and managerial positions*3	16%	15.5%	15.3%
	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%	4.5%
			CHO	Gallup Survey Scores*4	3.8	3.76	N/A (The survey was not conducted)
			CHO	The INTEGRITY Award nominations/year*5	400	465 activities	590 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	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)	0.81 (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	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	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	88% reduction
			CCRO	Market Share of ATE products, including those with enhanced environmental performance	58% or more	58%	65%
			CSRO	Enhanced Product Life Cycle Assessment	Expansion of the life cycle assessment management scope and data refinement	Initiatives for improvement started	In progress

Stakeholders	Priority Themes	Target	CxO in charge*1	KPIs	KPI Target (FY2026)	Result (FY2024)	Progress (FY2025)
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%	99%
		Penetrating Sustainability in the Supply Chain	CSCO	Due diligence implementation rate for designated business partners*8	100%	100%	100%
			CSCO	Number of designated business partners*8	50 suppliers (Designated 42 suppliers as business partners in FY2023)*8	44 companies	44 companies
	Greenhouse Gas Emission Reduction (Scope 3)	Supply chain decarbonization	CSCO	Percentage of main business partners that have introduced renewable energy sources*9	60%	52%	50%
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	Maintaining the status
			CSRO	The number of employees' activities contributing to local communities (both inside and outside of work)	180 (FY2024-FY2026 Cumulative Total)	90 activities	170 activities (FY2024-FY2025 Cumulative Total)
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	76% reduction
		Raising renewable energy usage	CSRO	Renewable energy coverage rate	80%	87%	88%
		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	21% 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%	94% 71%
		Maintaining company-wide water consumption at FY2016 levels	CSRO	Water resource usage	Less than 288,000 m^3/year	297,771m^3/year	286,571m^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 participants (FY2024-FY2026 Cumulative Total)	2,449 participants	3,199 participants (FY2024-FY2025 Cumulative Total)

	Priority Themes	Target	CxO in charge*1	KPIs	KPI Target (FY2026)	Result (FY2024)	Progress (FY2025)
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	Maintained and recertified ISO certification, and passed RBA audit
		Implementation of Global Compliance Education Program (GCEP) e-learning for all employees	CLO	e-learning participation rate	100%	96.4%	94.9%
		Fair and Transparent Workplace	CLO	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%	N/A (The survey was not conducted)
		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	0.34
		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	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	The results of the effectiveness evaluation will be disclosed on our corporate website
			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	Reviewed by the Board of Directors
	Enhancing risk management	Strengthening internal control	CLO	Risk clarification and response based on twice-yearly risk reviews	Implementation of risk review twice yearly	Implemented the risk review twice a year	Implemented the risk review twice a year

*1 Please see our website for details on our executives and their respective responsibilities.
*2 The ratio of female managers and the gender pay gap are detailed in the "First: Corporate Overview 5. Employee Status" section of the Securities Report for the fiscal year ending March 2025.
*3 Our Group's qualification system employs a globally standardized 10-tier structure, with Level 6 representing the highest qualification within the general employee tier.
*4 Group-wide surveys are conducted once every three years.
*5 This is an award program recognizing employees who embody INTEGRITY, based on nominations from other employees.
*6 As the White 500 is a certification program in Japan, only the Company and its domestic subsidiaries are eligible for certification.
*7 GHG emissions per AT Innovation represent Scope 3 Category 11 GHG emissions divided by AT Innovation (based on Advantest's share of transistor count, pin count in systems accounting for 80% of annual sales, frequency, DPS current, and system units).
*8 Due diligence is conducted on Tier 1 suppliers accounting for the top 85% of transaction value and their primary Tier 2 suppliers. These suppliers are designated as specified business partners.
*9 Tier 1 suppliers accounting for the top 85% of transaction value are designated as primary business partners.
*10 Group-wide compliance surveys are conducted once every three years.
*11 Recognizing that not all employees wish to use the internal reporting channel, the calculation excludes responses of "unknown" regarding improvements to the reporting channel's convenience.

Identification of Sustainability-Related Risks and Opportunities

Advantest has identified sustainability-related risks and opportunities that may have impacts on its financial position, operating results and cash flows, and therefore require monitoring, and that could reasonably be expected to influence investor decision-making.

In identifying these sustainability-related risks and opportunities, scenario analysis was partially incorporated in consideration of climate change.

As part of the identification process, Advantest reviewed its value chain and compiled a list of sustainability-related risks and opportunities that are potentially material to the group, with reference to various publicly available materials in Japan and overseas, as well as the disclosure practices of companies operating in the same industry. The significance of each compiled 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. Advantest classifies the time horizon over which such significance of sustainability-related risks and opportunities are likely to materialize as short, medium, or long term, and evaluates the magnitude of their impact by taking into account the potential effects on its financial position, operating results and cash flows in the event of occurrence. The sustainability-related risks and opportunities determined to be material, along with the process of identifying them, were deliberated upon at the Executive Management Committee Meeting and reported to the Board of Directors. The significance of sustainability-related risks and opportunities is reviewed annually, with specific targets to be reflected in the Sustainability Action Plan as needed.

As a result of the evaluation of the significance of sustainability-related risks and opportunities, three areas have been designated as particularly important: climate change, workers in the value chain, and own workforce. Sections Climate Change Initiatives, Respect for Human Rights, and Human Capital describe Advantest's understanding of the challenges associated with each area and outline the initiatives implemented to address them.

Sustainability-Related Risks and Opportunities

Topic	Risk	Opportunity
Climate change	- Significant losses and the loss of business opportunities resulting from adverse impacts on logistics infrastructure and production caused by climate-related disasters - Increases in business costs associated with responding to climate-related regulations and the expanded adoption of renewable energy - Negative impacts on sales if the energy efficiency of Advantest's products fails to meet customer requirements or is inferior to that of competitors	- Enhancement of customer trust and expansion of business opportunities through the achievement of high energy efficiency of Advantest's products
Pollution	- The potential incurrence of costs related to compliance with environmental regulations and responses to environmental incidents, as well as potential damage to Advantest's reputation	—
Circular economy	—	- Creation of sustainability-driven business models, enhancement of brand value, and acquisition of environmentally conscious customers through the promotion of product reuse strategies
Own workforce	- Loss of technological competitiveness and labor productivity due to talent outflow and recruitment challenges caused by a decline in corporate attractiveness - Disruption to business continuity and risks to employee well-being caused by workplace accidents resulting from inadequate or negligent occupational health and safety management - Adverse impacts on business operations and corporate reputation arising from compliance or human rights violations - Adverse impacts on business efficiency caused by decreased employee satisfaction, engagement and motivation stemming from insufficient progress in gender equity	- Strengthening of long-term competitiveness through continuous training and development, supported by enhanced recruitment opportunities enabled by comprehensive talent development programs and work-life balance initiatives - Enhancement of innovation, business performance, and problem-solving capabilities through the utilization of a diverse workforce - Strengthening of organizational performance through enhanced employee engagement fostered by a positive workplace environment and open communication between labor and management
Workers in the value chain	- Negative impacts on business operations and deterioration of corporate reputation resulting from human rights violations in the supply chain, such as child labor, poor working conditions, or the use of conflict minerals	—

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

Addressing environmental issues, including climate change mitigation and contributing to the realization of a decarbonized society, is one of Advantest's key management priorities.

Under the Sustainability Action Plan 2024–2026, Advantest is working to reduce greenhouse gas emissions, promote resource circulation, conserve water resources, and protect biodiversity. The main progress made in FY2025 is outlined below.

Regarding initiatives under the priority theme of "Greenhouse Gas Emissions Reduction (Scope 1 and 2)," we continued to maintain levels exceeding our FY2026 targets in all three areas: the reduction rate of Scope 1 and 2 GHG emissions, the renewable energy utilization rate, and the reduction rate of energy use achieved by shortening production lead times for major products. GHG emissions were reduced by 76% compared with FY2018, while the renewable energy utilization rate reached 88%, demonstrating steady progress in our efforts to address climate change. We will continue working toward decarbonization by promoting further energy-saving measures and expanding the use of renewable energy.

Regarding initiatives under the priority theme of "Contribution to the Circular Economy," the domestic waste recycling rate reached 94%, exceeding our FY2026 target of "improving recycling rates through the promotion of the 3Rs—Reduce, Reuse, and Recycle." The overseas waste recycling rate also improved from the previous fiscal year to 71%. However, we recognize that improving recycling rates at certain sites remains a challenge in achieving the FY2026 target.

At our U.S. sites in particular, we are analyzing local operating conditions and identifying specific measures to further improve waste management systems.

Under the initiative to "maintain company-wide water consumption at the FY2016 level," annual water use totaled 286,571m³, enabling us to achieve the FY2026 target ahead of schedule. In addition to raising water conservation awareness among individual employees, we will continue promoting the efficient use of water in our production activities and working to ensure effective utilization and conservation of water resources.

Regarding initiatives under the priority theme of "Conservation of Biodiversity and Natural Capital," we continued activities such as biotope conservation, tree planting, and beach cleanups. As a result, the cumulative number of participants in social contribution activities related to natural capital from FY2024 through FY2025 reached 3,199, substantially exceeding the cumulative target for FY2024–FY2026. We will continue working with local communities and relevant organizations to contribute to the conservation of biodiversity and the maintenance and restoration of natural capital.

Advantest will continue steadily advancing its efforts to address environmental issues, reduce the environmental impact of its business activities, and contribute to the realization of a sustainable society. Through ongoing dialogue with its stakeholders, the company will also seek to enhance both environmental value and corporate value.

Key Themes of Sustainability Action Plan 2024-2026

Stakeholders	Priority Themes	Target	CxO in charge*1	KPIs	KPI Target (FY2026)	Progress (FY2025)
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%	88%
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*1 Please see our website for details on our executives and their respective responsibilities.

Reduction of GHG Emissions

Trends and Challenges in GHG Emissions

<Scope 1+2>

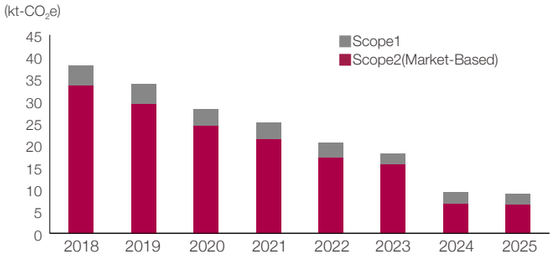
We have continued to reduce Scope 1 and 2 GHG emissions by expanding the use of renewable energy and promoting energy-saving measures.

In FY2025, we maintained renewable energy adoption rates of nearly 100% at our major sites in Japan, the United States, China, and Germany, while increasing the rate at our South Korean sites from 13% in the previous fiscal year to 33%. These initiatives have contributed significantly to reducing emissions across Advantest, particularly Scope 2 emissions.

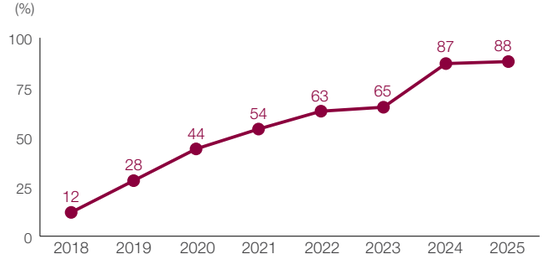
Further expanding the use of renewable energy at our overseas sites remains an important challenge in achieving additional emissions reductions. In countries and regions such as South Korea, Taiwan, and Singapore, renewable energy supplies are limited, making it difficult to secure sufficient procurement opportunities. In response, we are continuously monitoring developments in renewable energy markets and procurement frameworks in each region while exploring a range of procurement options. Through international initiatives such as RE100, of which Advantest is a member, we are also working to promote the wider adoption of renewable energy and encourage improvements in the supply environment in each country.

We will continue pursuing renewable energy procurement opportunities suited to the circumstances of each region, further reducing GHG emissions and contributing to the realization of a decarbonized society.

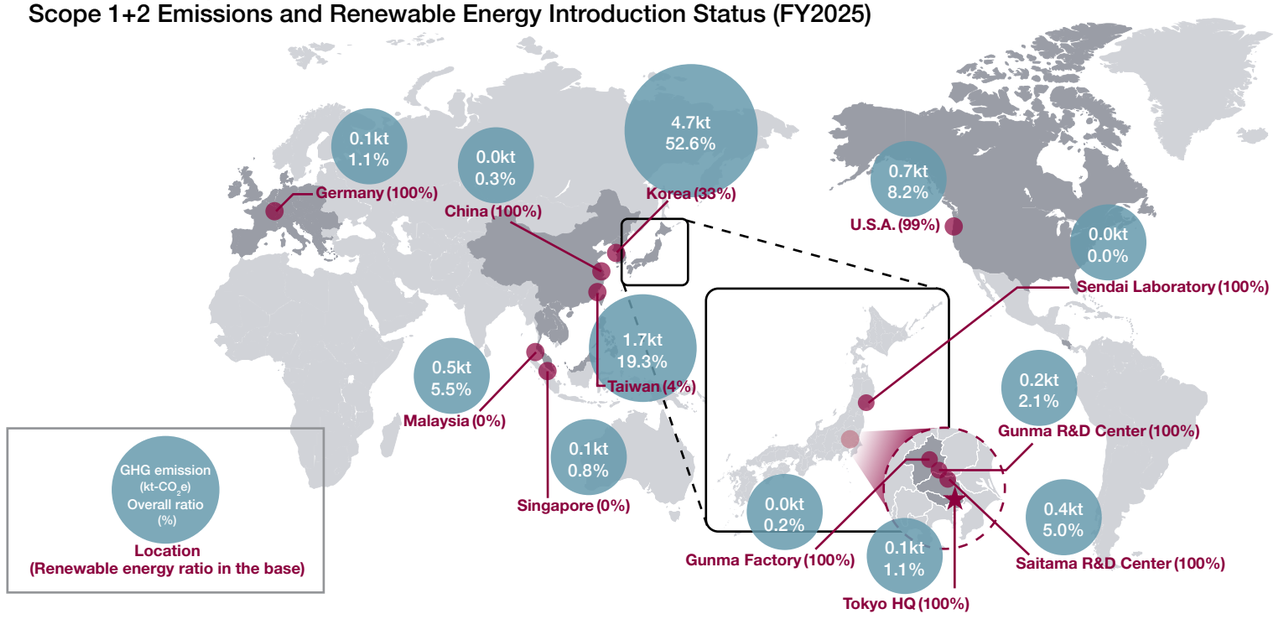
Scope 1+2 Emissions



Renewable energy penetration rate



Advantest Group
Scope 1+2 Emissions and Renewable Energy Introduction Status (FY2025)



Reduction of GHG Emissions

<Scope 3>

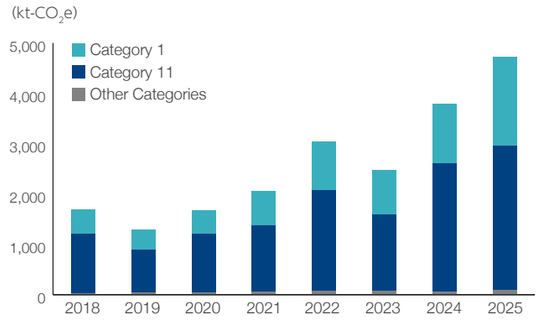
Scope 3 emissions have continued to increase over the medium- to long-term, reflecting growth in sales and product shipments accompanying the expansion of our business. The majority of Advantest's Scope 3 emissions are attributable to Category 1, "Purchased Goods and Services," and Category 11, "Use of Sold Products."

For Category 1, emissions are currently calculated using a spend-based method. As a result, emissions increase in line with the value of purchases from suppliers. However, this method does not adequately reflect suppliers' actual emissions reduction efforts or the benefits of their renewable energy adoption. Going forward, we will collect primary data from major suppliers and develop a calculation method that more accurately reflects actual conditions by incorporating their Scope 1, Scope 2, and Scope 3 emissions data. At the same time, through ongoing dialogue with suppliers, we will encourage GHG emissions reductions and the adoption of renewable energy, thereby advancing decarbonization throughout the supply chain.

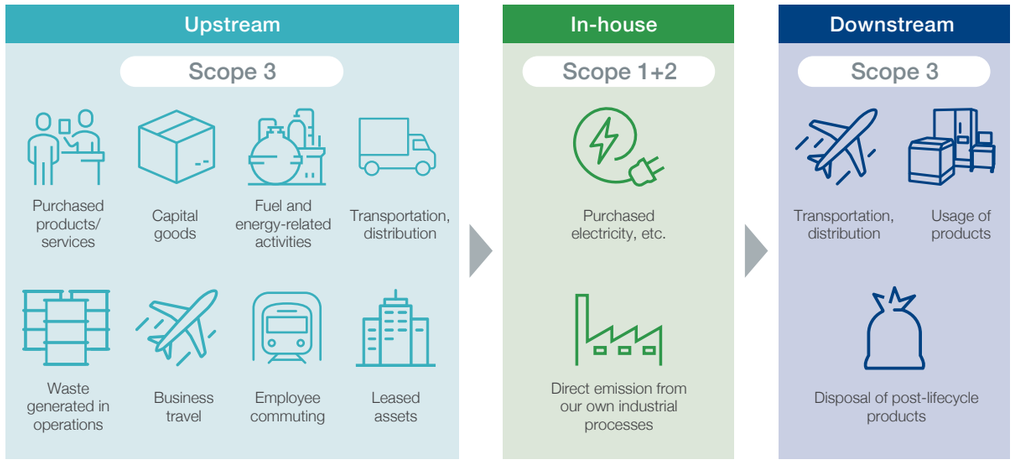
Category 11 emissions are calculated based on the electricity consumed during the use of products sold and therefore tend to increase as the number of units sold rises. Actual emissions, however, are influenced not only by sales volumes but also by the energy mix of the electricity used by customers. We are therefore exploring calculation methods that can more appropriately reflect customers' use of renewable energy. We will also continue improving the energy efficiency of our products and enhancing test efficiency to reduce GHG emissions during the product-use phase.

Advantest will continue improving the data required to enhance the accuracy of Scope 3 emissions calculations. Through collaboration with suppliers and customers, we will work to reduce GHG emissions across the entire value chain and contribute to the realization of a decarbonized society.

Scope 3 Emissions

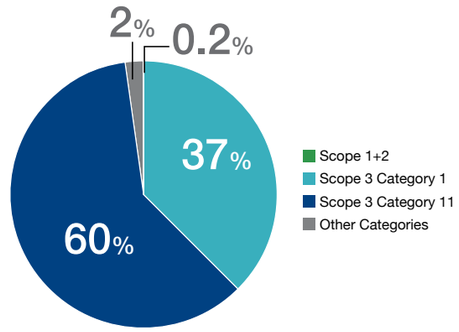


GHG Emissions in Advantest's Supply Chain



Advantest GHG emissions ratio

(FY2025 results)



Reduction of GHG Emissions

Product Carbon Footprint

Visualizing GHG Emissions Across the Product Lifecycle

Advantest is building the foundation for Product Carbon Footprint (PCF) calculation to quantitatively assess greenhouse gas (GHG) emissions across the entire product lifecycle. PCF is a methodology that visualizes CO_2 emissions generated at each stage of a product's lifecycle— from raw material acquisition, manufacturing, distribution, use, and end-of-life treatment, including disposal and recycling. It is an important initiative for understanding and managing the environmental impact of our products.

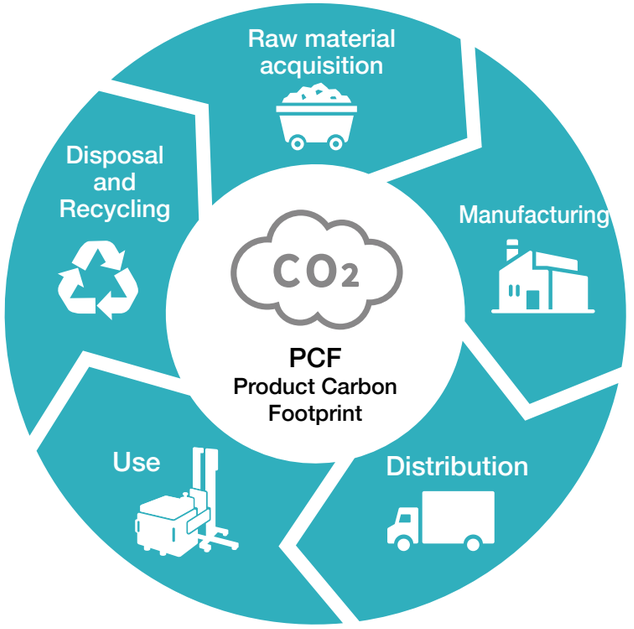
Establishing a PCF Calculation Framework Through Global Collaboration

Teams in Germany and Japan are currently working together to quantify GHG emissions across product lifecycles and standardize calculation methodologies. To support our global business operations, we are advancing initiatives to ensure consistency, comparability, and audit readiness while building a reliable environmental data infrastructure. Through these efforts, we aim to establish a framework for addressing regulatory requirements in various regions, including Europe, North America, and Asia, as well as supporting third-party certification.

Laying the Groundwork for Future PCF Applications

Advantest is advancing Product Carbon Footprint (PCF) capabilities through globally coordinated initiatives that connect lifecycle emissions data with practical decision-making. By responding to environmental regulations and disclosure requirements across countries and regions, while strengthening collaboration with suppliers and enhancing the quality and traceability of product data, we are building a consistent foundation for identifying emissions hotspots throughout the product lifecycle. These insights support the development of products with lower environmental impacts and contribute to enhancing our ability to respond to changes in the business environment and evolving customer requirements. In addition, by deepening dialogue and collaboration with value chain partners, we are advancing initiatives that leverage PCF data to drive reductions in environmental impacts.

Product Lifecycle







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.

Global collaboration across development centers

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

RE100

Semiconductor Climate Consortium
Founding Member

30by30

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

CDP
DRIVING SUSTAINABLE ECONOMIES

EPA GREEN POWER PARTNER

WE SUPPORT
UN GLOBAL COMPACT

Initiatives for Natural Capital

Contributing to a Sustainable Global Environment for Future Generations

As stated in the “Third Mid-term Management Plan (MTP3, FY2024-2026),” Advantest is developing biodiversity initiatives 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.”

The Advantest Group's Guidelines of Action for Biodiversity

Fostering Harmony with Local Communities and Nature Through Our Biotope

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 endangered species and assessing the carbon fixation rate in our biotope, we play a vital role in maintaining a stable natural environment and addressing climate change issues in the region. In addition, as part of our efforts to strengthen collaboration with local communities, Advantest has been continuously participating in the Gunma Biotope Forum, led by Gunma University, since 2017. Through this forum, we engage in information sharing and the exchange of opinions on biodiversity conservation with companies and organizations in Gunma Prefecture. We will continue to work for the conservation of ecosystems and their sustainable use through collaboration with local communities.



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



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

The Advantest Forest: Connecting INTEGRITY with Forest Restoration

The Advantest Forest is a biodiversity conservation initiative linked to our employee recognition program, The INTEGRITY Award. As a token of appreciation for both Nominators and Nominees, trees are planted to support environmental projects around the world. Together with our partner dedicated to ecosystem restoration, we contribute to habitat conservation and sustainable improvement of local livelihoods. Through these tree-planting activities, we help preserve and enhance biodiversity while providing opportunities for each employee to engage in environmental issues and take part in building a more sustainable future.

Global locations of The Advantest Forest tree-planting activities



Sustainability Action Plan 2024-2026 Social Progress

Advantest strategically promotes activities to achieve the targets set for each issue under its Sustainability Action Plan 2024–2026. In the social dimension, we have established five priority themes and 11 KPIs representing the value we provide to employees, customers, and suppliers. The following is a review of our main achievements in FY2025 and the challenges ahead.

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

Review of Sustainability Action Plan 2024–2026: Social Progress in FY2025

We have continued to focus on promoting gender diversity. The ratio of female managers increased from 9.7% in FY2024 to 10.7% in FY2025. The ratio of women at Level 6, the highest qualification level for general employees and a pool of candidates for management positions, remained broadly unchanged from the previous fiscal year at 15.3%. We will continue expanding the pool of management candidates and promoting the development and appointment of female talent to further increase the number of women in management positions.

In terms of customer satisfaction, Advantest achieved the industry's highest rating in the TechInsights Customer Satisfaction Survey for the seventh consecutive year.

We have also made steady progress in fostering and instilling an attractive corporate culture. The number of nominations for The INTEGRITY Award, a peer-nominated recognition program honoring employees who embody INTEGRITY, reached 590 during the year, an increase of 125 from the previous year's 465 nominations. The score in the Gallup Survey conducted in FY2024 was 3.76. In terms of human resource development, we implemented initiatives totaling ¥810 million in FY2025 in accordance with the Advantest Development Framework. In recognition of our health and productivity management efforts, Advantest was certified as a "White 500" company for the sixth consecutive year.

For responsible mineral procurement, we achieved a 99% response rate from suppliers in our conflict minerals survey 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)	Progress (FY2025)
Employees	Respect for diversity	Promoting gender diversity	CHO	Ratio of female managers*2	11%	10.7%
			CHO	Ratio of female employees among candidates (Level 6) for executive and managerial positions*3	16%	15.3%
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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

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*2 The ratio of female managers and the gender pay gap are detailed in the "First: Corporate Overview 5. Employee Status" section of the Securities Report for the fiscal year ending March 2025.
*3 Our Group's qualification system employs a globally standardized 10-tier structure, with Level 6 representing the highest qualification within the general employee tier.
*4 Group-wide surveys are conducted once every three years.
*5 This is an award program recognizing employees who embody INTEGRITY, based on nominations from other employees.
*6 As the White 500 is a certification program in Japan, only the Company and its domestic subsidiaries are eligible for certification.
*7 Due diligence is conducted on Tier 1 suppliers accounting for the top 85% of transaction value and their primary Tier 2 suppliers. These suppliers are designated as specified business partners.

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. This is stipulated in “The Advantest Way,” and this Advantest Group Human Rights Policy expresses Advantest's responsibility to respect human rights, based on “The Advantest Way.”

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, the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights (UNGPs), 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, evaluate, and prevent human rights risks, as well as take measures to 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 for 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 FY2024 and FY2025, which is reserved for companies that rank in the top 35% of the companies on their scoreboard. In FY2026, we further improved our performance and were awarded the Gold Medal, which is reserved for the top 5% of companies assessed by EcoVadis. 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 evaluatio izations (RBA SAQ/VAP audits, Ecovadis) • Health checkups • Stress surveys and access to occupational physicians
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

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 FY2013, to include additional minerals such as cobalt and mica starting 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.

Developing the Next Generation of Talent

Toward a Future Semiconductor Industry Where Diverse Talent Can Thrive

As AI technology and the digitalization of society continue to advance, developing highly skilled professionals who can support the semiconductor industry has become a shared global challenge. The Advantest Group regards the development of next-generation talent as an important responsibility and undertakes a wide range of initiatives across regions, including fostering interest in science and engineering, developing advanced expertise, and providing young people opportunities to deepen understanding of industry.

Our Approach to Developing the Next Generation of Talent

To support the future of the semiconductor industry, we are building a sustainable talent foundation through initiatives ranging from broadening interest in science and engineering to developing highly skilled professionals.

Fostering Interest in Science and Engineering

Inspiring the Creativity of the Next Generation

- Science classes for elementary school students in Meiwa, Gunma Prefecture
- Girls' Day programs organized by Advantest Europe

Collaboration with Universities and Educational Institutions

Developing Highly Skilled Talent

- Sponsored research and endowed courses at the University of Tokyo
- Test engineering course at Arizona State University in the United States

Career Support for Students Pursuing Science and Engineering

Providing Opportunities to Deepen Industry Understanding

- Academy program in Taiwan
- Study visit to Japan by students from Singapore Polytechnic

Fostering Interest in Science and Engineering

Inspiring the Creativity of the Next Generation Through Girls' Day

Germany | Advantest Europe

Girls' Day is an annual nationwide career exploration program in Germany. It provides female students with opportunities to explore technical occupations in science and engineering fields where women are underrepresented, thereby broadening their future educational and career options. Advantest Europe has participated in Girls' Day for more than 20 years, offering hands-on programs designed to deepen participants' interest in STEM—science, technology, engineering, and mathematics—and the semiconductor industry.

In April 2026, the Böblingen site welcomed 20 female students. The participants learned about Advantest's business and products and the role of semiconductor testing in today's society. They also toured laboratories and R&D facilities and gained hands-on experience by building real-time clocks using electronic components.



Developing the Next Generation of Talent

Collaboration with Universities and Educational Institutions

Collaboration with Universities and Educational Institutions to Develop Highly Skilled Talent Through Practical Test Engineering Education

United States | Arizona State University, San Jose State University

Advantest America is actively developing the next generation semiconductor workforce in the United States through university partnerships, internships, apprenticeship programs, industry collaboration, and K–12 outreach initiatives.

At San Jose State University, Advantest collaborates with engineering faculty to develop the Analog and Mixed-Signal IC Test Development course, ensuring students gain practical, industry-relevant skills aligned with current semiconductor test requirements. Students and faculty conduct laboratory sessions at Advantest America's headquarters using the V93000 SoC test system, providing hands-on experience in a professional test engineering environment and preparing graduates for key engineering roles.

At Arizona State University, Advantest America partnered with NXP Semiconductors to establish a test engineering course focused on mixed-signal and RF test methodologies, test program development, data analysis, and test automation. The university's MTW Center houses an Advantest V93000 SoC test system, enabling students to gain direct experience with advanced production test technology and enter the workforce with practical semiconductor test expertise.



Career Support for Students Pursuing Science and Engineering

Empowering Students Pursuing Science and Engineering Through Talent Development and Real-World Industry Exposure

Singapore | Singapore Polytechnic

Since 2021, Advantest Singapore has collaborated with Singapore Polytechnic (SP) on talent development and workforce development. In 2022, the two organizations established the Test Engineering Center, a co-location test and training facility with a fully integrated V93000 and M4841 test cell, located on the SP campus.

The center uses Advantest's V93000 SoC test system to provide a specialized curriculum for students majoring in electrical and electronics engineering for IC testing and semiconductor manufacturing learning journey. It also offers collaboration opportunities through internships, continuing education programs, and industry events to prepare the talent pipeline for the semiconductor ecosystem in Singapore.

As part of this collaboration, 20 SP students and three faculty members visited the Gunma R&D Center in September 2025. They learned about Advantest's business and the manufacturing process for test systems and observed memory test systems and test handlers on the laboratory floor. At the museum, they traced the evolution of Advantest's test solutions, from single-function measuring instruments developed in the 1950s to today's advanced semiconductor test systems.



Fostering Talent for Innovation

Guided by our Purpose & Mission, “Enabling Leading-Edge Technology,” Advantest continuously pursues the development of advanced technologies. As semiconductor technologies become increasingly sophisticated and our business domains continue to expand, driving innovation requires not only that each employee deepen their expertise, but also that they look beyond conventional boundaries and embrace new perspectives and ideas. We are creating an environment where employees can learn from and inspire one another, broaden their perspectives, and develop the capabilities to create new value.

Connecting Diverse Expertise Through “RAKUICHI”

Advantest launched “RAKUICHI” in 2022 to encourage cross-department collaboration and spark new innovation. By openly sharing expertise and activities across the Company, RAKUICHI helps break down silos, promote knowledge exchange, and create new opportunities for collaboration and value creation.





“Marketplace:” Fostering a Culture of Knowledge Sharing

One inspiration for RAKUICHI was “Marketplace,” held at Advantest Europe’s Böblingen site. Teams introduce new technologies and projects, while participants freely exchange ideas and build connections across the organization. These interactions help foster a culture that encourages collaboration and new value creation.





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/277639

Occupational Health and Safety

Occupational Health and Safety Policy

Advantest 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 Safety and Health Policy.

Advantest Group Occupational Safety and Health Policy

Sustainability Action Plan (2024-2026)

As part of our medium-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.

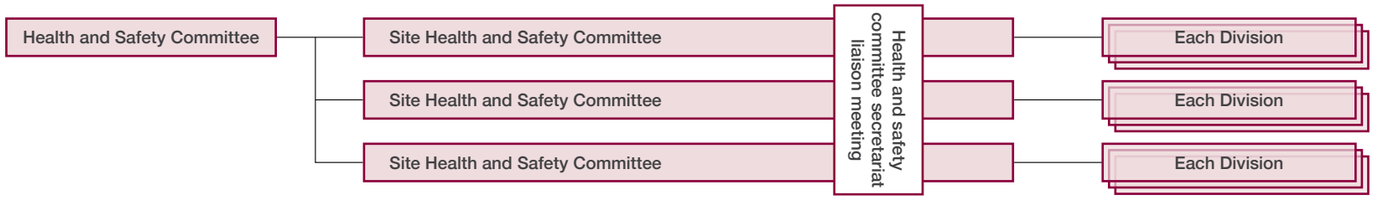
***LTIR (Lost Time Incident Rate):** Rate of lost-time incidents per 200,000 working hours

▶ P.60-61 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 measures and policies 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



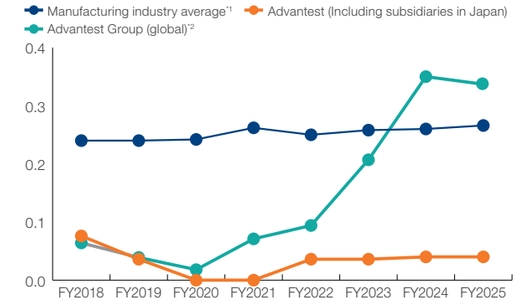
Health and Safety Committee	Site Health and Safety Committee	Health and Safety Committee Secretariat Liaison Meeting	Each Division
- Decisions on important H&S issues - Evaluation of activity results - Determination of key activity themes - Information sharing on occupational accidents	- Managing the progress of targets - Trends in legal amendments - Investigation into the causes and setting 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 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.



Data

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11-Year Financial Highlights

Advantest Corporation and its consolidated subsidiaries. Each fiscal year begins on April 1

		IFRS										
		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)	FY2025 (2026/3)
Financial Results												
Fiscal year	(Unit)											
Net sales	Million yen	162,111	155,916	207,223	282,456	275,894	312,789	416,901	560,191	486,507	779,707	**1,128,610**
Gross profit	Million yen	91,475	89,740	106,588	154,039	156,497	168,291	235,907	319,061	246,030	445,085	**726,107**
Selling, general and administrative expenses*1	Million yen	78,878	75,835	82,101	89,377	97,789	97,565	121,173	151,374	164,402	216,924	**226,987**
Operating income	Million yen	12,597	13,905	24,487	64,662	58,708	70,726	114,734	167,687	81,628	228,161	**499,120**
EBITDA*2	Million yen	17,562	19,063	29,511	69,629	69,600	82,482	129,702	189,083	107,732	255,236	**524,732**
Income (loss) before income taxes	Million yen	11,767	15,022	24,282	66,211	58,574	69,618	116,343	171,270	78,170	224,774	**516,720**
Net income (loss) attributable to owners of the parent	Million yen	6,694	14,201	18,103	56,993	53,532	69,787	87,301	130,400	62,290	161,177	**375,353**
Cash flows from operating activities	Million yen	7,728	15,833	28,254	44,792	66,475	67,830	78,889	70,224	32,668	285,971	**335,182**
Cash flows from investing activities	Million yen	-2,395	-3,521	-2,329	-15,915	-38,819	-16,831	-46,907	-26,706	-27,940	-42,189	**-34,552**
Cash flows from financing activities	Million yen	-13,531	-1,002	-15,237	-13,724	-17,916	-30,415	-68,736	-77,434	10,760	-82,818	**-230,550**
Free cash flows*3	Million yen	5,333	12,312	25,925	28,877	27,656	50,999	31,982	43,518	4,728	243,782	**300,630**
Cash and cash equivalents at end of year	Million yen	85,430	95,324	103,973	119,943	127,703	149,164	116,582	85,537	106,702	262,544	**339,966**
Fiscal year-end	(Unit)											
Shareholders' equity	Million yen	93,619	109,517	124,610	198,731	231,452	280,369	294,621	368,694	431,178	506,539	**795,726**
Total assets	Million yen	210,451	231,603	254,559	304,580	355,777	422,641	494,696	600,224	671,229	854,210	**1,171,816**
Information per share*4	(Unit)											
Basic earnings (loss) per share	¥	9.59	20.27	25.49	75.59	67.53	88.47	112.39	174.35	84.45	218.67	**515.15**
Diluted earnings (loss) per share	¥	8.85	18.49	23.17	71.84	67.24	87.96	111.82	173.68	84.16	218.01	**513.30**
Shareholders' equity per share	¥	134.07	154.83	174.01	251.13	291.63	356.82	387.93	500.61	584.25	690.80	**1,097.50**
Dividend per share	¥	5.00	6.25	8.00	23.00	20.50	29.50	30.00	33.75	34.25	39.00	**59.00**
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	798,169,060	766,169,060	766,141,256	766,141,256	**732,000,000**
Management indicator	(Unit)											
Overseas net sales as a % of total net sales	%	92.0	88.2	93.2	94.7	94.6	95.5	96.1	96.3	95.9	98.0	**97.8**
Net sales per employee	Million yen	36.1	35.3	46.5	61.0	54.7	59.5	70.2	85.6	71.9	111.4	**155.9**
Gross profit margin	%	56.4	57.6	51.4	54.5	56.7	53.8	56.6	57.0	50.6	57.1	**64.3**
Operating Income Margin	%	7.8	8.9	11.8	22.9	21.3	22.6	27.5	29.9	16.8	29.3	**44.2**
Net income ratio	%	4.1	9.1	8.7	20.2	19.4	22.3	20.9	23.3	12.8	20.7	**33.3**
SG&A ratio to sales	%	48.6	48.7	39.6	31.6	35.4	31.2	29.1	27.0	33.8	27.8	**20.1**
R&D Expenses	Million yen	31,298	31,170	33,540	37,852	40,070	42,678	48,367	60,094	65,492	71,399	**78,140**
R&D as a % of total net sales	%	19.3	20.0	16.2	13.4	14.5	13.6	11.6	10.7	13.5	9.2	**6.9**
Capital Expenditures	¥100 million	40	48	54	66	99	137	180	250	208	210	**343**
Depreciation and Amortization	¥100 million	50	52	50	50	109	118	150	214	261	271	**256**
EBITDA margin*2	%	10.8	12.2	14.2	24.7	25.2	26.4	31.1	33.8	22.1	32.7	**46.5**
Cash conversion cycle	Day	163	186	137	132	162	134	136	178	272	207	**177**
Shareholders' equity ratio	%	44.5	47.3	49.0	65.2	65.1	66.3	59.6	61.4	64.2	59.3	**67.9**
ROE	%	6.9	14.0	15.5	35.3	24.9	27.3	30.4	39.3	15.6	34.4	**57.6**
ROIC*5	%	6.4	7.1	11.9	27.5	20.5	20.7	28.4	34.6	13.5	31.5	**54.4**
Dividend payout ratio	%	52.2	30.8	31.4	30.4	30.4	33.3	26.7	19.4	40.6	17.8	**11.5**
Yen exchange rate	US Dollar	121	108	111	110	109	106	112	134	143	153	**150**
	Euro	133	119	129	129	121	123	130	140	155	164	**173**

*1 Selling, general and administrative expenses are composed of selling, general and administrative expenses, other income/expenses.
*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 2015.
*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, excluding lease liabilities.

	(Unit)	CY2015	CY2016	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025
Global real GDP growth (Source: IMF)	%	3.4	3.3	3.8	3.6	2.9	-2.7	6.6	3.8	3.5	3.3	**3.5**
Worldwide semiconductor sales (Source: WSTS)	Billion US dollar	335	339	412	469	412	440	556	574	527	631	**796**
SoC tester market size (Source: Advantest)	Million US dollar	1,650	2,000	2,200	2,550	2,700	3,000	4,300	4,000	3,300	4,100	**6,900**
Memory tester market size (Source: Advantest)	Million US dollar	470	470	750	1,150	650	1,200	1,300	1,200	1,100	1,900	**2,100**

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