

Enabling
The Leading-Edge Technology



Editorial Note

Advantest Group publishes Sustainability Report in order to fulfill its responsibility to explain to stakeholders and to inform the wider society of its activities towards the realization of a sustainable society.

The 2018 Sustainability Report aims to enhance management transparency, in particular to enrich governance information, and show positive impact efforts regarding social issues, as based on the mid/long-term management policy announced in April 2018.

The 2018 Sustainability Report includes information for disclosure items based on the GRI's Sustainability Reporting Standards, with the information disclosed collated in a forward-looking manner.

■ Changes in Report

2000: Environmental Report

2006: Social and Environmental Report

2007: CSR Report

2015: Sustainability Report

Scope of Report and Period Covered

This report covers activities pursued by Advantest and its major affiliates in Japan and overseas throughout fiscal 2017 (April 1, 2017 to March 31, 2018).

* Some activities before and after fiscal 2017 are also featured in the report, with the aim of facilitating reader understanding.

Release Date / Reporting Cycle

September 2018 (Annually)

Guidelines Referenced

- Global Reporting Initiative's Sustainability Reporting Standards
- Ministry of the Environment, "Environmental Reporting Guidelines 2012"

Contact Information

For CSR related inquiries

CSR & Environmental Affairs Promotion Center,
CSR & Environmental Affairs Promotion Office

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Message from CEO

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Since our founding in 1954, Advantest has refined our electronic measurement technologies and grown organically in step with the electronics industry. Semiconductor test systems, our current flagship products, test whether semiconductors work as designed without malfunctioning. These semiconductors are used in various products that we all rely on in our daily lives. Thus, Advantest contributes to worldwide safety and security through measurement technology.

Currently, the digital revolution is embedding innovations such as IoT, AI, deep learning, self-driving cars, and more into our daily lives. In the future, semiconductors will have even higher performance, while being smaller and consuming less power. Higher reliability will be more important than ever. As Advantest does business around the world, we are striving to globalize our management team and strengthen the global network of the Advantest Group, to further support the innovations needed not only in Japan but in the semiconductor industry worldwide.

Recently, initiatives aiming to resolve social issues and build a sustainable society such as the Paris Accord and Sustainable Development Goals (SGDs) are spreading globally.

In 2016, Advantest set out important issues (materialities) and evaluation metrics to address as a part of our commitment to sustainability, including sustainable financial performance, establishment of a compliance system, reduction of environmental impact, and prevention of corruption. We are also promoting efforts to achieve these goals throughout the entire company. We have announced a ground design and medium-term management plan (FY2018-FY2020) as medium to long-term policies for 2018 which look ahead ten years (FY2018-FY2027).

We will actively work to address ESG issues and drive medium to long-term corporate value based on our strong desire to contribute to solutions for social issues through our businesses inherent to the Tested by Advantest outlined in our medium to long-term management policies.

Advantest will continue to develop superior electronic measurement technologies to respond to society's needs and issues as they arise, furthering our contribution to sustainable development worldwide.

Together with our stakeholders, I look forward to a bright future of shared prosperity and ongoing innovation.

Yoshiaki Yoshida
Representative Director, President & CEO
September 2018



About the Advantest Group

Sustainability Report 2018

Corporate Overview

Organizational Profile

Registered Name	ADVANTEST CORPORATION
Head Office	Shin Marunouchi Center Bldg., 1-6-2, Marunouchi, Chiyoda-ku, Tokyo 100-0005
Representative Director, President & CEO	Yoshiaki Yoshida
Capital	32,363 million yen (as of March 31, 2018)
Stock Exchange Listings	Tokyo Stock Exchange, 1st Section (Code: 6857)
No. of Shareholders	33,227
No. of Shares Outstanding	199,566,770 shares
No. of Consolidated Affiliates	29 (8 in Japan and 21 overseas)

(As of March 31, 2018)

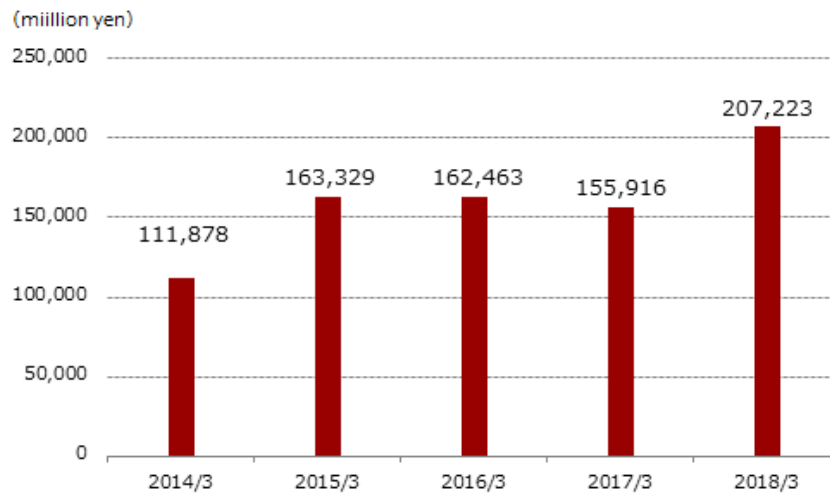
The Advantest Group's Global Network

(As of March 31, 2018)



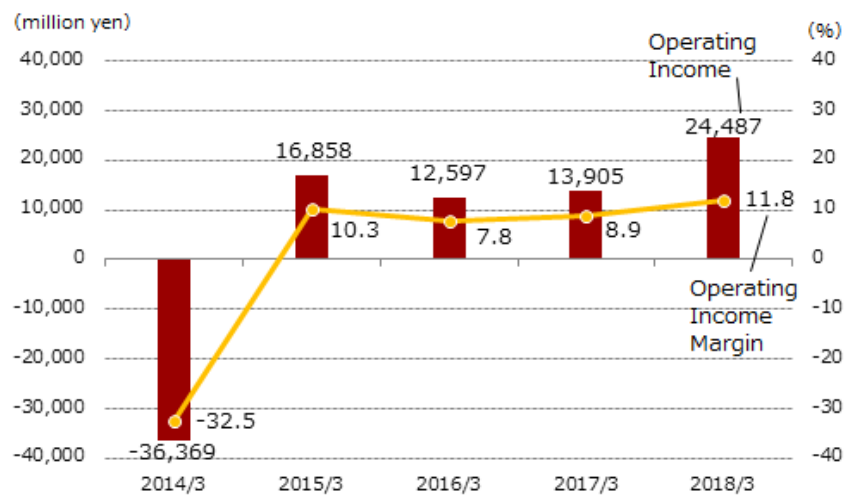
Sales

Change in Net Sale



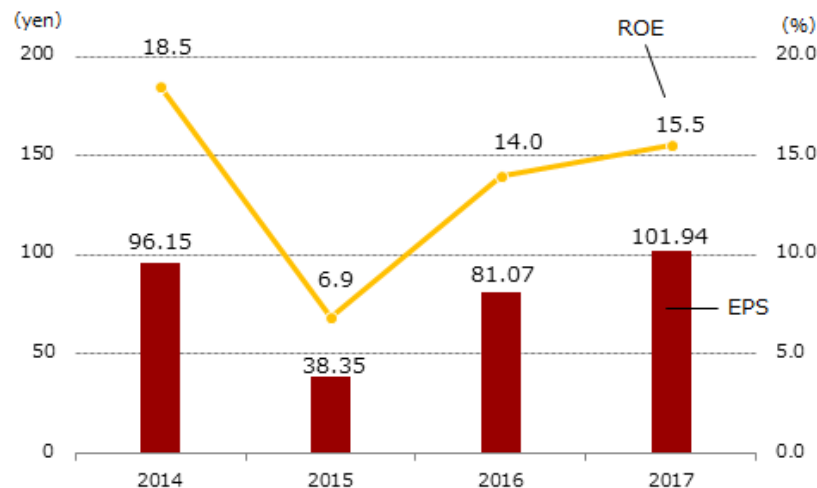
* Financial data are presented in accordance with International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2015 and the data before then are presented based on US GAAP.

Change in Operating Income/Operating Income Margin

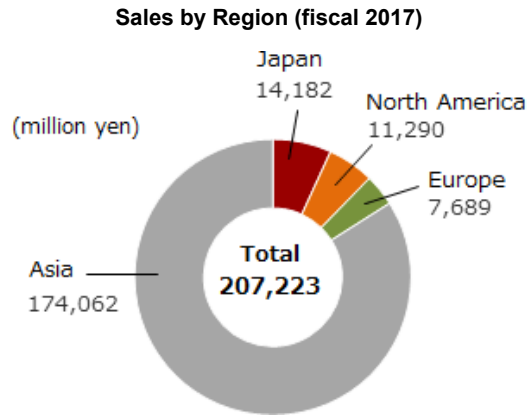


* Financial data are presented in accordance with International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2015 and the data before then are presented based on US GAAP.

Change in ROE and EPS



* ROE: Return on equity ratio of net income attributed to the parent; EPS: Basic net earnings per share



Business Fields and Main Products

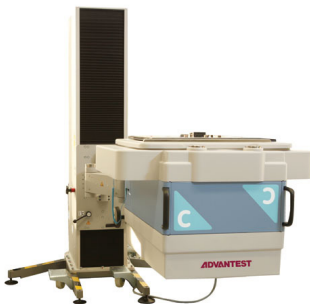
Semiconductor and Component Test System

ATE Business

Semiconductors are a core electronic component used in a variety of devices, such as smartphones, personal computers, household electrical appliances, and motor vehicles, which are indispensable to the lives of people. The types of semiconductors are broad from logic ICs and analog ICs to memory ICs. Each type of semiconductor has its own unique functionality and circuitry with performance rapidly advancing each day.

Automated Testing Equipment (ATE) verify the quality, performance and reliability of semiconductors by electrically testing these complex and multifarious functions of semiconductors with high accuracy. The automated testing technologies from Advantest at the top of the industry are contributing to higher efficiency in production on customer sites, technological innovations of the electronics industry, and greater safety, security and comfort for society.

SoC Test System



V93000
SoC Test System



T2000
SoC Test System



T6391
Display Driver Test System

Memory Test System



T5503HS2
Memory Test System



T5833
Memory Test System



B6700
Burn-in Test System

Mechatronics System

Device Interface/Test Handler Business

We provide peripheral devices for semiconductor testing such as device interfaces necessary when electrically connecting test systems and semiconductors as well as test handlers that transport packaged semiconductors to test systems.



HIFIX



M4872
SoC Test Handler

Nanotechnology Business

We are providing devices that conduct fine exposure, processing and measurement using electron beams (EB) for silicon wafers and photomasks. These devices are used in mass production processes of major semiconductor manufacturers and the development of leading-edge semiconductor processes.



E3640
MASK MVM-SEM®

Services, Support and Other Sectors

Field Services

We are providing comprehensive services that contribute to improving productivity on customer sites, such as early launch of mass production tests for new devices as well as improvements to the operation rate on all test floors, including installation support and maintenance of test services.

SLT Business

We are providing enterprise solid state drives (SSD) that are expanding the adoption of high-end databases, client SSD that support a generation of IoT, and devices that test the system level.



MPT3000
SSD Multi-protocol Test System

In addition to the above, we have business departments which conduct the sale of used semiconductors, component test systems, commercial mechatronic products, a device leasing business and a new planning business among other ventures.

■ Commitment to External Initiatives

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

■ RBA Code of Conduct

In its business operations, Advantest follows the stipulations of the Responsible Business Alliance Code of Conduct drawn up by the Responsible Business Alliance (RBA®), a leading electronics industry supply chain CSR alliance.

■ Response to the Conflict Minerals Issue

Advantest participates in the Responsible Minerals Trade Working Group established by JEITA*, and is implementing various measures, in collaboration with industry bodies, to help tackle the conflict minerals issue.

* JEITA: Japan Electronics and Information Technology Industries Association

Advantest's CSR

Sustainability Report 2018

A Message from Advantest's Director of CSR

All Advantest stakeholders expect us to reconcile the requirements of a sustainable society with the imperatives of our own corporate development.

Based on a long-term perspective, we consider our business and CSR activities to be the natural starting point for us to contribute to the various challenges of modern society through our measurement technologies. While bearing our origins in mind, we will fulfill our dual responsibility to improve corporate value by generating profit, and contribute to the development of a sustainable society, throughout all our corporate activities, including our supply chain.

In fiscal 2015, we launched a project to formulate materialities, staffed by our in-house CSR working group, the managers of relevant departments, and executive officers with related responsibilities. The project discussed which topics to emphasize and identified 24 materialities. This initiative also prompted a review of our business development process from the perspectives of supply chain complexity and delegation of responsibilities.

In fiscal 2016, we established KPIs (Key Performance Indicators) for each materiality identified, and have started activities targeted for completion in fiscal 2018.

In the dramatically changing business environment, we have rapidly advanced preparations of the internal systems required by the market. We have produce regular results from a broad perspective incorporating the promotion of environmental management, the protection and respect of human rights as well as a focus on diversity by utilizing target values and KPI (Key Performance Indicators) related to each materiality since we began in fiscal 2016.

We have released a ground design and medium-term management plan (FY2018-FY2020) as medium to long-term policies announced at the beginning of 2018 which define our direction for ten years (FY2018-FY2027) while illustrating our efforts at Advantest toward ESG subjects.

Moreover, in the 2018 Sustainability Report, we have shown engagement in each goal of the Sustainable Development Goals (SDGs) adopted by the Member States of the United Nations (193 countries) in September 2015 as a way for Advantest to fulfill its duty to contribute to a sustainable future.

In fiscal 2018, we have penetrated CSR activities at sites worldwide to produce specific results through our locations expanding in North America, Europe, Asia and 16 other countries worldwide by encouraging an ongoing commitment to achieving these goals.

Managing Executive Officer
Satoru Nagumo



Corporate Social Responsibility (CSR) Policy

Advantest Group aims for sustainable development and to enhance our corporate value under the corporate mission of "Enabling the Leading-Edge Technology" and our "Quest for the Essence" corporate mantra.

Also, we will respect stakeholders as described below to promote harmony with society and contribute towards the realization of a sustainable society.

- In harmony with society, we will work for environmental conservation and to reduce environmental impacts.
- We will respect customers, and provide high quality products and services that meet their needs.
- We will respect shareholders and investors, return corporate profits to them, and disclose information.
- We will respect our business partners and build cooperative relationships emphasizing mutual development.
- We will respect our employees, provide fair treatment, and strive to create employee-friendly workplaces that are conducive to effective working.

CSR Policy Initiatives

Based on the Advantest Group's corporate mission of delivering "Enabling the Leading-Edge Technology," our purpose as a Group is to use our "measurement and testing technologies" to support the development of society and to help to ensure that people throughout the world can live safely and securely. We provide our customers in many countries around the world with a wide range of products and services, and we are contributing to society through our business activities in our core competence field of "measurement and testing technologies." In addition, we are using our business activities to meet the needs of our stakeholders and of society, and to fulfill our social responsibilities as a group with a presence throughout the world.

Materiality for the Advantest Group

▶ [Materiality for the Advantest Group](#)

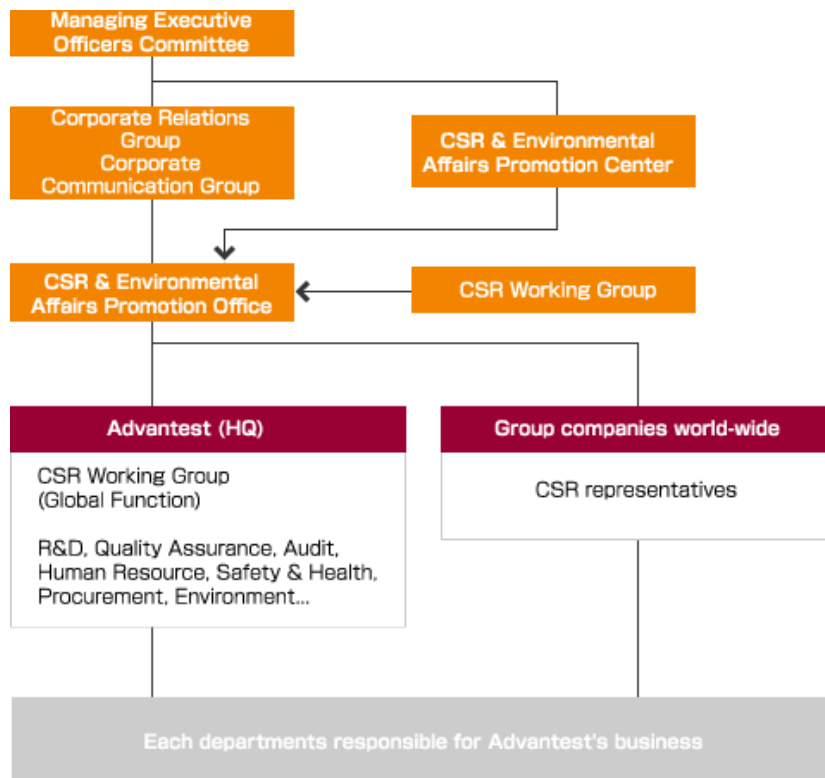
Organization for Promoting CSR

We established the CSR & Environmental Affairs Promotion Center, which is headed by the President and CEO, in order to clarify the objectives and responsibilities of the executives within the Advantest Group. The Center is responsible for the overall promotion of our CSR initiatives and affairs.

Beneath this organization we have positioned the CSR & Environmental Affairs Promotion Office, which is responsible for implementing our social and environmental contribution activities. In addition, the CSR & Environmental Affairs Promotion Office shares CSR-related information with divisions and departments throughout the Company, exchange CSR-related information, and provides support for the CSR activities that are undertaken on a daily basis by individual divisions and departments, as well as reporting to the director responsible for supervising CSR operations, and requesting approval of key materiality aspects from the Managing Executive Officers Committee as necessary.

To facilitate the development of a company-wide CSR framework, a CSR Working Group has been established with members appointed from the company's units responsible for general affairs, human resources, PR, IR, sales, quality assurance, production, etc.; the CSR Working Group implements activities on a worldwide basis.

Advantest's Organization for Promoting CSR



- #1 : CSR Management Activities Related to Each Region to be Promoted by Subsidiaries in Each Region
- #2 : Global CSR Initiatives and CSR Activities Related to Business Operations (e.g Customer Relations, Quality Assurance, Governance and Compliance to be Promoted by the CSR Working Group)

Main Activities in fiscal 2017

We have reached a stage in specific activities for accomplishing these goals in accordance with the materialities and KPI (Key Performance Indicators) identified by the Advantest Group. To reach our fiscal 2018 goals, we will promote activities throughout the entire Group which will clearly connect to results based on trends of ESG investments and other factors.

SDG Initiatives

Sustainability Report 2018

Advantest will contribute to a sustainable future while bringing safety, security and comfort to society via state-of-the-art measurement technology to live up to societal expectations under the management philosophy "Enabling the Leading Edge Technology."

A wide range of social issues are highlighted today from overpopulation and an aging society to energy, water and food shortages in addition to climate change. A digital revolution is underway to use technology to solve these social issues.

The foundation for this digital revolution is big data. Today, all things around us are becoming digitalized, which will broaden and deepen the data network connecting a variety of sites in our daily lives to industry.

The data that is generated brings a wealth of social value and satisfies a primary role. Semiconductors that handle this data have the ability to become social infrastructure and demand high reliability so that these semiconductors can be used in data centers, motor vehicles, the human body and more.

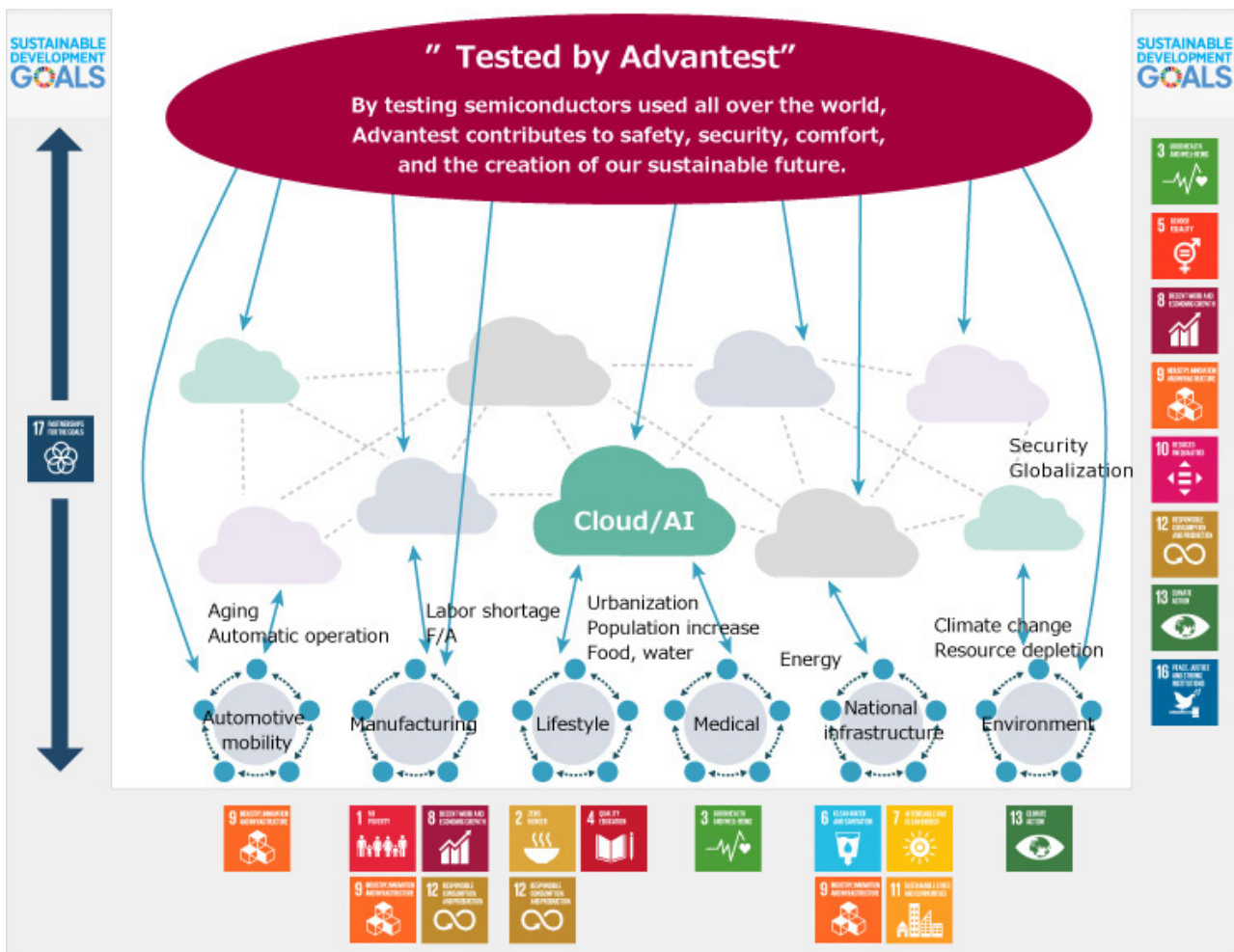
Semiconductors are becoming even more and more important for solutions to social issues.

Advantest will contribute to solving a variety of social issues and the sustainable growth of society through semiconductor tests.

We believe these efforts help moves us toward achieving the 17 goals outlined in the SDGs advocated by the United Nations.

Advantest will actively contribute to achieving the SDGs through the specific initiatives below.



► [Medium to Long-Term Management Policies](#)



Advantest SDG Initiatives

Relationship with Materiality

SDG Targets	Materiality Aspect	KPI	Measures implemented
Goal 3: Good health and well-being for people			
	Hazardous substances	Percentage of suppliers covered by hazardous substance surveys	Initiatives with Business Partners
Goal 5: Gender equality			
	Employment	Re-employment rate following maternity and parental leave	Employment and Diversity
	Diversity and equal opportunity	Ratio of female employees	Employment and Diversity
Goal 8: Decent work and economic growth			
	Economic performance	Sales, income margin, return on equity ratio of net income attributed to the parent (ROE), and basic net earnings per share (EPS)	Economic Impact
	Employment	Re-employment rate following maternity and parental leave	Employment and Diversity
	Training and education	Average annual training hours for each employee	Human Resources Development, Fair Evaluation and Treatment
Goal 9: Industry, innovation and infrastructure			
	Training and education	Average annual training hours for each employee	Human Resources Development, Fair Evaluation and Treatment
Goal 10: Reduced Inequalities			
	Diversity and equal opportunity	Female employees as percentage of total workforce	Employment and Diversity
	Non-discrimination	Number of complaints submitted to the helpline that are properly resolved	Compliance
Goal 12: Responsible consumption and production			
	Discharged water and waste	Waste recycling rate	Recycling Resources
	Hazardous substances	Percentage of suppliers covered by hazardous substance surveys	Initiatives with Business Partners

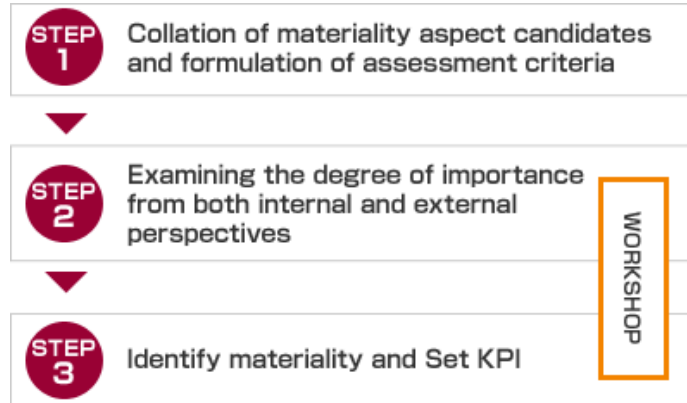
SDG Targets	Materiality Aspect	KPI	Measures implemented
Goal 13: Climate action			
	Energy	Rate of improvement in per-unit energy consumption	Global Warming Prevention
	Emissions into the atmosphere	Greenhouse gas emissions (Scope 1 and Scope 2)	Climate Change Prevention
	Products and services	Ratio of products that clear our independent green product standards	Green Products
Goal 16: Peace, justice and strong institutions			
	Anti-corruption	Number of confirmed dishonest acts	Compliance

Materiality for the Advantest Group

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Our Approach to Materiality

At Advantest, we believe that it is vitally important to first identify the impacts that our company's operations have on society and the problems that society expects us to help solve, as a basis for clarifying the key issues that we need to address in our CSR activities, so that we can then go on to implement effective management based on specific key performance indicators (KPIs). To this end, in FY2015 we used a three-step process with reference to the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines, to identify what constitutes materiality for the Advantest Group.



The Process of Identifying Materiality

Step 1: Collation of materiality aspect candidates and formulation of assessment criteria

A total of 50 materiality aspect candidates were identified on the basis of the 46 aspects listed in the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines, the requirements of the EICC*, industry standards such as SASB*, and information obtained from CSR surveys submitted to customers.

Assessment criteria were then formulated so as to be able to rank the materiality aspect candidates in priority order, taking into account the need to maintain consistency with respect to boundaries and business risk.

* EICC®: Electronic Industry Citizenship Coalition / Electronic Industry Code of Conduct

* SASB: Sustainability Accounting Standards Board (U.S.A.)

Step 2: Examining the degree of importance from both internal and external perspectives

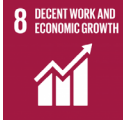






A Materiality Identification Project Team was established (with Team members that included CSR Working Group members, representatives of relevant departments and responsible directors), and three Workshops were held. Materiality was examined in terms of both the level of importance as viewed by stakeholders, and the degree of importance to the Advantest Group.




Step 3: Identify materiality and set KPI


The identified materiality items were submitted to the Managing Executive Officers Committee for approval.

Following the approval of the materiality items by the Managing Executive Officers Committee, the Materiality Identification Project Team discussed the key performance indicators (KPIs). KPIs were set with 1 - 2 indicators per materiality aspect.

Identified Materiality Aspects and Corresponding KPIs Aspects

Category	Identified materiality	KPI	Measures implemented	SDGs related items
Economy	Economic performance	Net sales/operating profit margin, ROE & EPS	Economic Impact	
	Intellectual property rights protection	Percentage of employees who have undergone e-learning training relating to intellectual property rights protection	Intellectual Property Protection	
Environment	Energy	Rate of improvement in per-unit energy consumption	Mitigation of Climate Change	
	Emissions into the atmosphere	Greenhouse gas emissions (Scope 1 and Scope 2)	Mitigation of Climate Change	
	Discharged water and waste	Waste recycling rate	Recycling Resources	
	Hazardous substances	Percentage of suppliers covered by hazardous substance surveys	Initiatives with Business Partners	 
	Products and services	Percentage of products meeting own green products criteria	Green Products	
	Compliance	Environmental compliance violations	Environmental Communication / Environmental Contribution Activities	
	Supplier environmental assessment	Percentage of new suppliers that were screened using environmental impact criteria	Procurement Practices	

Category	Identified materiality	KPI	Measures implemented	SDGs related items
Society	Conflict minerals	Continuing efforts to use materials where the risk that said minerals have been produced using conflict minerals is low, by asking business partners to ensure transparency in regard to the sources of materials and components, etc., and by working together with industry organizations and business partners to investigate information relating to conflict minerals (i.e. mineral processing firm information).	Procurement Practices	
	Employment	Percentage of employees returning to work after taking childbirth and/or childcare leave	Employment and Diversity	 
	Occupational health and safety	Occupational accident rate in Japan	Occupational Health and Safety	
	Training and education	Average number of hours of training per employee per year	Human Resources Development, Fair Evaluation and Treatment	 
	Diversity and equal opportunity	Female employees as percentage of total workforce	Employment and Diversity	 
	Supplier labor practices assessment	Percentage of new suppliers that were screened using labor practices criteria	Procurement Practices	
	Non-discrimination	Number of complaints submitted to the helpline that are properly resolved	Compliance	
	Supplier human rights assessment	Percentage of new suppliers that were screened using human rights criteria	Procurement Practices	

Category	Identified materiality	KPI	Measures implemented	SDGs related items
	Anti-corruption	Number of confirmed incidents of improper behavior	Compliance	
	Compliance with anti-monopoly legislation	Number of incidents relating to relevant legislation	Compliance	
	Compliance	Number of non-compliance instances relating to social issues	Compliance	
	Supplier assessment for impact on society	Percentage of new suppliers that were screened using criteria for impacts on society	Procurement Practices	
	Customer health and safety	Number of non-compliance of own safety standards	Supporting Product Safety and Quality	
	Customer privacy	Number of complaints relating to information security	Risk Management	
	Compliance	Number of non-compliance relating to products/services	Supporting Product Safety and Quality	

Management Approach







Sustainability Report 2018

Basic Stance

Recognizing that promoting a harmonious relationship with the Earth is an important management issue, Advantest is contributing to the global environment protection and the realization of a sustainable society in line with the Advantest Group Environmental Policy.

To this end, Advantest is implementing various measures based on identified materiality aspects, including measures that provide a solid foundation for compliance with relevant laws and regulations and for the minimizing of environmental burden, etc., as well as working to reduce the amount of energy consumed in Advantest's business activities, developing more environmentally-friendly products, etc.

Identified Materiality Aspects and KPIs, and Targets for FY2018

Materiality Aspect	KPI	Measures implemented	Items related to SDGs
Energy	Rate of improvement in energy intensity	Mitigation of Climate Change (Global Warming Prevention)	
Emissions into the atmosphere	GHG emissions (Scope 1/2)	Mitigation of Climate Change (Global Warming Prevention)	
Discharged water and waste	Waste recycling rate	Resource Recycling	
Hazardous substances	Percentage of used parts covered by hazardous substance survey	Initiatives with Business Partners	
Products and services	Percentage of products meeting own green products criteria	Green Products	 
Compliance	Environmental compliance violations	Environmental Communication / Environmental Contribution Activities	
Supplier environmental assessment	Percentage of new suppliers that were screened using environmental impact criteria	Procurement Practices	

Looking Ahead to the Future

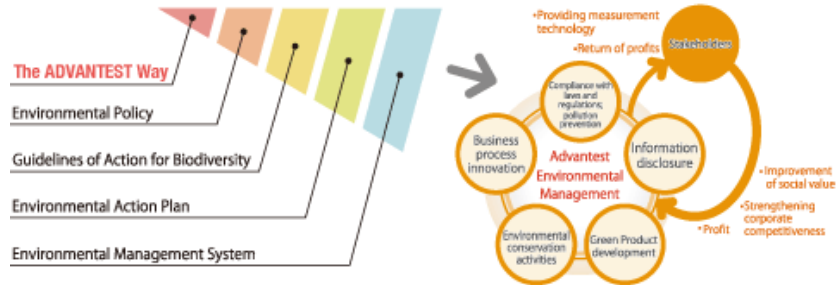
The identified materiality aspects relating to the environment are being incorporated into the department objectives in Advantest's Business Plan, and into the environmental objectives set for the company's environmental management; Advantest will continue its efforts to implement ongoing efforts in this regard.

Environmental Management

Sustainability Report 2018

Basic Policy

Through its business activities, the Advantest Group contributes to the sustainable development of society. We also strive for environmental protections such as measures against climate change and conservation of biodiversity as well as use renewable resources such as energy and water resources to actively endeavor in the environmental conservation activities below together with all our employees as an enterprise that deserves society's trust.



Advantest Group Environmental Policy

1. Promoting Environmental Management

By maintaining our environmental management system, we promote global environmental conservation efforts that achieve environmental targets set for both our business activities and environmental concerns.

2. Reduction of Customers' Environmental Burden

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

3. Better Workplace Procedures

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

4. Environmental protection and sustainable use of resources

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

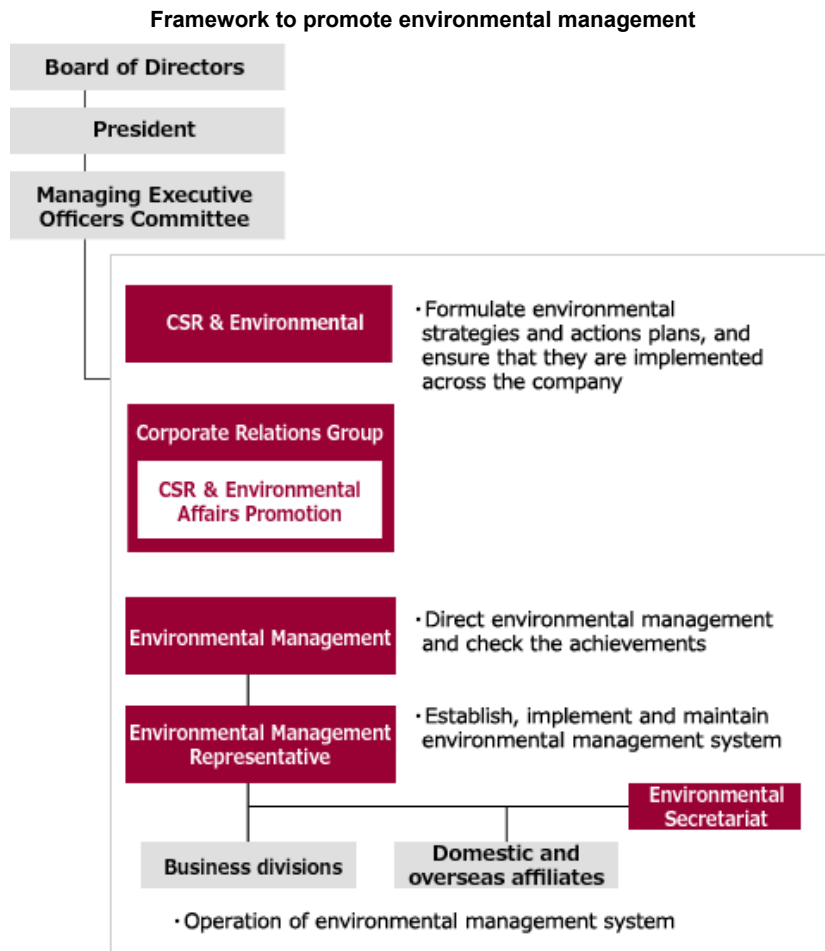
5. Complying with Environmental Laws and Regulations and Preventing Pollution

Upholding all environmental laws and regulations and voluntary standards, we protect nature and shield our neighbors from environmental pollution and health hazards caused by chemical substances, waste and other contaminants.

Updated April 1, 2017

Framework to Promote Environmental Management

The Advantest Group is building a framework to better promote our global environmental initiatives.



Acquisition of ISO14001 Certification

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

We have been promoting measures to facilitate the transition to ISO14001:2015 at all business locations since fiscal 2015 and have begun operation of the 2015 version as of April 2017. We have completed this transition at all sites in Japan and overseas as of March 2018.

Acquisition of ISO14001 certification



As of March 31, 2018

Company	(Base)	First acquisition of ISO14001 certification
ADVANTEST CORPORATION (Including business affiliates)		Aug. 2000 (Integrated certification)
	Head Office	(Nov. 2009)
	Advantest Laboratories Ltd./Sendai Factory	(Feb. 2000)
	Gunma R&D Center	(Apr. 2002)
	Saitama R&D Center	(Oct. 2003)
	Kitakyushu R&D Center	(Mar. 2003)
	Gunma Factory	(Apr. 1998)
Advantest America, Inc.		(Oct. 2008)
	San Jose, U.S.A.	
Advantest Europe GmbH		Apr. 2008
	Munich, Germany	
	Amerang, Germany	
	Boeblingen, Germany	
Advantest (Singapore) Pte. Ltd.		Jun. 2008
Advantest (M) Sdn. Bhd. (Penang - Malaysia)		Sep. 2008
Advantest Korea Co., Ltd.		Jul. 2008
Advantest Taiwan Inc.		Dec. 2006
Advantest (China) Co., Ltd. (Certification includes following subsidiaries)		May 2008
	Advantest (Suzhou) Co., Ltd.	
	Advantest Technology (Shanghai) Co., Ltd.	



Bureau Veritas
Certification (copy)

Advantest Corporation ISO14001 certifications scope

As of March 31, 2018

Applicable standards	ISO14001: 2015
Certification number	3640963
Certification scope	Research, development, design, manufacture and services of semiconductor and component test systems and mechatronics systems
Certifying body	Bureau Veritas Certification Holding SAS
Date of first certification	December 8, 2000 (Acquisition of ISO14001:1996 certification at the Gunma Factory on April 21, 1998)
Date of integrated certification	Integrated as Advantest Group as of December 8, 2000.
Applicable business locations	Gunma R&D Center, Head Office, Saitama R&D Center, Gunma Factory, Kitakyushu R&D Center, Advantest Research Institute, Sendai Factory (Including each business affiliate)

Implementation of Internal Environmental Audits

Advantest is always implementing regular internal audits on environmental burden reduction activities at each business location in order to confirm internal and external compliance with the operation of the environmental management system (EMS). We completed our transition to the ISO14001: 2015 in fiscal 2017 and strive to build an efficient system by training internal auditors in some sections of the company. Corrective measures are being executed for all items toward any issues raised by regular internal audits and no serious defects were found in the operation of the environmental management system. In the future we will continue to make ongoing efforts to improve our environmental management system, and will focus on improving our environmental performance.

Basic Policy on Environmental Education

In order to promote environmental protection, each and every employee needs to always feel that the environment is a problem close to their heart, be thinking about what they can and should do both at work and in the home, and transform these ideas into action. Based on this policy, Advantest is implementing environmental education aimed at developing awareness of the environment and the ability to think and take action appropriately.

Overview of Environmental Education Program

- Training for new employees
- Education for internal environmental auditors
- Education on chemical substances
- Seeking proposals on environmental VE
- Activities to protect forests

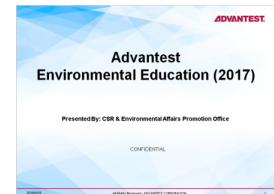
Implementation of general environmental education in fiscal 2017

	Target employees	Number of participants	Participation ratio (%)
Japan	2,588	2,588	100
Overseas	2,159	2,148	99.5
Overall	4,747	4,736	99.8

Introduction of e-learning

At Advantest, we have introduced an e-learning education system. We have been able to create a system that is both time- and location-independent, allows repetition of learning, and enables more efficient management of e-learning status and results.

In fiscal 2017's ISO14001 general training, we implemented e-learning both in Japan and overseas.



e-learning system screenshot

Environmental Action Plan

Sustainability Report 2018

Environmental Action Plan

The Advantest Group is clarifying the important challenges that it should tackle with environmental activities and has formulated an "Environmental Action Plan" as a medium-term plan. This plan focuses on three key areas: promotion of environmental management, providing green products, and reform of business processes. We will always encourage responsible efforts in environmental management toward climate policy measures and a decarbonized society.

Activity Results of the 7th Advantest Environmental Action Plan (2015-2017)

The 7th Advantest Environmental Action Plan (2015-2017) has encouraged efforts toward realizing a sound material-cycle society and low-carbon society with emphasis on three key areas: promotion of environmental management, providing green products, and reform of business processes.

Key Issues:

- 1. **Promotion of environmental management: In line with the trend towards the development of a low-carbon society, Advantest is implementing responsible measures in the area of environmental management.**
- 2. **Providing green products: In both our core business and our tester peripherals business, Advantest is contributing, through the company's products, towards reducing customers' environmental burden.**
- 3. **Reform of business processes: Advantest is promoting measures to make business processes and the utilization of energy more efficient.**

Scope (as of March 31, 2018)

- 1. Measures applicable to: All companies within the Advantest Group
Six business bases within Japan (including affiliates)
Seven overseas business bases (AAI, AEG, ASP, ATK, ATC, ATI and AMY)
- 2. Period covered: Fiscal 2015 - Fiscal 2017 (three years)

Main Activity Results

The main activity results in the execution of this three-year environmental action plan are outlined below.

In the promotion of environmental management, our review committee for the migration to the ISO14001: 2015 completed in all bases worldwide.

In addition, global environmental education was conducted with a 99.8% attendance rate to raise awareness about the Advantest environmental policies.

In the provision of green products, we achieved ten of our 13 themes such as energy-savings, resource conservations and a reduction of the number of components in new products. (Achievement rate: 77%) Advantest has commercialized 39 models as green products over these three years. We have also succeeded in a RoHS compliant EVA100 measurement system and Air Logger™ WM2000 with lead-free mounting.

In the reform of business processes, Advantest achieved three of the four themes such as a reduction on the environmental burden through energy conservation measures and more efficient production activities. (Achievement rate: 75%)

Important Challenges	The relationship to environmental policy	Action items	Action items (target details)	Results Achieved in Fiscal 2017
Promotion of environmental management				
	Promotion of environmental management	1) Transition to revised ISO14001	By FY2017 year-end complete transition to ISO14001: 2015 standard	The review committee completed migration to the ISO14001: 2015 at all bases worldwide

	2) Promote global environmental education	Carry out e-learning once a year	Environmental education is implemented both in Japan and overseas using e-learning. Percentage of all employees undergoing e-learning: 99.8%
	3) Promote environmental contribution activities, educational contribution activities	Promote environmental, social contribution activities and education support activities	<p>[Within Japan] 12 projects implemented (the main activities are listed below)</p> <ul style="list-style-type: none"> • Conducted special science classes at neighborhood elementary schools with the participation of 336 children • 98 local elementary school students participate in nature observations • Periodically conducted cleaning activities around our business locations <p>[Overseas] 14 projects implemented (the main activities are listed below)</p> <ul style="list-style-type: none"> • Auctioned used IT equipment and donated the revenue to surrounding communities (Germany) • Conducted repairs to homeless facilities (America) • Visited elderly homes (Singapore) • Held charity and hiking events (Taiwan)
Conservation of biodiversity	1) Promotion of forest conservation activities	At each site, carry out forest conservation activities	A group of 19 Advantest employees volunteered to undertake thinning-out work at the "Kusatsu Therapy Forest"
	2) Biotope development and utilization	Foster and utilize biotope (Nature observation events targeting neighborhood elementary schools, protection of endangered plants)	Held two nature observation events at the Gunma R&D Center's Biotope
Compliance with environmental laws and regulations, prevention of pollution	Promoting resource recycling	Improve waste recycling rate	
	1) Maintain and management Japanese bases recycling rate	Maintain recycling rate of 90% or more of the Japanese bases	Recycling rate for facilities in Japan: 90%
	2) Improve overseas bases recycling rate	Aim for recycling rate of 65% or more (Measures: reconfirmation of recycling criteria, review of treatment methods)	Recycling rate for overseas facilities: 61%
	Promotion of measures against global warming (climate change)		

		1) Promotion of efficient use of energy	Achieve an annual average improvement of 1% in per-unit energy consumption at Advantest business bases in Japan. Compared to the fiscal 2012 reference year, 5% or more reduction in fiscal 2017 (Aim for 7.73% or more by fiscal 2020)	Implementation of more efficient utilization of air conditioning units and transition to LED lighting equipment, etc. Rate of improvement in per-unit energy consumption 22.7% reduction compared to fiscal 2012
		2) Use of renewable energy	Promote the purchase of green power and introduction of solar power in overseas bases	At AAI and ATK, management is focused on maintaining the current energy use performance. AAI: 9,200MWh per year ATK: 1,494 MWh per year
Providing green products				
Reduce customers' environmental burden	1) Improvement of energy efficiency of new products	Reduce electricity consumption per unit of performance in new products by 20-50%	Achieve a 50% increase in the number of parallel test devices using the New T2000 IPS module	
	2) Resource conservation, size reduction, reducing components and materials	Achieve resource conservation in products, size reduction and reduction in components and materials	DI products: With HIFIX and custom performance boards (PB), there has been a successful evolution from conventional 0.2mm pitch device to 0.15mm pitch device substrate, making it possible to achieve a 44% reduction in device area. DI products: Build systems able to repair probe cards on-site, reduce international transportation and reduce the repair period 30% compared to existing products	
	3) RoHS compliant products, expansion of lead-free mounting products	RoHS compliant in target products, achieve lead-free mounting	Implement RoHS compliant and lead-free mounting in the Air Logger™ WM2000	
	4) Alternative to Fluorinert and reduce usage	Establish an alternative cooling technology to Fluorinert and put into practical use	Implement cooling performance evaluations (effort continued in the 8th Environmental Action Plan)	
	5) Start-up of new business for reduction of environmental burden	Launch new businesses and products related to the environment and contribute to society	There are no new plans for fiscal 2017 for new businesses related to the environment	
	6) Increase sales of new products	Replace aging testers with new products, to contribute to electric power saving of customers	Sales performance: 87 units Electric power saving: 3,302.4 MWh/year	
Reform of business processes				
Reform of business processes	Promotion of business efficiency improvements and energy-saving	Promote business efficiency improvements and efficiency in energy usage		
	1) Energy-saving in building facilities and efficiency improvement	Renovate old equipment to improve efficiency and equalize electricity usage	Advantest will implement updates to some of the planned equipment. Crude oil will also be reduced 52 kL by utilizing equipment more efficiently	
	2) Improve the operational efficiency of product development and production	Conduct information sharing in a production environment that is integrated from the early stage of development and build a Global PLM that can be expected to improve efficiency globally for a variety of product development and production businesses	Advance efforts underway toward PLM system operation (Effort continued in the 8th Environmental Action Plan)	

		3) Reduction of in-house CO ₂ emissions due to reduction in time required for MB design, manufacturing and servicing	Streamline MB development and design to reduce CO ₂ emissions by 30%	DI products: Create a detachable structure for universal boards Reduce the repair period two days and contribute to CO ₂ reduction by identifying defective pins from diagnostic programs (T5503HS MB)
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Overview of the 8th Advantest Environmental Action Plan

The 8th Advantest Environmental Action Plan (2018-2020) continues the three key areas of the 7th Action Plan and has set new environmental targets to support climate policy measures and a decarbonized society.

- Add further measures to adapt to climate change and conserve water resources
- Further disclose calculation criteria for CO₂ reductions through green products and the level of social contributions
- Add further reductions to the environmental burden in the supply chain
Grasp the environmental burden of production contractors, reduce CO₂ in SoC test system purchasing and distribution and reduce packaging waste

Key Issues:

- 1. Promotion of environmental management: Promote responsible efforts in environmental management and contribute to sustainable growth of society.**
- 2. Providing green products: In both our core business and our tester peripherals business, Advantest is contributing, through the company's products, towards reducing customers' environmental burden.**
- 3. Reform of business processes: Advantest is promoting measures to make business processes and the utilization of energy more efficient.**

Scope (as of March 31, 2018)

1. Measures applicable to: All companies within the Advantest Group Six business bases within Japan (including affiliates)
Seven overseas business bases (AAI, AEG, ASP, ATK, ATC, ATI and AMY)
2. Period covered: Fiscal 2018 - Fiscal 2020 (three years)

Important Challenges	The relationship to environmental policy	Action items	Action items (target details)
Promotion of environmental management			
	Promotion of environmental management	1) Adapt to climate change (new measure)	Grasp management risks brought on by climate change and put together measures to adapt by the end of fiscal 2020
		2) Promote global environmental education	Carry out e-learning once a year
		3) Promote environmental contribution activities, educational contribution activities	Promote environmental, social contribution activities and education support activities
	Environmental protection and sustainable use of resources	Conservation of biodiversity	
		4) Promotion of forest conservation activities	At each site, carry out forest conservation activities
		5) Biotope development and utilization	Foster and utilize biotope (Nature observation events targeting neighborhood elementary schools, protection of endangered plants)
		Promotion of climate policy measures	
		6) Promotion of efficient use of energy	Achieve an annual average improvement of 1% in per-unit energy consumption at Advantest business bases in Japan. Compared to the fiscal 2012 reference year, aim for 7.73% or more by fiscal 2020

		7) Use of renewable energy	Promote the purchase of green power and introduction of solar power
		8) Conserve water resources (new measure)	Maintain fiscal 2016 levels
	Compliance with environmental laws and regulations, prevention of pollution	Promoting resource recycling	Improve waste recycling rate
		9) Maintain and manage the recycling rate at Japanese bases	Maintain a recycling rate of 90% or more at Japanese bases
		10) Maintain and manage the recycling rate at overseas bases	Maintain a recycling rate of 60% or more at overseas bases
Providing green products			
	Reduce customers' environmental burden	1) Improvement of energy efficiency of new products	Reduce electricity consumption per unit of performance in new products by at least 20%
		2) Resource conservation size reduction, reducing components and materials	Achieve resource conservation in products, size reduction and reduction in components and materials
		3) Alternative to Fluorinert and reduce usage	Establish an alternative cooling technology to Fluorinert and put into practical use
		4) Calculate and disclose CO ₂ reductions of green products (new measure)	Calculate CO ₂ reductions through green products and disclose the level of social contributions
		5) Increase sales of new products	Encourage old products be replaced with new products to contribute to the electric power savings of customers
Reform of business processes			
	Reform of business processes	Promotion of business efficiency improvements and energy-saving	Promote business efficiency improvements and efficiency in energy usage
		1) Efficiency improvements in production	Aim to produce new products within one month at new production contractors
			Reduce the probe card production period at least 10% compared to fiscal 2017
			Reduce the amount of labor in new probe production products at least 18% per wafer unit
		2) Energy-saving in building facilities and efficiency improvement	Renovate old equipment to improve efficiency and equalize electricity usage
		(New measure)	Transition to LED office lighting and reduce electric power consumption 40%
		(New measure)	Reduce use of electric power for air-conditioning of office ventilation and heating fuel
		3) Improve the operational efficiency of product development and production (ongoing measure)	Build a system for Global PLM that can be expected to improve efficiency globally for a variety of product development and production businesses. * PLM: Product Lifecycle Management
			Reduce the design labor 50% through more efficient operations of custom PB design
			Reduce design control labor of DI mechatronic products 40%
		4) Reduce the environmental burden in the supply chain (new measure)	Grasp the environmental burden of production contractors. (CO ₂ , water resources, etc.)
		(New measure)	Reduce CO ₂ emissions produced in purchasing and distribution for each SoC test system 36% compared to the fiscal 2016 results (7,400 kg - CO ₂ /unit)
		(New measure)	Reduce the amount of package waste for each SoC test system 6% compared to fiscal 2016 results (423 kg/unit)

Environmental Communication / Environmental Contribution Activities

Sustainability Report 2018

Approach to Materiality in Environmental Compliance

Supervising division	CSR & Environmental Affairs Promotion Office
KPI	Environmental compliance violations
FY2018 target	To work to prevent grave legal violations related to the environment before they happen (Grave legal violations related to the environment: 0)
FY2017 result	0
Material Reasons	Our business activities have a range of impacts on the environment. In order for us to achieve responsible, continuous development, it is important that we share environmental information with stakeholders and reflect this in our environmental management.
Boundary	Advantest Group
Relevant policies	Advantest Group Environmental Policy
Relevant commitments	Adherence to environmental laws and ordinances as well as prevention of contamination
Responsible department/division	CSR & Environmental Affairs Promotion Center/Environmental Management Officer
Management Resources	
Relevant complaint processing policy	(Corporate Ethics Helpline, dedicated contact window)
Assessment	✓ (No violations in Japan or overseas)

Basic Stance on Environmental Information Disclosure

Our business activities have a range of impacts on the environment. In order for us to achieve responsible, continuous development, it is important that we share environmental information with stakeholders and reflect this in our environmental management.

At Advantest Group, we disclose information about our environmental burden and activities through reports, our website, exhibitions etc.

We are also working to foster communication with local communities, for example through the holding of environmental contribution activities.

Environmental complaints

	FY2013	FY2014	FY2015	FY2016	FY2017
Complaints from stakeholders ¹	0	0	0	0	0
Serious violations of environmental laws	0	0	0	0	0

* Japan only until FY2015. Includes overseas from FY2016.

Environmental Information Disclosure Results

▶ [Publication of the company's Sustainability Report \(CSR Report\)](#)

Environmental Contribution Activities

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

- [Holding of a nature observation event at the Gunma R&D Center's Biotope](#)
- [Conservation activity to protect Japanese red pine trees at the Advantest Laboratories Ltd.](#)
- [Participation in the "Kusatsu Therapy Forest" project to help safeguard areas of national forest](#)
- [Tropical rainforest conservation activity in Malaysia \(Borneo\)](#)
- Cleanup activities in the vicinity of Advantest business bases

Mitigation of Climate Change

Sustainability Report 2018

Materiality for Mitigation of Climate Change (Global Warming Prevention)

- ▶ [Approach to Materiality in Energy](#)
- ▶ [Approach to Materiality in Emissions to the Atmosphere](#)

Approach to Materiality in Energy

Supervising division	CSR & Environmental Affairs Promotion Office
KPI	Rate of improvement in energy intensity
FY2018 target	To promote efficient use of energy to achieve an average 1% annual reduction for the rate of improvement in per-unit energy consumption at business locations in Japan (6% compared to fiscal 2012)
FY2017 result	-22.7%
Material Reasons	Advantest considers efficient energy use an important CSR activity for the global environment.
Boundary	Advantest Corporation (non-consolidated) in Japan
Relevant policies	Advantest Group Environmental Policy
Relevant commitments	Energy Conservation Act
Responsible department/division	CSR & Environmental Affairs Promotion Center/Environmental Management Officer
Management Resources	15 people (people in charge of facilities)
Relevant complaint processing policy	(Corporate Ethics Helpline)
Assessment	✓ (Good)

Approach to Materiality in Emissions to the Atmosphere

Supervising division	CSR & Environmental Affairs Promotion Office
KPI	GHG emissions (Scope 1/2)
FY2018 target	To target less than 18,000t-CO ₂ by striving to promote efficient use of energy and reduce the CO ₂ emissions at business locations in Japan.
FY2017 result	18,729t-CO ₂
Material Reasons	We consider efforts to reduce the amount of emissions through more efficient energy as vital because efforts to reduce greenhouse gases that should be conducted worldwide are indispensable in business activities.
Boundary	Advantest Corporation (non-consolidated) in Japan
Relevant policies	Advantest Group Environmental Policy
Relevant commitments	Act on Promotion of Global Warming Countermeasures
Responsible department/division	CSR & Environmental Affairs Promotion Center/Environmental Management Officer
Management Resources	
Relevant complaint processing policy	(Corporate Ethics Helpline)
Assessment	△ (Increase in GHG emissions due to an increase in production volume)

Basic Policy

The Advantest Group regards the prevention of global warming as an important corporate mission, and makes efforts to reduce greenhouse gas emission by providing green products and reforming its business processes. We are also promoting medium- to long-term energy-saving measures corresponding to the Act on the Rational Use of Energy (Energy Conservation Law) and related regulations.

Advantest's Achievements in Relation to Carbon Dioxide Emissions in fiscal 2017

Advantest is working to simultaneously achieve both energy-savings and cost reduction through more efficient production and elimination of waste. In our buildings, we are optimizing air-conditioning and other systems and replacing superannuated equipment with more efficient models, as well as implementing appropriate lighting levels and switching to LED illumination.

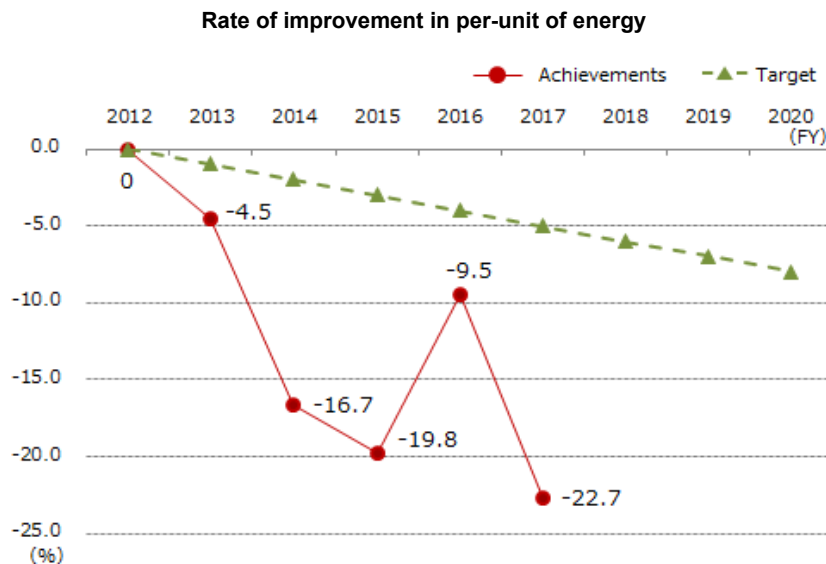
Advantest's total annual electric power consumption in fiscal 2017 was approximately 2,560 MWh higher than in the previous year. The main factors behind this decrease were as follows: Increases in production activities led to an annual increase of around 2,250 MWh at our factories and there was an annual increase of around 300 MWh at development and other sites. A decrease in overtime, shortening of the periods for which air condition equipment is in use, and updates to aging equipment led to an annual reduction of around 33MWh and the transition of lighting fixtures to LED lead to an annual reduction of around 170MWh. Energy consumption also increased as a result, but the unit energy consumption* was down 22.7% compared to fiscal 2012 due to vast improvements in energy efficiency in production processes.

Advantest will continue its efforts to reduce carbon dioxide emissions by adopting a waste-elimination approach and aiming to achieve both energy-savings and cost reductions.

Important measures implemented in FY2017	<ul style="list-style-type: none"> ● Transition of lighting fixtures to LED (approximate total of 3,780 lights at all business locations) ● Renewal of aging air-conditioning equipment (Gunma R&D Center) ● Update to high-efficiency transformers (Gunma Factory) ● Optimization of operation hours of air conditioning equipment (all business locations)
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Reduction of electricity consumption via the implementation of high-efficiency transformers

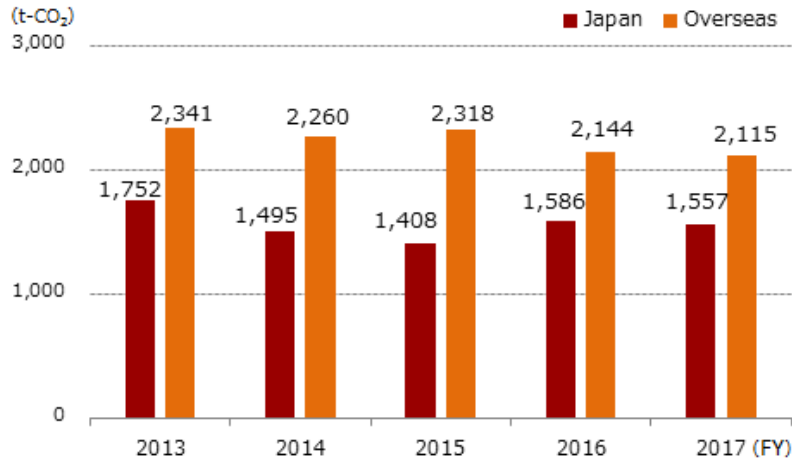
Revising and updating aging transformers to high-efficiency transformers at the Gunma Factory reduced electricity consumption annually 8.5 MWh.



Scope: 8 bases in Japan (including affiliates)

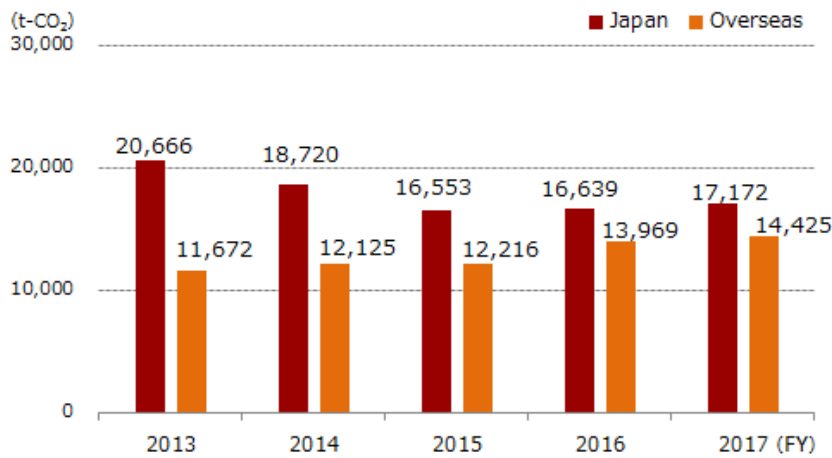
Rate of improvement in per-unit of energy	<ul style="list-style-type: none"> Introducing energy saving equipment and promoting the efficient utilization of energy, and realizing an annual average improvement of 1% in per-unit energy consumption at Advantest business bases in Japan. (Compared to the reference year fiscal 2012, 6% or more reduction in fiscal 2017, 7.73% or more by fiscal 2020) The unit energy consumption has been set to a value for each business establishment closely related to energy consumption, including the production volume as well as the number of employees and working hours at each site.
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CO₂ emissions (Scope 1)



Total CO ₂ emissions (Scope 1) in Japan and Overseas (t-CO ₂)	FY2013	FY2014	FY2015	FY2016	FY2017
	4,093	3,755	3,726	3,730	3,672

CO₂ emissions (Scope 2)



Total CO ₂ emissions (Scope 2) in Japan and Overseas (t-CO ₂)	FY2013	FY2014	FY2015	FY2016	FY2017
	32,338	30,845	28,769	30,608	31,596

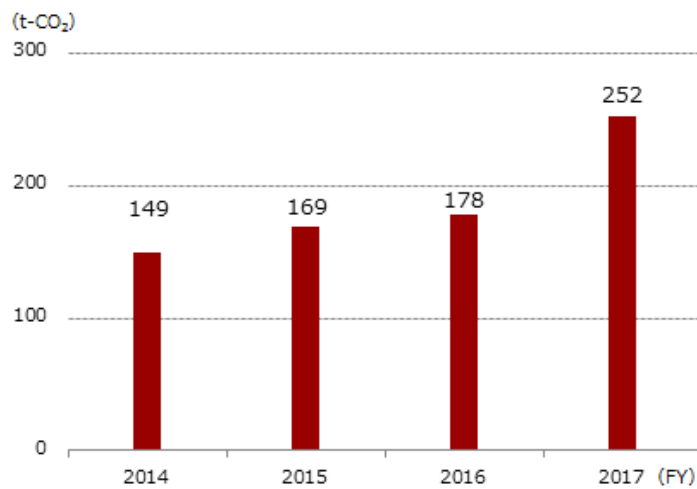
Calculation of CO₂ emission	<ul style="list-style-type: none"> The emission factor used is based on The Mandatory Greenhouse Gas Accounting and Reporting System. The emissions factor from use of electric power at overseas bases uses the emissions factor for each country or 0.000375t-CO₂/kWh.
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Carbon Dioxide Emissions Attributable to Product Delivery (Scope 3-1)

When delivering its products, Advantest makes use of product packaging and mode of transport that take into account the needs of handling and shock-resistance. Total carbon dioxide emissions deriving from product delivery in fiscal 2017 came to 252 t-CO₂. The increase in CO₂ emissions volume was mainly attributed to an increase in the transport distance due to an increase in the shipping units for system products. In the future, Advantest will continue to monitor the data relating to product delivery, and will calculate the related CO₂ emissions and strive for improvement in this area.

Important measures implemented	<p>Due to the fact that Advantest's products are precision machinery that cannot be transported in ordinary cargo containers and cannot be transported together with other products, Advantest is implementing the following measures:</p> <ul style="list-style-type: none"> ● Optimizing of product packaging (cost reduction and packaging size reduction) ● Providing training in safe driving and energy-saving driving ● Strict enforcement of the requirement that delivery drivers must not allow their engines to idle unnecessarily when stopped for more than a few seconds ● Shifting over to the use of hybrid vehicles and high fuel efficiency vehicles
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Changes in carbon dioxide emissions attributable to product delivery (Scope 3-1)



The totals given include: Carbon dioxide emissions deriving from the delivery of products within Japan
 Delivery to locations specified by customers (such as factories, airports and harbor facilities, etc.) using special trucks

Carbon Dioxide Emissions Attributable to Product Delivery (Scope 3-2)

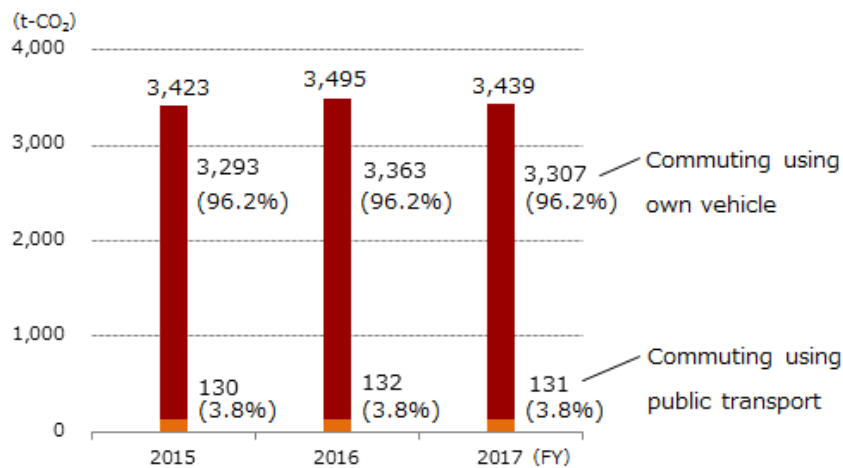
Of the approximately 2,500 Advantest employees (including employees of affiliate companies) in Japan, 85% commute to work using their own vehicles.

In fiscal 2017, the total annual carbon dioxide emissions deriving from employees' commuting was 3,439 t-CO₂.

Advantest will continue to implement measures to discourage drivers from allowing the engine to idle unnecessarily while stopped, through the use of driving safety classes etc.

* Calculations use the "Emissions Unit Database (Ver. 2.1) for the Calculation of Greenhouse Gas Emissions etc. by Organizations Through the Supply Chain" compiled by the Ministry of the Environment (MOE) and the Ministry of Economy, Trade and Industry (METI).

Breakdown of carbon dioxide emissions deriving from employee commuting

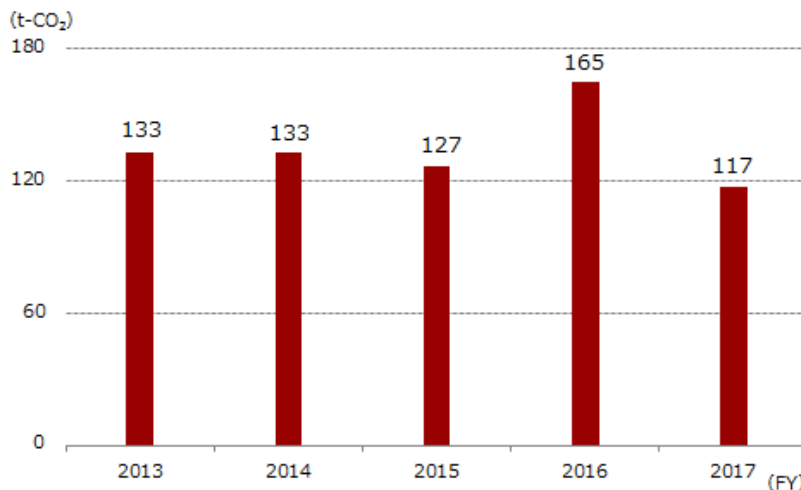


Carbon Dioxide Emissions Attributed to Corporate Vehicles (Scope 3-3)

Advantest and its affiliates use around 100 corporate vehicles in operations in Japan.

The annual carbon dioxide emissions deriving from operations in fiscal 2017 was 117 t-CO₂.

Changes in carbon dioxide emissions attributed to corporate vehicles



GHG emissions produced in non-energy related activities

Advantest uses dry etching of semiconductors in some of the processes at business establishments in Japan. Use of PFC in fiscal 2017 amounted to 339t-CO₂.

Items	Scope	FY2013	FY2014	FY2015	FY2016	FY2017
GHG emissions produced in non-energy related activities (t-CO ₂)	Japan	2,172	2,384	1,085	940	339
	PFCs	2,114	2,319	1,043	894	282
	SF6	58	65	42	46	58

Value Engineering (VE) Proposal Program

Advantest commemorates initiatives which have had a large impact on reducing CO₂ and the environmental burden through measures such as labor reduction, time reduction, and better energy-saving products.

Carbon Offset

Advantest does not currently engage in emission trading of GHG emissions.

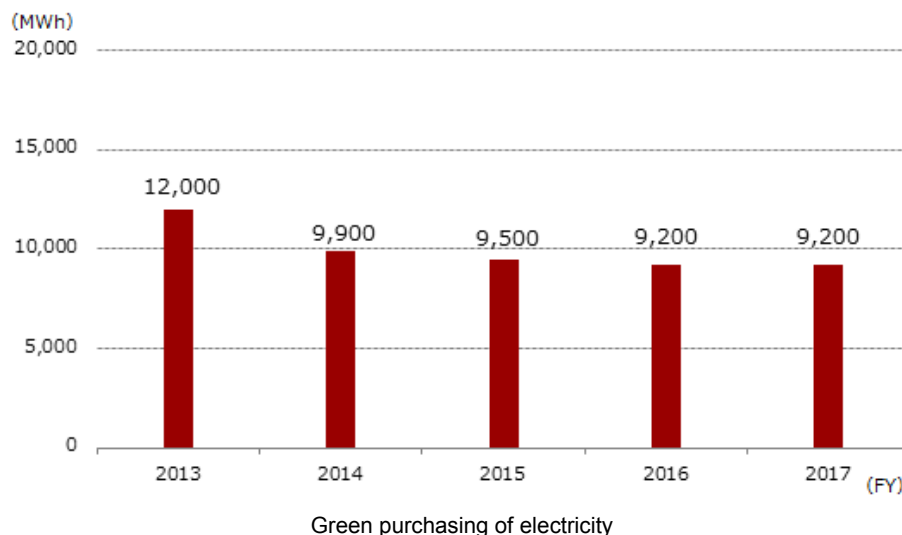
Measure to Use Solar Panels for Lighting in Employee Parking at Locations in Japan

LED lights that use power generated by solar panels are employed at the Gunma R&D Center for the lighting at night in employee commuter parking.

Measuring Relating to the Use of "Green" Power at Overseas Business Locations

Purchasing "Green" Electric Power Generated Using Wind Power

Advantest America, Inc. (AAI) continues its serious commitment to the utilization of renewable energy since 2012. To reduce the impact that AAI's use of electric power has on the environment, wind power generation is used to provide electric power equivalent to 100% of that used by AAI's facilities. The United States EPA has recognized Advantest America, Inc. on its Top 30 Tech and Telecom list from 2013 to 2017. This list represents the 30 largest green power users among technology and telecommunication companies within the EPA Green Power Partnership.



Certificate for purchasing "Green" Energy

Setup of EV Charging Stations

Advantest America, Inc. (AAI) has made four Electric Vehicles (EV) charging stations available for all employees to use free of charge. Those car ports at AAI San Jose are actively being used with around 10% of the employees, and contributing for 15t in Green House Gas savings.



Charging Station

Installation of Large-Scale Photovoltaic Panels

Advantest Korea Co., Ltd. (ATK) is promoting a wide range of environmental activities.

At ATK's Cheonan factory, photovoltaic panels have been installed on the roof, with an annual generating capacity of approximately 1,325 MWh; these solar panels contribute to a reduction in carbon dioxide emissions. ATK is also implementing various other measures, including careful sorting of waste and a "No Food Left on Plates Activity" aimed at reducing the amount of food waste generated by ATK's employee cafeterias, by encouraging employees not to leave any leftovers food on their plates.



Photovoltaic panels

Green Products

Sustainability Report 2018

Approach to Materiality in Products and Services

Supervising division	CSR & Environmental Affairs Promotion Office
KPI	Percentage of products meeting own green products criteria
FY2018 target	100%
FY2017 result	100%
Material Reasons	Advantest products generate various small and large environmental impacts through their use. Green products, which reduce environmental impact, are important part for us not only because they address environmental issues but also to appeal quality of our products.
Boundary	Advantest Group (All sites in Japan, some overseas sites)
Relevant policies	Advantest Group Environmental Policy
Relevant commitments	We have established voluntary standards for green products which adhere to the ISO14021.
Responsible department/division	CSR & Environmental Affairs Promotion Center/Environmental Management Supervisors
Management Resources	
Relevant complaint processing policy	
Assessment	✓

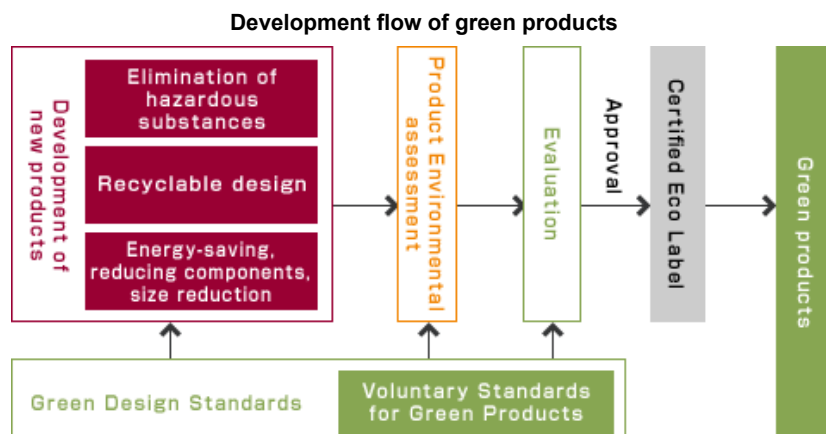
Basic Stance

Contributing to the sustainable development of society and conducting environmentally-friendly business operations are essential issues that need to be addressed in modern business management. The Advantest Group works to develop products from the perspective of environmental conservation while prioritizing high precision and high quality, and certifies as green products those products that are environmentally-friendly in terms of the three key aspects of energy and resource saving, improving recyclability, and elimination of hazardous substances. There is demand in society for the supply of green products because they provide both a reduction in the environmental footprint and an improvement in economic value. The Advantest Group is developing green products in response to these demands and based on the belief that these products will be beneficial for its customers.

Development Flow of Green Products

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

During the product environmental assessment, products are assessed from various aspects, including energy-saving, reducing components, size reduction, recyclable design, and elimination of hazardous substances. Products that meet the Voluntary Standards for Green Products defined by Advantest are certified as green products and are awarded with an Eco Label (type II).



Advantest Group Eco Label

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

Energy and Resource Saving

Voluntary Standards
 Energy saving design
 Reducing component design
 Size reduction design



Recyclable Design

Voluntary Standards
 Design with recyclable plastic materials
 Design for ease of dismantling
 Release of information on disposal

Elimination of hazardous substances (Green Procurement)

Voluntary Standards
 Improved rates of green procurement
 Elimination of banned substances

Energy and Resource Saving

We aim to reduce the environmental impact of our products through product designs with energy savings, reducing components, and size reduction.

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

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

Recyclable Design

In recyclable design, we release information on parts that will require special attention during disposal, and plastic parts designed in-house use 90% or more recyclable materials. Moreover, we make sure that products are easy to dismantle with standard tools, and we use rechargeable batteries displaying a recycling symbol.

Elimination of hazardous substances (Green Procurement)

To eliminate hazardous substances from our products, we have established Group standards on banned substances based on the IEC 62474 standard, and we conduct surveys of hazardous substances contained in parts and materials used in our products.

Advantest is building a response system for some of its products and eliminating relevant chemical substances using the results of this survey because these chemical substances are regulated by the RoHS directive as of July 2017.

In addition, there have been no emissions of gases such as PFCs due to our products because these products are testing instruments for semiconductors and not manufacturing products.

Green Products Certified During Fiscal 2017

We supplied the following products, which were certified as green products in fiscal 2017.

- T5822 Memory Test System
- T5822ES Memory Test System
- Thermal Hand Plug Unit M4871ES (Tri Temp)
- HA7300 Temperature and Pressure Unit

Reduction rates of fiscal 2017 green products – Examples

New Product model	Versus previous product	Energy efficiency improvement (%)	Reduction in components rate (%)	Reduction in size rate (%)
M4871ES (Tri Temp)	M4871ES (Dual Temp)	76	70	84
HA7300	HA7200	39	42	32

Note: The reduction rates given above are the values resulting from the performance conversion.

Introducing One of Advantest's Green Products

HA7300 test cell

The latest automobiles demand high environmental as well as safe and reliable performance. Better functionality and performance is necessary for highly precise and highly reliable vehicle sensors. The HA7000 test cell series provides test cells offering high-speed, high-accuracy testing for a wide range of vehicle sensors.

Moreover, building small-size systems which are as compact as the various sensors eliminates the need for large furnaces used in conventional tests as well as other equipment. Supporting minimum investment such as a broad product line-up and adaptability to production volume also allows dramatic energy savings and optimization (down-scaling) of equipment.

The HA7300 test cell provides a high-speed, high-precision temperature and pressure test environment to test pressure-difference sensors by adopting a temperature impression part unique to Advantest that is able to control temperature of eight units simultaneously as well as a newly developed 2-port pressure controller and pressure impression nozzle.

Compared to the conventional HA7200 series, the HA7300 series succeeds in 32% performance-based miniaturization of test cells, 42% reduction of components and a 39% reduction of energy.



HA7300 test cell

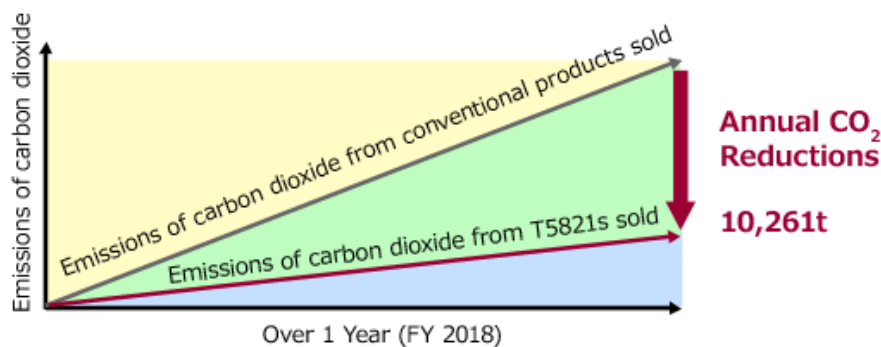
Environmental Contributions of Green Products

Green products from the Advantest Group contribute to the reduction of the environmental burden by achieving energy savings, resource conservation, and miniaturization compared to conventional products. We have learned the greatest environmental impact of the primary products from the Advantest Group such as testers and handlers is made up of the electric power consumption on customer sites, which makes up 97% of the electric power consumption, based on the LCA results.

The energy savings for Advantest green products contributes greatly to the reduction of greenhouse gas emissions (CO₂) compared to conventional products. This reduction data is only for this fiscal year, but our B-to-B products are generally used for upwards of 10 years, which we believe will have an even greater impact on reducing the environmental load.

Examples of Effective Reductions to CO₂ Emissions via Green Products

The T5821 (green product certified in fiscal 2016) sold in fiscal 2017 provided annual reductions of GHG emissions (estimate)



* The amount of reductions given above are the values resulting from the performance conversion.

Note: Calculation Method of Reductions in Greenhouse Gases

$$\text{CO}_2 \text{ Reduction (kg/Year)} = \text{Conventional Product Power (kW)} \times \text{Energy Efficiency of New Products} \times \text{Number of New Products Sold (Units/Year)} \times \text{Annual Hours of Operation} \times \text{CO}_2 \text{ Calculation Coefficient (kg/kWh)}$$

Environmental Risk and Chemical Substance Management

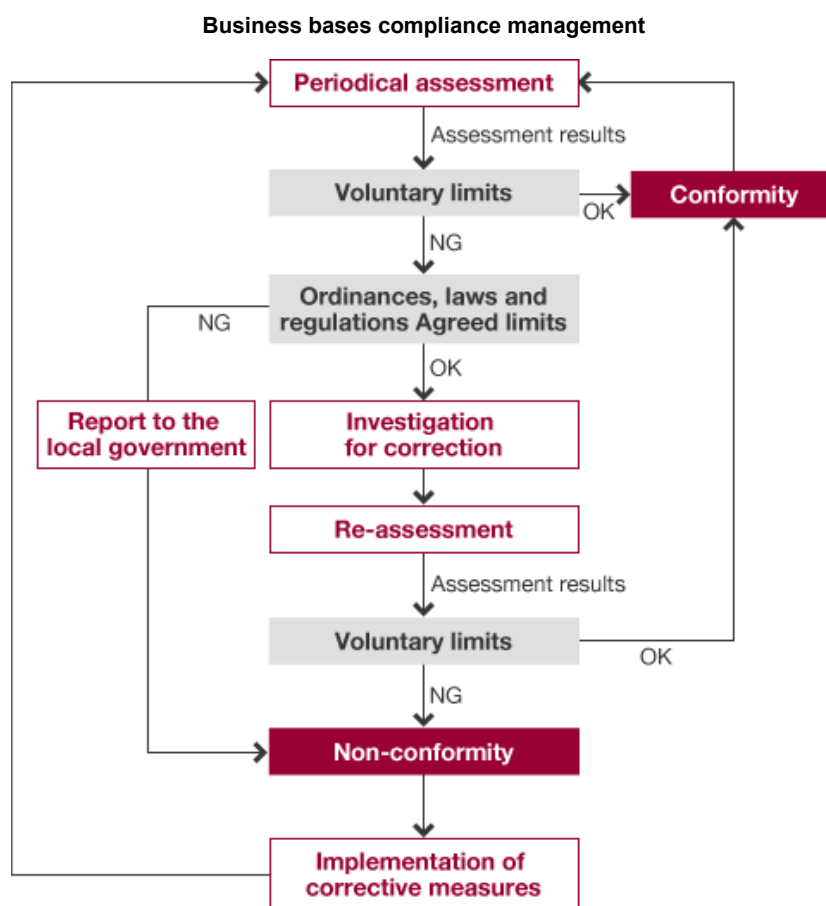
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Basic Policy for Environmental Risk Management

The Advantest Group sets voluntary standards more stringent than prevailing environmental laws and regulations, and implements such standards in the course of operating equipment that could potentially impact the environment, and in monitoring and assessing those operations.

Furthermore, to ensure that we can respond without hesitation should an environment-related incident occur, we have forged rules for addressing such risks, stipulated in documented operating procedures and chemical substance emergency-response procedures and other such guidelines, and have put management systems in place related to those rules.

Moreover, our employees and contractors handling particularly high risk operations regularly take part in specialized training and emergency drills, which are conducted to ensure that they are able to act swiftly in the event of an emergency.



There were no cases which exceed our voluntary standards for air and water quality in fiscal 2017.

Items	Scope	FY2013	FY2014	FY2015	FY2016	FY2017
Emissions into the atmosphere	Japan	0	0	0	0	0
Waste Water to Water Area	Japan	0	0	0	0	0

Basic Policy for Chemical Substance Management

We are working to ensure safety management and compliance with laws and regulations in the use and storage of chemical substances used at Advantest Group business locations.

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

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

Furthermore, we plan to build up our global management system as we strive to achieve the same level of risk management overseas as in Japan.

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

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



Strict chemical controls

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



Controls applied to each and every container

Adopt the high-precision management methods in line with the different level of risk posed by different chemical substances

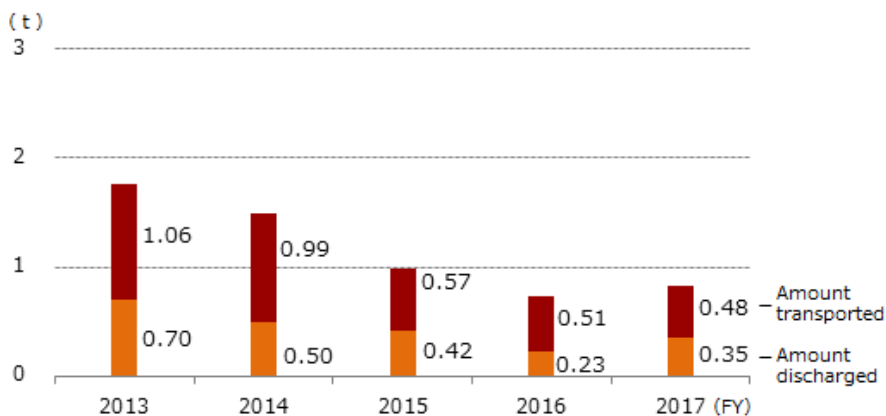
We implement training in chemical substance handling for Advantest Group employees, ensuring that employees understand how to handle particular types of chemical substances and are aware of the key points to note regarding their use. Management procedures are simplified for chemical substances that are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

Chemical substance control ranks

Rank	Conditions for application	Locked storage	Dispensary control	Inventory checks
4	Chemical substance is extremely toxic or has a profound social impact; registration with national or other government is necessary. Examples: narcotics, stimulants, etc.	Yes	Yes	As required by law
3	Chemical substance is highly toxic; any loss must be reported. Examples: poisons, deleterious substances, etc.	Yes	Yes	Monthly
2	Chemical substance is inflammable, corrosive, or poisonous with prolonged exposure. Examples: organic solvents, acids, alkalis, etc.	Yes	Yes	Twice annually
1	Chemical substance is not very harmful, but due to the large amounts used, control is necessary. Examples: solder paste, Fluorinert, etc.	–	Yes	Twice annually
0	Chemical substance is not very harmful and does not warrant special control. Examples: some adhesives, grease, lubricants, paint, lead-free solder, wire solder, bar solder, sprays (spray oil, cooling spray), etc.	–	–	–

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

PRTR Data



Implementation of General and Specialist Chemical Substance e-learning Education

We carry out general chemical substance education for employees, with the aim of making participants aware of the possibility of accidents or environmental pollution through mishandling even of everyday chemicals, and ensuring that they understand ways of reducing these risks. For employees who use chemical substances every day, we conduct a more practical specialist education every year through e-learning, from the perspective of awareness of dangers and safe handling.

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

In fiscal 2017 we conducted general education for all new employees and specialist training for 539 employees who handle chemical substances.



Materials used in training on chemical substances

<Content>

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

Recycling Resources

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Approach to Materiality in Drainage and Waste

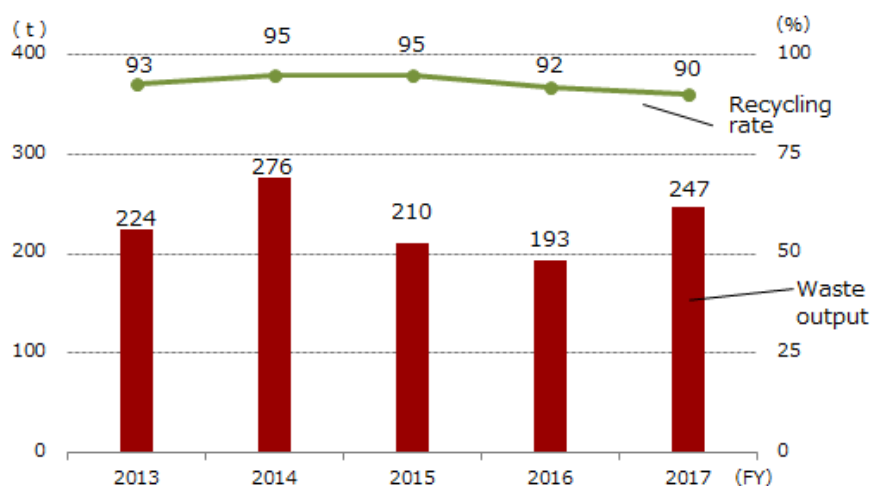
Supervising division	CSR & Environmental Affairs Promotion Office
KPI	Waste recycling rate
FY2018 target	To promote resource recycling and sustain a waste recycling rate of more than 90% at locations in Japan
FY2017 result	90%
Material Reasons	We promote 3R for resources based on the belief that contributing to a recycle-oriented society is one part of corporate social responsibility, and it positions measures for waste as an important issue.
Boundary	Advantest Group (JAPAN)
Relevant policies	Advantest Group Environmental Policy
Relevant commitments	Waste Management and Public Cleansing Act
Responsible department/division	CSR & Environmental Affairs Promotion Center/Environmental Management Officer
Management Resources	14
Relevant complaint processing policy	(Corporate Ethics Helpline)
Assessment	✓ (Maintain and manage at least 90%)

Basic Policy

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

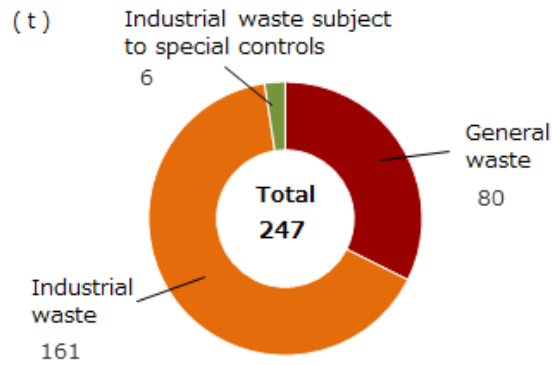
We have enhanced efforts to sort components that have been ongoing since fiscal 2009 and ensured thorough compliance as we strive to recover valuable materials from waste. The waste produced in our business activities (packaging materials, etc) is sorted into each category of waste to appropriately process after identifying the disposal procedure with the contractor and recycle each element based on the laws related to waste processing and cleaning as well as the laws and regulations in each region as a waste business operator.

Change in Waste output and recycling rate

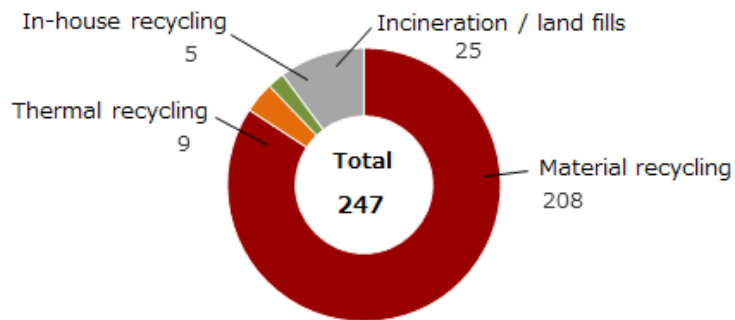


Scope of waste data: Advantest Group (business locations in Japan and overseas)

FY 2017 waste types Breakdown



FY 2017 waste treatment Breakdown



Disposal of Equipment Containing PCB

Advantest owns three capacitors, fluorescent lights and stabilizers which contain polychlorinated biphenyls (PCB), but all of the equipment which contained PCB was properly discarded and disposed of during fiscal 2017.

In September 2017, the three capacitors were transported to and disposed of by the Tokyo PCB Waste Treatment Facility.



In November 2017, 278.6 kg of stabilizers were transported to and disposed of by the Hokkaido PCB Waste Treatment Facility.



Memoranda of Understanding (MOUs) Entered into with Waste Disposal Service Providers Stipulating Exclusion of Antisocial Forces

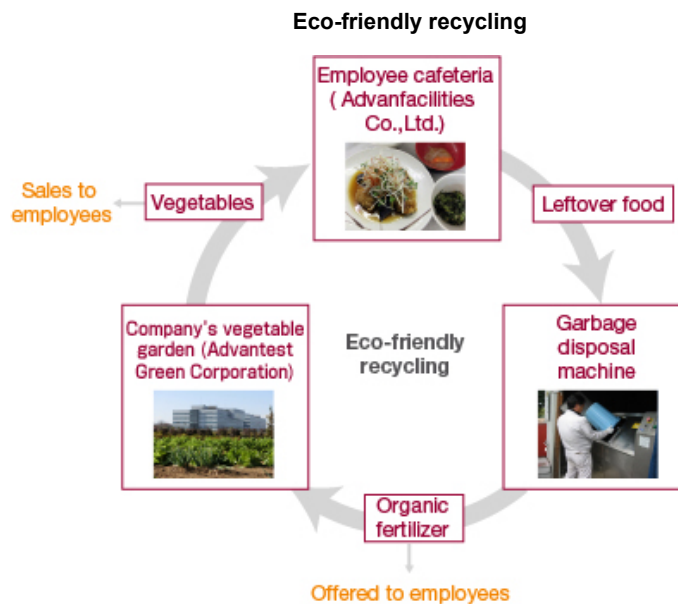
Companies have been imposing written obligations stipulating that contractual relationships may be terminated if the counterparty is found to be an anti-social organization. This is premised on ordinances established by the Tokyo Metropolitan Government and other municipalities calling for the elimination of crime syndicates.

Moreover, the Japan Business Federation (Keidanren), in calling on companies to overhaul their corporate behavior, is recommending that they conclude such written agreements as one means of ridding society of anti-social forces.

In accordance with ordinances calling for the exclusion of criminal elements and in line with recommendations of Keidanren in that regard, the Advantest Group's compliance initiatives entail concluding Memoranda of Understanding with all waste disposal service providers involved in our business dealings, stipulating that contractual relations may be terminated if it is discovered that a business partner acts as an anti-social organization.

Eco-friendly Recycling in Employee Cafeteria

We recycle the leftover food generated by the Advantest Gunma R&D Center's employee cafeteria. The leftovers are processed into compost. Some of the compost is then used to fertilize an onsite vegetable garden, and some is distributed to employees at no cost. Produce from the garden is used in meal preparation at the cafeteria. Also, used cooking oil goes to recycle operators, where it is processed into biodiesel fuel for reuse.



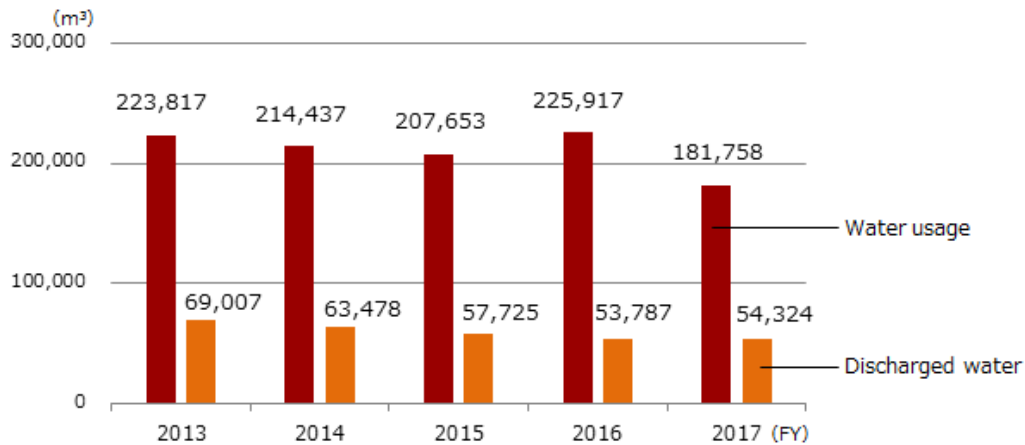
Effective Use of Water Resources

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

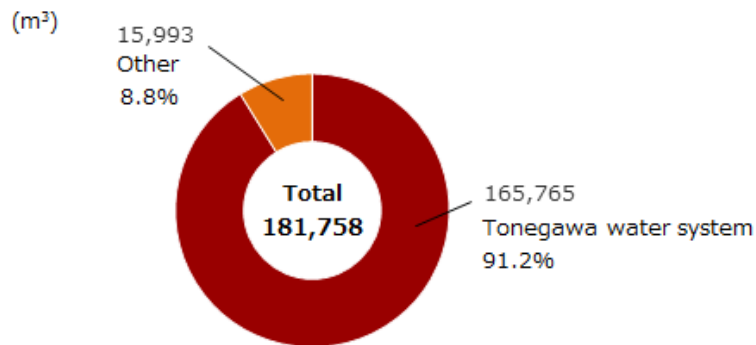
Advantest's development and manufacturing sites in Japan are located in Gunma Prefecture and Saitama Prefecture and use water resources from the Tonegawa River. In order to protect the Tonegawa River's water resources we carry out forest protection activities in the Kusatsu-machi National forest in Gunma Prefecture, the source of the river.

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

Trend in water usage/discharged water



Amount of Tonegawa River water system usage



Product Recycling

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Basic Stance

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

Recycling policy

1. Realize 100% collection of recyclables through manual dismantling
2. Make clear to whom recycling is to be commissioned, and secure traceability
3. Promote the conservation of the global environment in collaboration with customers
4. Properly dispose of harmful substances
(Hazardous substances: mercury relay, ion type smoke detector, internal cooling water, Fluorinert)

FY2017 result

During fiscal 2017, the Group recycled 3 retired products for a total of 23 tons of recycled resources, achieving 100% collection of recyclables. In addition, the Group has established recycling traceability for each discarded product. This was made possible through the cooperation of customers, intermediaries, and waste disposal businesses across the country. We will further improve work efficiency, reduce the burden on customers, and encourage environmental preservation.

Product Recycling Flow



Initiatives with Business Partners

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Approach to Materiality in Hazardous Materials

Supervising division	CSR & Environmental Affairs Promotion Office
KPI	Percentage of suppliers covered by hazardous substance surveys
FY2018 target	100%
FY2017 result	100%
Material Reasons	Advantest needs to maintain compliance to the additions and revisions of electrical and electronic regulations, including the RoHS Directive.
Boundary	Advantest Group
Relevant policies	Advantest Group Environmental Policy
Relevant commitments	All laws and regulations stipulated in IEC62474
Responsible department/division	CSR & Environmental Affairs Promotion Center/Environmental Management Officer
Management Resources	
Relevant complaint processing policy	
Assessment	✓

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

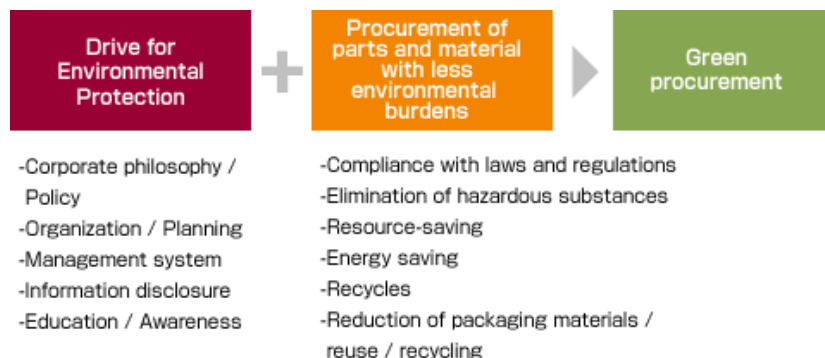
At Advantest we are striving to eliminate hazardous substances across our manufacturing activities including suppliers of components and assembly and processing partner companies, and wish to connect this to the development of green products. We engage in communication with our business partners, and formulated the Advantest Green Procurement Guidelines in fiscal 2002 to facilitate this process. We operate according to these guidelines in order to give consideration to the environmental aspects in addition to quality, cost, and delivery throughout the whole process of production, including the purchasing of the components and materials that are used for our products. In fiscal 2017 we explained the Guidelines to all business partners, including new accounts, and requested their cooperation.

We have created a database from the environmental information we received from our suppliers, and are utilizing it to promote eco-friendly product manufacturing, along with the implementation of product environmental assessments.

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

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

The Principles of the Green Procurement



Component Registration in Green Procurement

Regarding component registration, we are conducting environmental research of the procured components, with the cooperation of our suppliers. We investigate the components to find out if they contain chemical substances that can burden the environment, and promote green procurement initiatives to reduce environmental impact.

Banned and Restricted Substances

Advantest specifies the chemical substances that are prohibited from inclusion in our products or otherwise subject to restriction based on the IEC 62474* standard.

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

Survey of Suppliers on Hazardous Substances

Starting with the RoHS Directive, there have recently been additions and revisions of electrical and electronic regulations. On April 25, 2017, Advantest, in line with the revised IEC62474, revised its questionnaire on hazardous substances and informed our business partners.

Biodiversity

Sustainability Report 2018

The Advantest Group's Guidelines of Action for Biodiversity

To show our gratitude for the gift of nature that is endowed by biodiversity, and to recognize the significance of biodiversity in underpinning the prosperity and the wellness of our society, the Advantest Group will carry out initiatives in conserving biodiversity and in contributing to the sustainable use of biological resources.

1. Understanding Environmental Impact

We identify, evaluate and share information on any aspects that may have a significant impact on biodiversity in the entire lifecycle of our business activities.

2. Understanding Biodiversity

We increase awareness and understanding of biodiversity among all employees so that they are able to engage in activities that give consideration to biodiversity in their business activities and daily lives.

3. Reduction of Environmental Impact

By seeking highly effective measures, and by carrying them out continuously, we reduce the impact of our business activities on biodiversity.

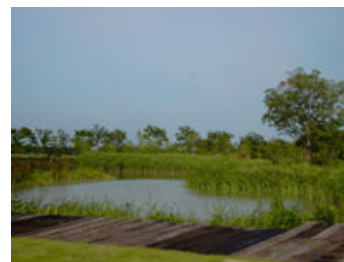
4. Cooperation with Stakeholders

We cooperate with a variety of stakeholders such as the government, educational organizations, NPOs, local residents and our business partners to promote activities related to the conservation of biodiversity.

Biotope

Reflecting our commitment to living in harmony with nature, in 2001 Advantest established a biotope eco-park in Gunma R&D Center, with the aim of helping to recreate the original, natural landscape of the Kanto Plain, a landscape that is being lost to development; this biotope is the largest of its kind established by any private-sector company in Japan.

Advantest's biotope provides a venue in which Advantest employees can learn about the importance of protecting the global environment; the biotope is also used as a means of fostering communication with local residents.



* Biotope: "Biotope" is an English loanword deriving from the German word "biotope" (life) and "topos" (place).

▶ [Advantest's biotope](#)

Hold Nature Observation Events in the Biotope

Since 2005, Advantest has been holding nature observation events for elementary schools located near its sites, using the biotope as a venue for communicating with surrounding communities. Participants in these events learn what kinds of plants and animals live in the biotope by conducting a search. They also fish for crayfish to reduce the number of non-native species such as American crayfish, which encourages them to consider the importance of biodiversity. Every year, about 150 children and teachers/guardians from two neighboring elementary schools take part in our nature observation event. We plan to continue this activity, making it a centerpiece of cooperation with the community



Conservation Activity to Protect Japanese Red Pine Trees at the Advantest Laboratories

Within the grounds of the Advantest Laboratories Ltd. facility (in Sendai City, Japan), there are approximately 80 naturally-growing Japanese red pine trees, which are about 100 years old and grow to a height of around 30 meters.

This Japanese red pine grove was designated a Protected Forest by Sendai City Government in 2007. To help ensure the maintenance of a rich natural environment, Advantest is working to conserve these Japanese red pine trees and the creatures that live in and around them.



"Kusatsu Therapy Forest" Forest Conservation Activity

Every year since 2007, Advantest has been implementing the "Kusatsu Therapy Forest" National Forest Conservation Activity in Gunma Prefecture. Besides providing an opportunity to strengthen Advantest employees' awareness of the importance of environmental activities, this activity also contributes to preventing forests from becoming degraded, conserving water resources, and enhancing forests' ability to sequester carbon dioxide.



Tropical Rainforest Conservation Activity in Malaysia (Borneo)

To mark the 50th anniversary of the company's founding, in 2005 - 2008 Advantest implemented a Dipterocarp hardwood tree reforestation activity aimed at helping to regenerate tropical rain forest. From 2009 to 2016, Advantest has continued to assist with maintenance management, including surveys of plant growth status, undergrowth control, etc. in collaboration with the Sabah Forestry Development Authority (SAFODA) of Sabah State (Malaysia).



Environmental Impact Assessment

Advantest records and assesses the environmental burden on the area surrounding its business establishments in accordance with ordinances and pollution control agreements.

In addition, we are managing plants and cultivating biotope at our business establishments while making considerations to biodiversity.

Environmental Accounting Results

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Japan

Scope: 8 domestic bases (including affiliated companies)

Period: April 2017 to March 2018

Unit: ¥1,000

Category	Major activities	Capital investment		Costs		
		FY2016	FY2017	FY2016	FY2017	
Environmental conservation costs	1) Business area costs					
	(1) Pollution prevention costs	Installation, repair, environmental assessment, and maintenance of pollution, prevention facilities	0	0	32,003	39,594
	(2) Global environmental conservation costs	Installation of energy-saving equipment and facilities	13,550	22,436	12,439	20,948
	(3) Resource recycling costs	Disposal and recycling of waste; construction of water supply facilities	0	0	25,019	29,717
	2) Upstream / downstream costs	Green procurement and purchasing; introduction and development of recycled packaging materials	0	0	0	0
	3) Administrative costs	Operation of Environmental Management System; management of the biotope; disclosure of environmental information	0	0	58,710	58,037
	4) R&D costs	R&D of environmentally friendly products and production technologies	0	0	3,845	2,350
	5) Social activity costs	Tree-planting in the surrounding areas	0	0	2,568	2,970
	6) Environmental remediation costs	Environmental remediation; penalties or litigations concerning environmental conservation	0	0	0	0
	Total		13,550	22,436	134,584	153,616

Category	Major Activities	FY2016	FY2017	
Environmental conservation benefits	1) Economic benefits		Benefit amount	
	(1) Energy cost savings benefits	Installation of energy-saving equipment and facilities; implementation of energy-saving measures	1,879	2,822
	(2) Revenue from sale of recycled materials	Sale of recovered metals, etc.	15,834	15,278
	(3) Waste disposal cost savings benefits due to reduced waste volumes	Reduction benefits of wastewater disposal costs through the use of discharged water treatment facilities, etc.	3,989	2,030
	(4) Publicity benefits from media coverage	Coverage by newspapers	925	1,274
	Total		22,627	21,404
	2) Physical benefits		Volume reduced / effectively used	
	(1) Power consumption reduction benefits	Power consumption reduction through installation of energy-efficient equipment and facilities and adjustment of operation	Equipment: 104 (MWh)	Equipment: 170 (MWh)
	(2) Energy consumption reduction benefits	Energy consumption reduction through installation of energy-saving equipment and facilities and adjustment of operation	Equipment: 376 (GJ)	Equipment: 612 (GJ)
	(3) CO ₂ emission reduction benefits	CO ₂ emission reduction through installation of energy-saving equipment and facilities and adjustment of operation	Equipment: 52 (t-CO₂)	Equipment: 81 (t-CO₂)
	(4) Effective utilization of resources	The total quantity of waste metals, office paper, waste plastics, and other resources recycled	242 (t)	277 (t)
	(5) Effective utilization of waste	The percentage of waste recycled to the total volume of waste generated at sites	93 (%)	90 (%)

Overseas

Scope: Overseas affiliates 9 companies

Period: April 2017 to March 2018

Unit: ¥1,000

Category		Major Activities	Costs
			FY2017
Environmental conservation costs	Global environmental conservation costs	Installation of energy-saving equipment and facilities; improvement of facilities	9,291
	Resource recycling costs	Waste disposal costs, etc.	8,028
	Administrative costs	Operating environmental management system utilization; environment-related seminars	10,422
	Social activity costs	Clean-up activities in the surrounding areas; donations to civil society organizations	2,538
	Total		30,279

Category		Major Activities	FY2017
Environmental conservation benefits	1) Economic benefits		Benefit amount
	(1) Power cost reduction benefits	Power cost reduction through installation of energy-saving equipment and facilities	3,480
	(2) Revenue from sale of recycled materials	Sale of recovered metals, etc.	202
	2) Physical benefits		Volume reduced
	(1) Power consumption reduction benefits	Power consumption reduction through installation of energy-saving equipment and facilities	1,412 (MWh)
	(2) CO ₂ emission reduction benefits	CO ₂ emissions reduction through installation of energy-saving equipment and facilities	530 (t-CO ₂)

Environmental Related Data

Advantest keeps tabs of the company's annual environmental burden, using such numerical data to pinpoint areas where our operations are impacting the environment so that we can introduce measures and policies to reduce our environmental load.

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Material Flow (FY2017)

Japan

INPUT			
Energy	362,847 GJ	Raw materials	
· Power	34,771 MWh	· Iron	1149.7 t
· Heavy oil	268 kl	· Aluminum	253.1 t
· Gas	331,076 m ³	· Copper	131.9 t
		· Resins	134.5 t
		· Others	102.2 t
Packing material		Others	
· Cardboard	34.7 t	· Water usage	181,758 m ³
· Strengthened cardboard	477.6 t	· Ultra pure water	1,288 m ³
· Plastic	11.5 t		
· Air caps	4.1 t		
· Others	23.5 t		

Research, development and design	Material procurement	Assembly, adjustment, and inspection	Packaging and logistics	Sales Customer Support
Environmental Initiatives	Environmental Initiatives	Environmental Initiatives	Environmental Initiatives	Environmental Initiatives
· Green product development	· Green product development · Environmental laws and regulations compliance (RoHS Directive, REACH regulation)	· Reduction of waste · Energy-saving · Water pollution prevention · Environmental risk management	· Reduction of packaging material · Modal shift · Efficiency of logistics	· Reduction of packaging material · Change to low emission company-owned vehicles · Provision of product recycling system

OUTPUT			
Product		Waste	
Number of green product models certified	10 models	· Total Quantity	247 t
		· Final disposal amount	25 t
		· Recycling rate	90 %
Emissions into the atmosphere		Others	
· CO ₂	18,729 t-CO ₂	· Discharged water	54,324 m ³
· PFCs	339 t-CO ₂	· BOD	0.2 t
· NOx	0.9 t	· COD	0.2 t
· SOx	0.7 t	· Substances subject to PRTR	0.8 t

Overseas

INPUT			
· Energy	404,419 GJ	· Power	36,470 MWh
· Heavy oil	45 kl	· Gas	897,425 m ³
· Water	67,310 m ³		

OUTPUT			
· CO ₂	16,540 t-CO ₂	· Total waste	193 t
		· Recycling rate	61 %

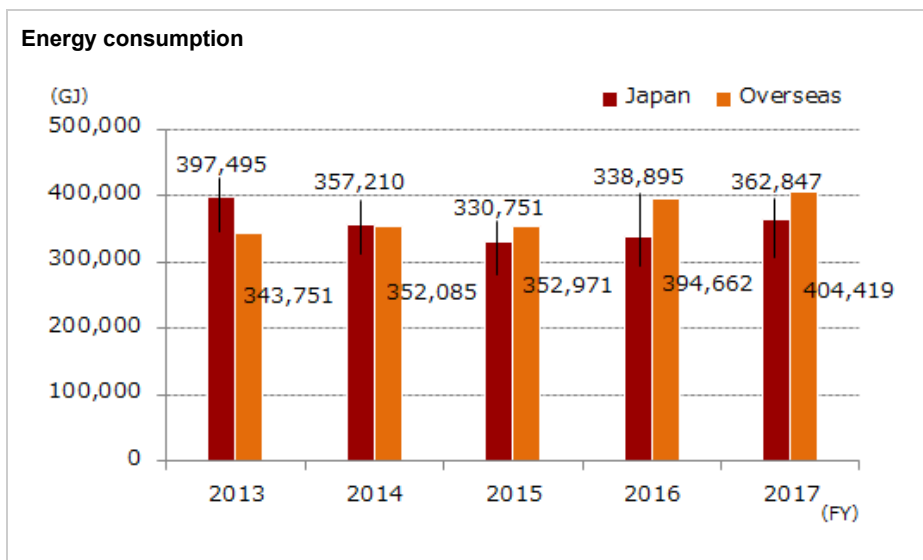
Environmental Burden Data

Scope of Data

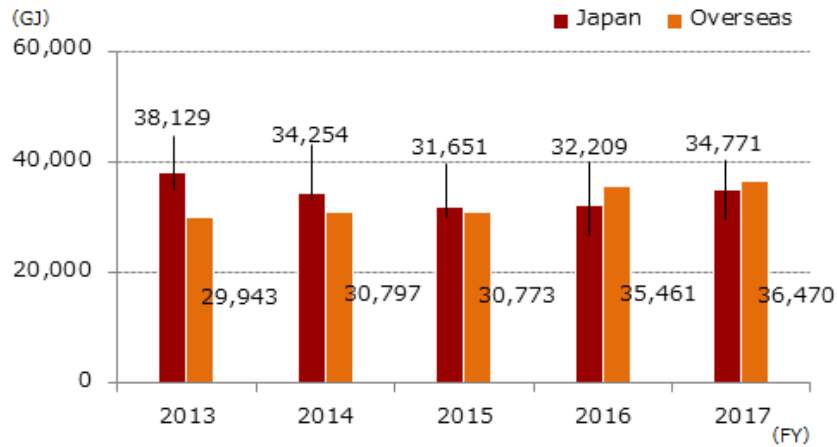
Items	Scope	FY2013	FY2014	FY2015	FY2016	FY2017
Scope of Data (Including affiliates in Japan)	Japan	12 bases	11 bases	9 bases	8 bases	8 bases
	Overseas	Major Overseas Affiliates 9 companies				

Energy Consumption and Power Generation

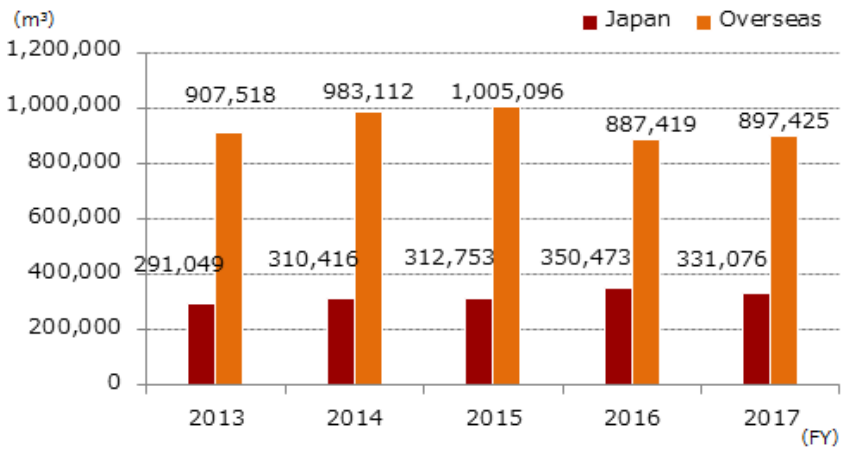
Items	Scope	FY2013	FY2014	FY2015	FY2016	FY2017
Energy consumption (GJ)	Japan	397,495	357,210	330,751	338,895	362,847
	Overseas	343,751	352,085	352,971	394,662	404,419
	合計	741,246	709,295	683,722	733,557	767,266
Electricity consumption (MWh)	Japan	38,129	34,254	31,651	32,209	34,771
	Overseas	29,943	30,797	30,773	35,461	36,470
	Total	68,072	65,051	62,423	67,670	71,241
Gas consumption (m ³)	Japan	291,049	310,416	312,753	350,473	331,076
	Overseas	907,518	983,112	1,005,096	887,419	897,425
	Total	1,198,567	1,293,528	1,317,849	1,237,892	1,228,501
Heavy oil consumption (kl)	Japan	367	259	228	263	268
	Overseas	61	25	32	64	45
	Total	428	285	260	327	313
Green purchasing of electricity (MWh)	Japan	0	0	0	0	0
	Overseas	12,000	9,900	9,500	9,200	9,200
	Total	12,000	9,900	9,500	9,200	9,200
Power generation of solar power generation systems (MWh) Total Electric Power Sales Overseas	Japan	0	0	0	0	0
	Overseas	330	1,504	1,439	1,493	1,494
	Total	330	1,504	1,439	1,493	1,494



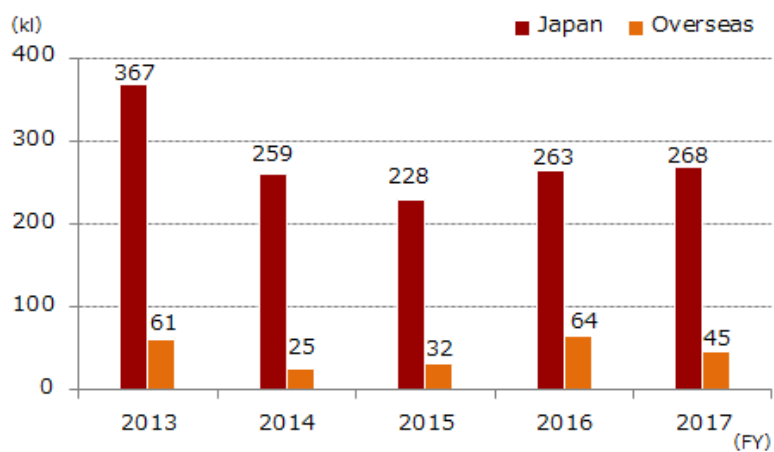
Electricity consumption

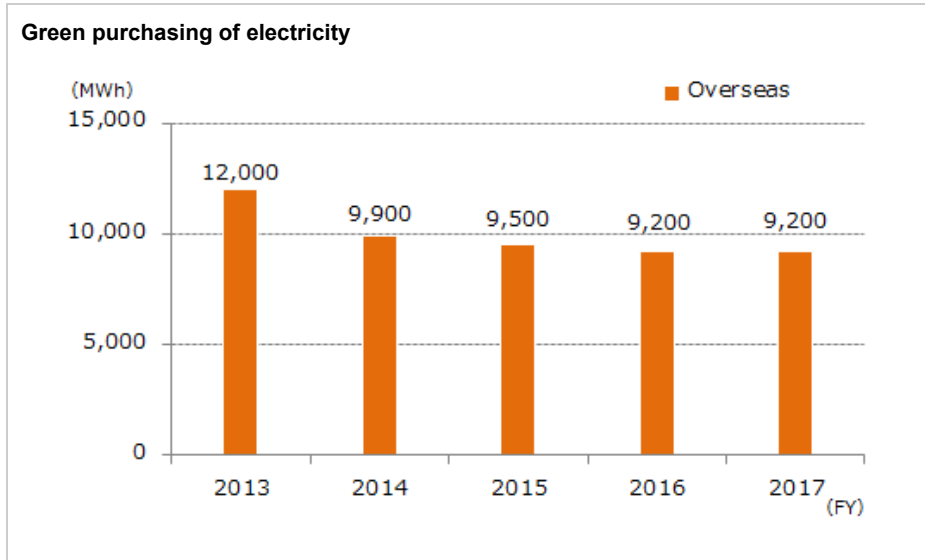


Gas consumption



Heavy oil consumption



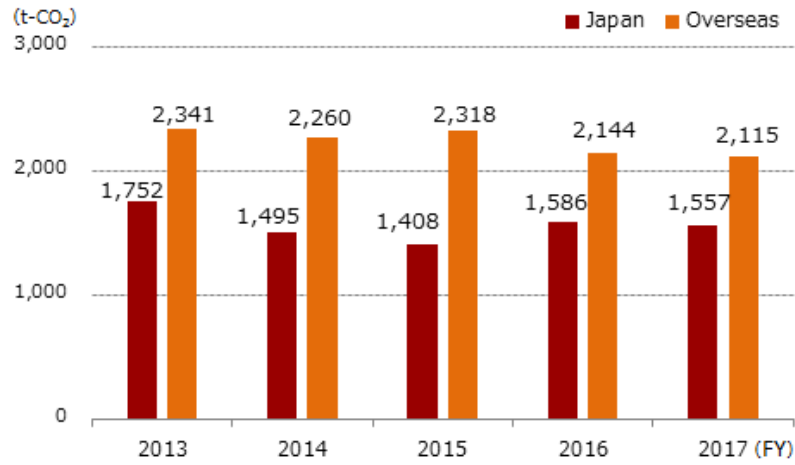


CO₂ emissions

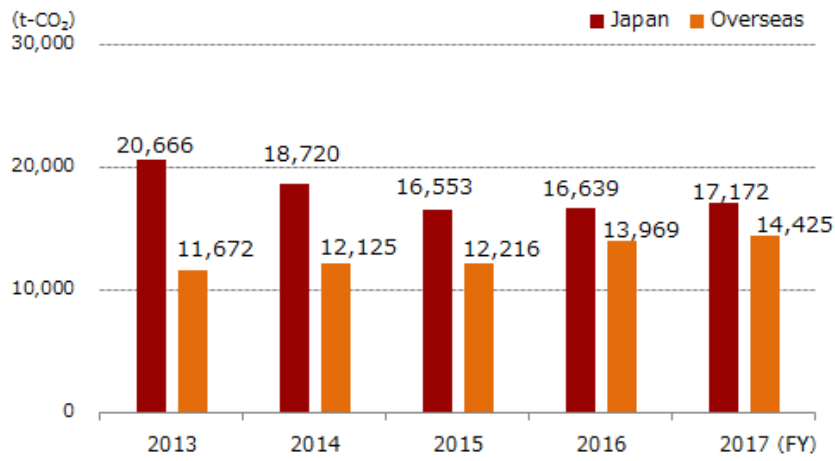
Items	Scope	FY2013	FY2014	FY2015	FY2016	FY2017
Scope 1 + Scope 2 CO ₂ emissions (t-CO ₂)	Japan	22,418	20,215	17,961	18,225	18,729
	Overseas	14,013	14,385	14,534	16,113	16,540
	Total	36,431	34,600	32,495	34,338	35,268
Scope 1 CO ₂ emissions (t-CO ₂) (Fuel: Heavy oil + Gas)	Japan	1,752	1,495	1,408	1,586	1,557
	Overseas	2,341	2,260	2,318	2,144	2,115
	Total	4,093	3,755	3,726	3,730	3,672
Scope 2 CO ₂ emissions (t-CO ₂) (Electric Power)	Japan	20,666	18,720	16,553	16,639	17,172
	Overseas	11,672	12,125	12,216	13,969	14,425
	Total	32,338	30,845	28,769	30,608	31,597
Scope 3 CO ₂ emissions (t-CO ₂)	Japan	266	282	3,719	3,839	3,808
	Product distribution	133	149	169	178	252
	Commute	–	–	3,423	3,495	3,439
	Company-owned vehicles	133	133	127	165	117
GHG emissions produced in non-energy related activities (t-CO ₂)	Japan	2,172	2,384	1,085	940	339
	PFCs	2,114	2,319	1,043	894	282
	SF6	58	65	42	46	58

Calculation of CO₂ emission	• The emission factor used is based on calculation, reporting and policies for CO ₂ emission.
	• The emissions factor from electric power consumption at overseas bases uses the emissions factor of 0.000375t-CO ₂ /kWh.

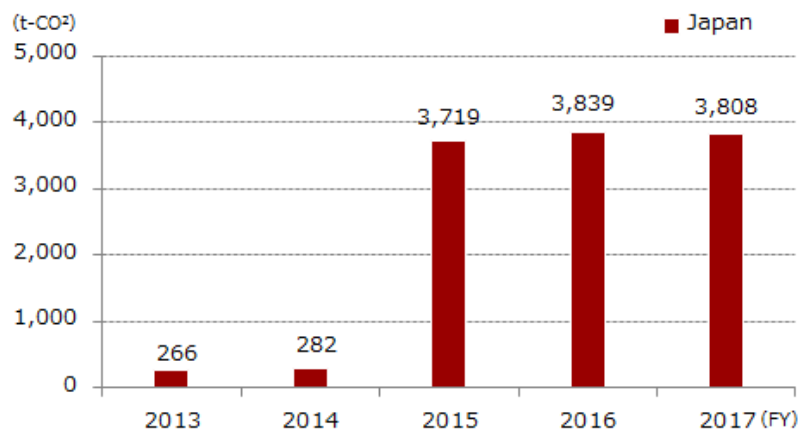
CO₂ emissions (Scope 1)



CO₂ emissions (Scope 2)

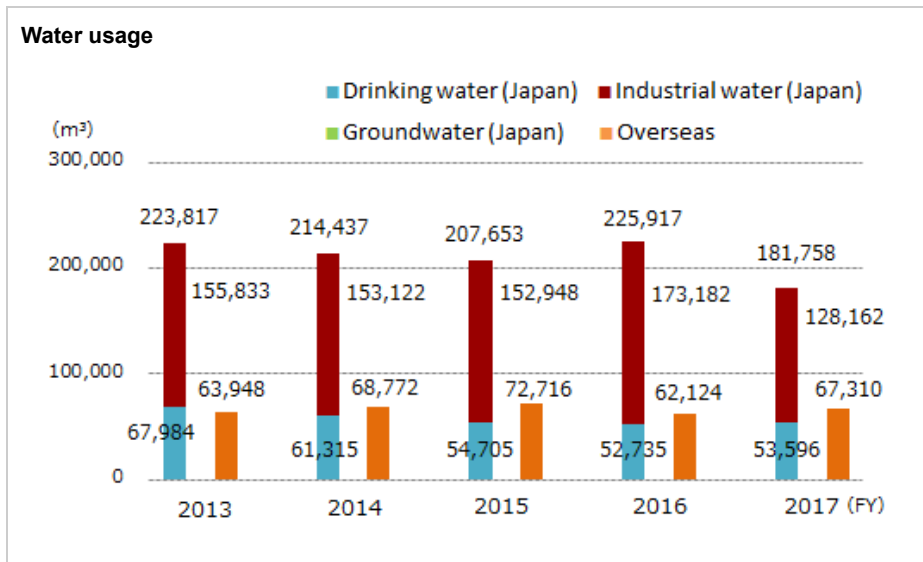


CO₂ emissions (Scope 3)



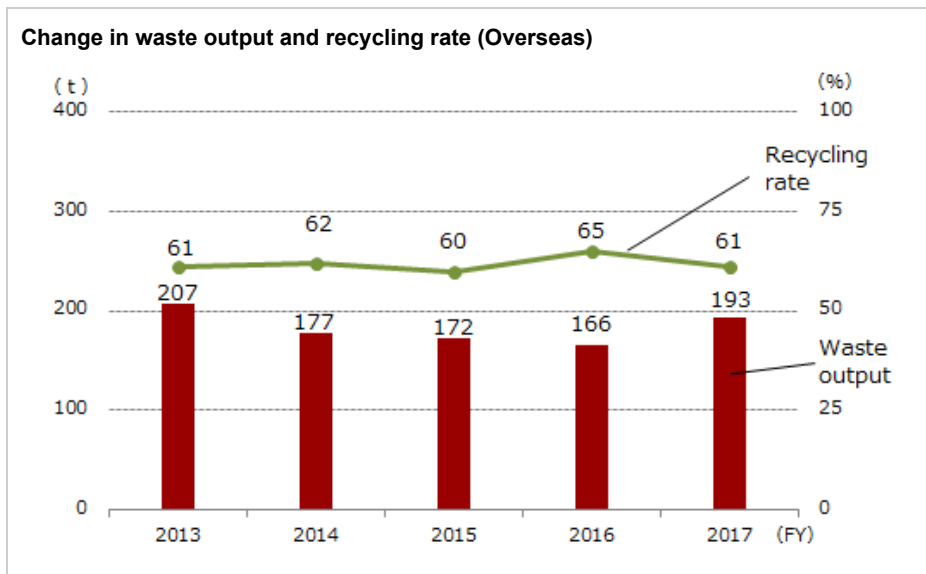
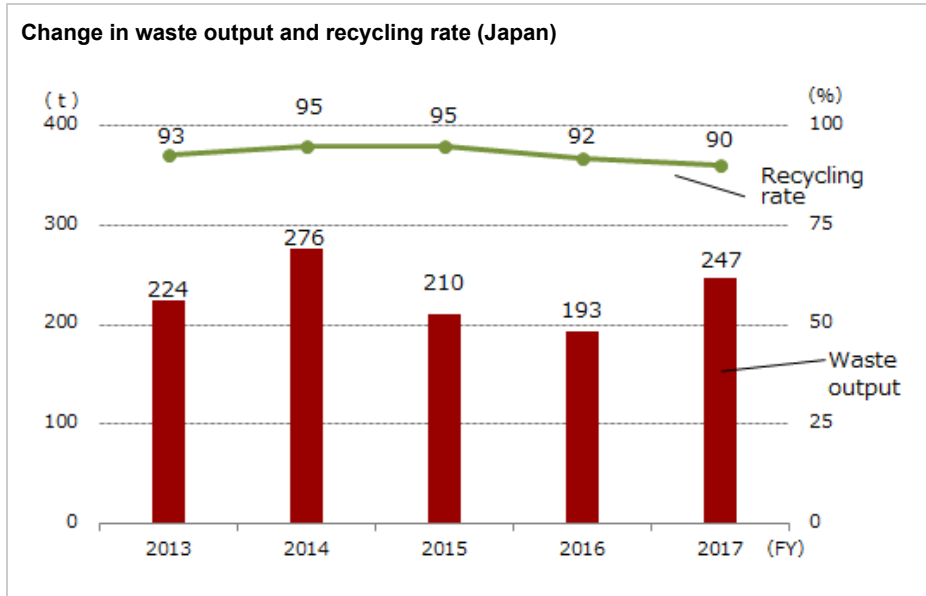
Water usage

Items	Scope	FY2013	FY2014	FY2015	FY2016	FY2017
Water usage (m ³)	Japan	223,817	214,437	207,653	225,917	181,758
	Drinking water	67,984	61,315	54,705	52,735	53,596
	Industrial water	155,833	153,122	152,948	173,182	128,162
	Groundwater	0	0	0	0	0
	Overseas	63,948	68,772	72,716	62,124	67,310
	Total		287,765	283,209	280,369	288,041
Ultra pure water usage (m ³) (Purification of drinking water)	Japan	2,797	2,615	1,579	1,358	1,288



Waste emissions

Items	Scope	FY2013	FY2014	FY2015	FY2016	FY2017
Waste output (t)	Japan	224	276	210	193	247
	Overseas	207	177	172	166	193
	Total	431	453	382	359	440
Hazardous waste output (t) (Industrial waste subject to special controls)	Japan	11	17	7	8	6
	Overseas	0	0	0	0	0
	Total	11	17	7	8	6
Waste output and recycling rate (t)	Japan	208	262	200	178	222
	Overseas	125	109	103	107	118
	Total	333	371	303	285	340
Recycling rate (%)	Japan	93%	95%	95%	92%	90%
	Overseas	61%	62%	60%	65%	61%
Discharged water (m ³)	Japan	69,007	63,478	57,725	53,787	54,324
	Sewage system	21,963	26,440	19,601	15,745	15,993
	Public water area	47,044	37,038	38,124	38,042	38,331



Incidents Over the Standard Value of Air and Water Quality

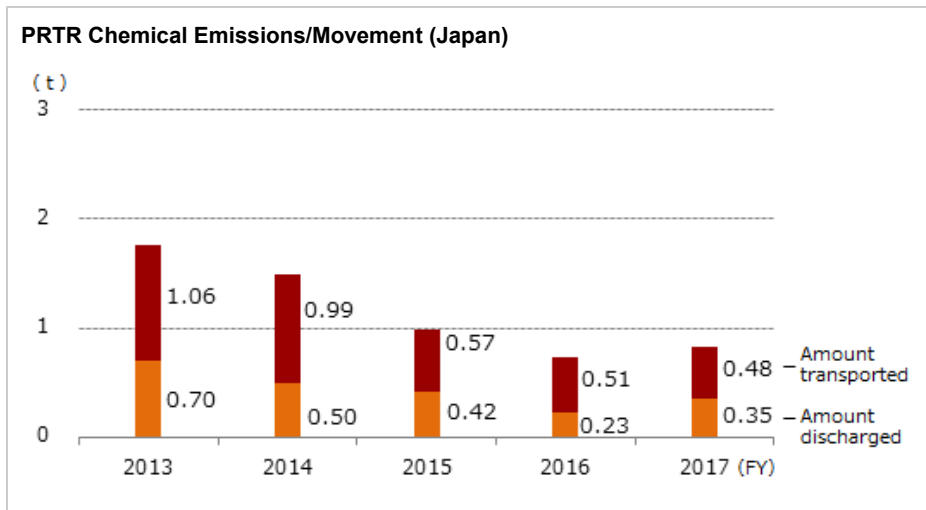
Items	Scope	FY2013	FY2014	FY2015	FY2016	FY2017
Emissions into the atmosphere	Japan	0	0	0	0	0
Waste Water to Water Area	Japan	0	0	0	0	0

Emissions of air and water pollutants

Items	Scope	FY2013	FY2014	FY2015	FY2016	FY2017
Emissions into the atmosphere NOx (kg)	Japan	447	658	357	683	909
Emissions into the atmosphere SOx (kg)	Japan	499	527	369	431	663
Emissions into the atmosphere Soot and dust (kg)	Japan	8	7	10	8	9
Waste Water to Water Area (BOD)	Japan	730	642	329	132	234
Waste Water to Water Area (COD)	Japan	235	130	217	149	160

PRTR Data

Items	Scope	FY2013	FY2014	FY2015	FY2016	FY2017
PRTR Chemical Emissions (t)	Japan	0.70	0.50	0.42	0.23	0.35
PRTR Chemical Movement (t)	Japan	1.06	0.99	0.57	0.51	0.48



Statement on the EU-RoHS Directive

Sustainability Report 2018

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

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

We are in compliance with the European RoHS Directive*.

Advantest's semiconductor testers and handlers are classified as Large-Scale Stationary Industrial Tools (LSSIT) under the EU-RoHS directive, and as such are exempt from the directive's provisions. Nevertheless, on the basis of our commitment to environmental conservation, we continue working toward further elimination of hazardous substances from these product lines.

* Certain exemptions aside, the European Union Directive 2011/65/EU on the restriction of the use of certain hazardous substances (RoHS) in electrical and electronic appliances and respective revisions currently restrict the use of six substances in such products:

- Lead (Pb)
- Hexavalent chromium (Cr VI)
- Mercury (Hg)
- Polybrominated biphenyl (PBB)
- Cadmium (Cd)
- Polybrominated diphenyl ether (PBDE)

Management Approach


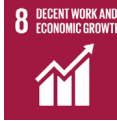

Sustainability Report 2018


Basic Stance

Advantest is supported by various different stakeholders, including customers, investors, suppliers, its employees, and the local communities in the vicinity of its business locations, etc. As a member of the civil society, Advantest bears social responsibility towards all of these stakeholders.

Recognizing this responsibility, we implement various measures based on identified materiality aspects relating to occupational health and safety, compliance, etc.

Identified Materiality Aspects and KPIs, and Targets for FY2018

Materiality Aspect	KPI	Measures implemented	Items related to SDGs
Conflict minerals	Continuing efforts to use materials where the risk that said minerals have been produced using conflict minerals is low, by asking business partners to ensure transparency in regard to the sources of materials and components, etc., and by working together with industry organizations and business partners to investigate information relating to conflict minerals (i.e. mineral processing firm information).	Procurement Practices	
Employment	Percentage of employees returning to work after taking childbirth and/or parental leave	Employment and Diversity	 
Occupational health and safety	Occurrence rate of occupational accidents (frequency)	Occupational Health and Safety	
Training and education	Average number of hours of training per employee per year	Human Resources Development, Fair Evaluation and Treatment	 
Diversity and equal opportunity	Female employees as percentage of total workforce	Employment and Diversity	 
Supplier labor practices assessment	Percentage of new suppliers that were screened using labor practices criteria.	Procurement Practices	
Non-discrimination	Number of complaints submitted to the helpline that are properly resolved	Compliance	
Supplier human rights assessment	Percentage of new suppliers that were screened using human rights criteria	Procurement Practices	

Materiality Aspect	KPI	Measures implemented	Items related to SDGs
Anti-corruption	Number of confirmed incidents of improper behavior	Compliance	
Compliance with anti-monopoly legislation	Number of incidents relating to relevant legislation	Compliance	
Compliance	Number of non-compliance instances relating to social issues	Compliance	
Supplier assessment for impact on society	Percentage of new suppliers that were screened using criteria for impacts on society	Procurement Practices	
Customer health and safety	Number of non-compliance of own safety standards	Supporting Product Safety and Quality	
Customer privacy	Number of complaints relating to information security	Risk Management	
Compliance	Number of non-compliance relating to products/services	Supporting Product Safety and Quality	

Looking Ahead to the Future

We started specific activities in fiscal 2016 and fiscal 2017 for the materiality, KPI items and targets designated in the framework recommended in The GRI Sustainability Reporting Guidelines 4th Edition from fiscal 2015.

We will further our activities to achieve our targets by continuing the PDCA cycle in fiscal 2018 by setting goals using the KPI.

Employment and Diversity

Sustainability Report 2018

Materiality in Employment and Diversity

- ▶ [Approach to Materiality in Employment](#)
- ▶ [Approach to Materiality in Diversity and Equal Opportunity](#)

Approach to Materiality in Employment

Supervising division	Human Resources Department
KPI	Percentage of employees returning to work after taking childbirth and/or parental leave
FY2018 target	100%
FY2017 result	93.3%
Material Reasons	The heart of corporate activities are the people. Advantest continually employs diverse human resources and considers the provision of a workplace for employees to reach their full potential an important measure even for improving corporate value.
Boundary	Advantest Corporation (non-consolidated) in Japan
Relevant policies	Advantest Group Basic Human Resources Philosophy
Relevant commitments	Act on Advancement of Measures to Support Raising Next-Generation Children
Responsible department/division	Human Resources Department
Relevant complaint processing policy	Human Rights Protection Committee, Human Resource Grievance Committee
Assessment	✓

Approach to Materiality in Diversity and Equal Opportunity

Supervising division	Human Resources Department
KPI	Female employees as percentage of total workforce
FY2018 target	To promote the employment of women and steadily increase the ratio of women in management roles.
FY2017 result	17.6%
Material Reasons	Advantest recognizes the acceptance of diversity in each and every employee, the elimination of discrimination, the facilitation of each individual to reach their full potential, and the provision of an enthusiastic workplace everyone can participate as vital to earning trust from society and improving corporate value.
Boundary	Japan and overseas - all employees (Consolidated)
Relevant policies	Advantest Group Basic Human Resources Philosophy
Relevant commitments	Act on Promotion of Women's Participation in Their Working Lives
Responsible department/division	Human Resources Department
Relevant complaint processing policy	Human Rights Protection Committee
Assessment	△

Human Resources Basic Philosophy

We treat our employees - each one an important asset - with respect and fairness. We also support our employees' diverse lifestyles and individual development, and we are committed to having them grow along with the Company. To protect these valuable assets and increase their value, we drafted our Human Resources Basic Philosophy in September 2000.

In addition, Advantest engages in its business activities while fully considering each principle for human rights and labor defined by the United Nations Global Compact.

Advantest Group Basic Human Resources Philosophy

At Advantest, we consider our employees to be indispensable business assets. We have established the following philosophy that underpins our personnel-related policies, and we are constantly working towards the realization of this philosophy.

1. Focusing on results

We promote a human resources system that values and emphasizes fair treatment of employees who exhibit a can-do spirit with which they overcome challenges and achieve outstanding results.

2. Taking into consideration the needs of fairness and soundness

We take constant care to ensure that all of our policies and systems are objective, fair, and sound, so that we can achieve the biggest and best results with our employees as a result.

3. Pro-actively supporting human resources development

We actively support personnel that strive for self-development through persistent hard work in order to acquire advanced specialist knowledge and a broader education.

Diversity and equal opportunity

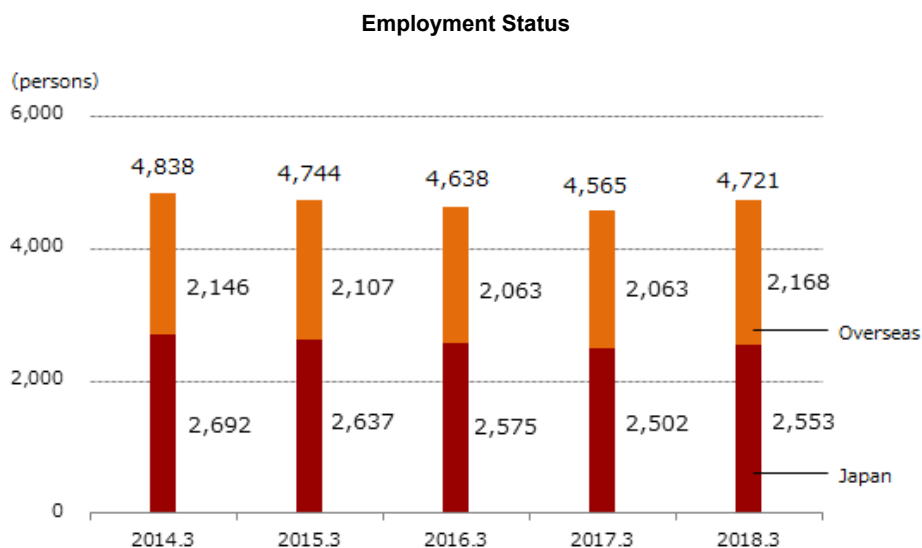
Diversity Management

Advantest accepts the diversity of its workforce and strives to create a workplace where every employee can achieve their potential and participate to the fullest. We respect all people regardless of race, creed, gender, nationality, age, sexual orientation or values while striving to facilitate a corporate climate where everyone can reach their full potential and actively participate with their own unique personality and skills.

Status of Employment

The Advantest Group pledges in its basic policy to respect the human rights of every employee and eliminate all forms of discrimination on the grounds of race, creed, gender, nationality, religion, physical disability, etc. Moreover, we are eliminating discrimination from recruitment and employee compensation practices, and striving to hire, cultivate, and promote personnel who will shine on the global stage.

The changes in the number of Advantest Group employees have been as follows.



Number of employees by region

		FY 2015			FY 2016			FY 2017				
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Ratio 1*	Ratio 2*
Japan	Japan	2,184	391	2,575	2,124	378	2,502	2,153	400	2,553	15.7%	54.1%
Overseas	Asia	652	202	854	650	197	847	710	217	927	23.4%	19.6%
	Europe	570	109	679	574	113	687	580	125	705	17.7%	14.9%
	North America	447	83	530	445	84	529	448	88	536	16.4%	11.4%
	Overseas total	1,669	394	2,063	1,669	394	2,063	1,738	430	2,168	19.8%	45.9%
Total		3,853	785	4,638	3,793	772	4,565	3,891	830	4,721	17.6%	

* Scope of data: Advantest Group

* Ratio 1: Ratio of female employees

* Ratio 2: Ratio of employees by region

Number of managers by region

		FY 2015			FY 2016			FY 2017					
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Ratio 1*	Ratio 2*	Number of local employees
Japan	Japan	537	9	546	524	9	533	513	11	524	2.1%	46.0%	522
Overseas	Asia	188	29	217	194	36	230	202	40	242	16.5%	21.3%	227
	Europe	155	11	166	166	13	179	163	14	177	7.9%	15.6%	174
	North America	176	16	192	177	16	193	176	19	195	9.7%	17.1%	175
	Overseas total	519	56	575	537	65	602	541	73	614	11.9%	13.0%	576
Total		1,056	65	1,121	1,062	74	1,135	1,054	84	1,138	7.4%		1,098

* Scope of data: Advantest Group

* Definition of manager: Level 7 or above in the ten-level employee classification system

* Ratio 1: Ratio of female employees

* Ratio 2: Ratio of employees by region

Number of employees by type of employment

	FY 2015			FY 2016			FY 2017		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Regular employee	3,766	728	4,494	3,696	718	4,414	3,705	752	4,457
Non-regular employee	87	57	144	97	54	151	186	78	264
Total	3,853	785	4,638	3,793	772	4,565	3,891	830	4,721

* Scope of data: Advantest Group

* Ratio 1: Ratio of female employees

* Ratio 2: Ratio of employees by region

Number of employees by age

	FY 2016			FY 2017		
	Male	Female	Total	Male	Female	Total
20~29	268	110	378	283	116	399
30~39	740	178	918	693	179	872
40~49	1,554	286	1,840	1,499	293	1,792
50~59	1,018	126	1,144	1,099	142	1,241
60~69	116	18	134	131	22	153
Total	3,696	718	4,414	3,705	752	4,457

* Scope of data: Advantest Group (Only regular employees)

* Ratio 1: Ratio of female employees

* Ratio 2: Ratio of employees by region

Number of new employees

		FY 2015			FY 2016			FY 2017				
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Ratio1 *	Ratio2 *
Japan	Japan	18	6	24	7	0	7	8	0	8	0.0%	4.1%
	Overseas	24	7	31	34	10	44	93	20	113	17.7%	57.7%
Overseas	Asia	8	2	10	10	5	15	26	14	40	35.0%	20.4%
	Europe	19	4	23	15	7	22	29	6	35	17.1%	17.9%
	North America	51	13	64	59	22	81	148	40	188	21.3%	95.9%
Total		69	19	88	66	22	88	156	40	196	20.4%	

* Scope of data: Advantest Group (Only regular employees)

* Ratio 1: Ratio of female employees

* Ratio 2: Ratio of employees by region

Number of Turnover Employees

		FY 2015			FY 2016			FY 2017				
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Ratio 1*	Ratio 2*
Japan	Japan	35	8	43	54	9	63	34	8	42	19.0%	32.8%
	Overseas	48	14	62	31	12	43	30	4	34	11.8%	26.6%
Overseas	Asia	9	2	11	5	3	8	24	1	25	4.0%	19.5%
	Europe	27	10	37	18	5	23	21	6	27	22.2%	21.1%
	North America	84	26	110	54	20	74	75	11	86	12.8%	67.2%
Total		119	34	153	108	29	137	109	19	128	14.8%	
Turnover rate		3.10%	4.50%	3.40%	2.90%	4.00%	3.00%	2.90%	2.60%	2.90%		

* Scope of data: Advantest Group (Only regular employees)

* Ratio 1: Ratio of female employees

* Ratio 2: Ratio of employees by region

Recruitment and Use of Global Human Resources

Advantest's business has become more global in recent years, and we aim to secure personnel who understand other cultures, have high-level communication skills, and can see business through on the global stage. As the business environment becomes more borderless, it is increasingly necessary to use personnel exchanges with overseas affiliates to promote globalism in our human resources development and corporate structure.

In this type of business environment, we are putting more effort into building systems from a worldwide perspective as well as hiring, developing and assigning human resources from a global perspective throughout the entire Group to secure and utilize human resources who are able to achieve our mission on the global stage. We continue to conduct personnel exchanges with each Group company as a way of giving employees business experience in a global environment. Through everyday business and training in both organizations, technology and know-how are shared, allowing each employee to learn more advanced technology plus adaptive skills for a diverse business environment.

Interaction between the people working at each Group company occurs not only within each occupation but frequently between each department. Advantest drafted and operates the Global Transfer Policy worldwide as a way to foster exchange between human resources throughout the Group.

As of March 2018, 10 of the 23 corporate officers who make up core management are non-Japanese, and employees from nine different countries are working at the Advantest Corporation (non-consolidated). We will continue to provide equal opportunities to all promising individuals regardless of nationality while underscoring the need to develop global personnel and global organizations through borderless promotion and personnel exchange.

Promotion and Utilization of Female Employees

We believe in always accepting diverse values and that there is a need to continue to promote change in the corporate culture to encourage active participation regardless of gender, age and nationality. However, as of March 2018 only 17.6% of overall employees and 7.4% of management are women and so expanding the employment of women is a key challenge for use.

The Advantest Corporation (non-consolidated) has a 14.7% female employee ratio with 2.0% in management roles. We aim to bring our ratio of female employees in manage roles to at least 3.4% in the general business action plan drafted in accordance with the Act on Promotion of Women's Participation in Their Working Lives enacted in fiscal 2018.

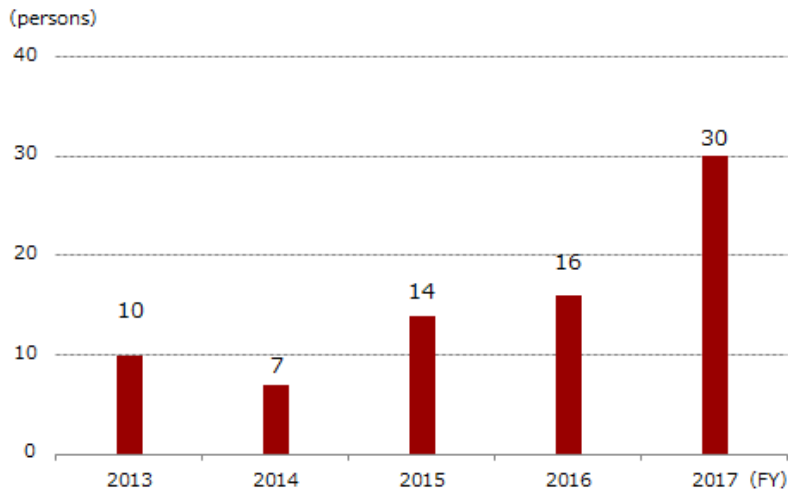
At Advantest we hire mainly engineering students where there is a high ratio of men to women, and women were not motivated to take the entrance exam through our conventional recruitment activities. Given this situation we focused on demonstrating the benefits of our company to female engineers and strengthening our appeal to women. We make a special effort to use young female employees during laboratory visits and business facility tours, thereby reducing the distance between us and the female applicants, and we emphasize the activities of female employees in our website and hiring brochure. In addition, at employment events, we explain our systems and career plans for women and describe how Advantest's female employees play an active role in the company.

As a result of these efforts, the ratio of women who make up the new employees hired in fiscal 2018 is 20%. Advantest will continue to focus our efforts to increase the ratio of female employees in the future.

Active Participation of Human Resources Over 60

Advantest has adopted a re-employment system for people who have reached the retirement age of 60 from the perspective of actively using older human resources. However, this re-employment system has been revised due to circumstances such as amendments of the Law Concerning Stabilization of Employment of Older Persons in April 2013 and the increase in the eligible age for people to start receiving their social security benefits. This system actively takes advantage of the skill and knowledge of veteran employees through proper treatment and assignments which ensure the safety of older human resources working at Advantest. Furthermore, we have devised a system to reflect an assessment of the performance of each and every person in their salary to generate motivation. This system is expected to foster performance in-line with the wages. In fiscal 2018, Advantest introduced programs for shorter work hours and work weeks based on the requests of individuals in addition to preparing systems for people to work additional jobs or conduct side businesses on their days off. Thanks to the adoption of this system, older human resources can work flexibly in a way that suits their individual lifestyles, which will help realize an even better work-life balance.

Change in users of the re-employment system



* Scope of data: Advantest Corporation (non-consolidated) The data includes only new users of the re-employment system. (Persons who used the system in previous years are not counted)

Employment of People with Disabilities

Advantest Green Corporation (AGC) was established in September 2004 as a special subsidiary of Advantest for the purpose of promoting the employment of people with disabilities. Since then, AGC has been striving to offer job opportunities for, and continuous employment of, people with disabilities under the slogan, "Support employee independence and achieve social growth in partnership with the local community."

We provide AGC employees with a pleasant working environment in operations such as landscaping, cleaning, reception duties, selling bread, deliveries, and the management of dormitories. Advantest also actively takes part in various activities in partnership with local communities and relevant organizations to create workplaces where all employees, regardless of their disability status, can work comfortably.

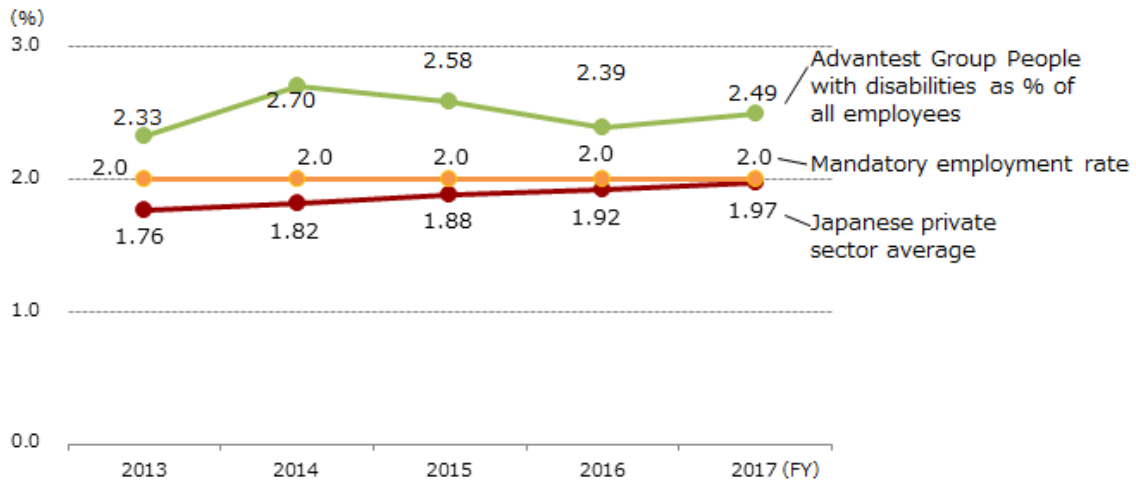
In fiscal 2017, two employees from the Advantest Green Corporation were presented with Outstanding Employee with a Disability Awards. This award commends employees with a disability who have persevered to bring about fantastic results as exemplary professionals, and it has help bring about great results as an award honoring the hard work of employees over many years.

The employment rate of persons with disabilities at Advantest is 2.49% in 2017, which surpasses the employment rate stipulated under the law. However, we will continue to actively promote further employment in anticipation of future revisions to the legal employment rate.

We have built a work-friendly environment for people with disabilities, such as standardization of operational procedures and the adoption of fill-up systems to facilitate more efficient operations while hiring new employees with intellectual disabilities for the first time in fiscal 2017. In the future, we will continue to help diverse human resources reach their full potential and strive to build an employment environment where employees with disabilities feel comfortable working. We are also considering moves into new job categories, bringing vocational trainees on board, holding on-site workshops, and otherwise pursuing initiatives that will carry over to new employment.

Even at overseas affiliates, 12 persons with disabilities are currently working with a high level of motivation.

Change in employment rate of people with disabilities



* Scope of data: Advantest Group (Japan)

Supporting Diverse Working Styles

Sustainability Report 2018

Ensuring a Good Work-Life Balance

Advantest supports its employees in their pursuit of a good work-life balance based on Japan's Act on Advancement of Measures to Support Raising Next-Generation Children. We believe that the work-life balance concept will help make the company a comfortable place to work for all employees, and will ultimately contribute to increasing our corporate value. We are therefore taking measures to reduce overtime hours and create a work environment that facilitates a good work-life balance, allowing our employees to actively pursue outside interests and become well-rounded individuals.

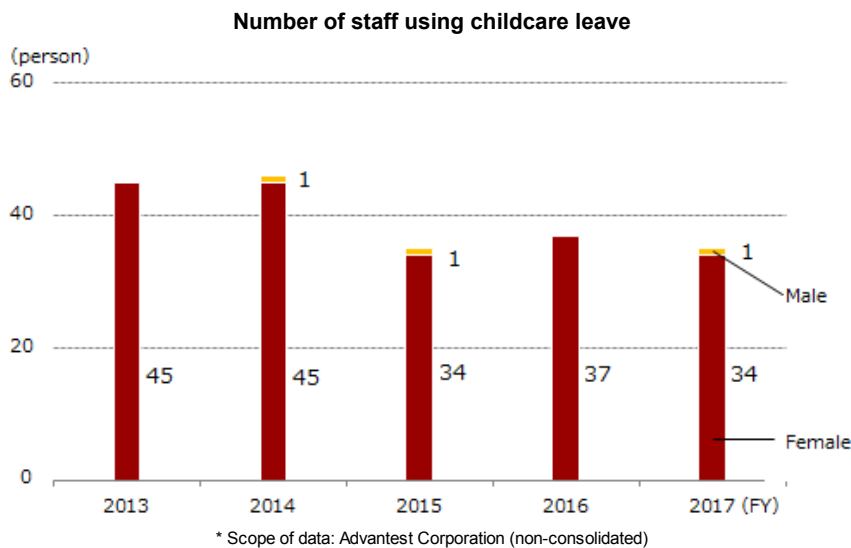
Arranging a Balanced Support System for Work and Family

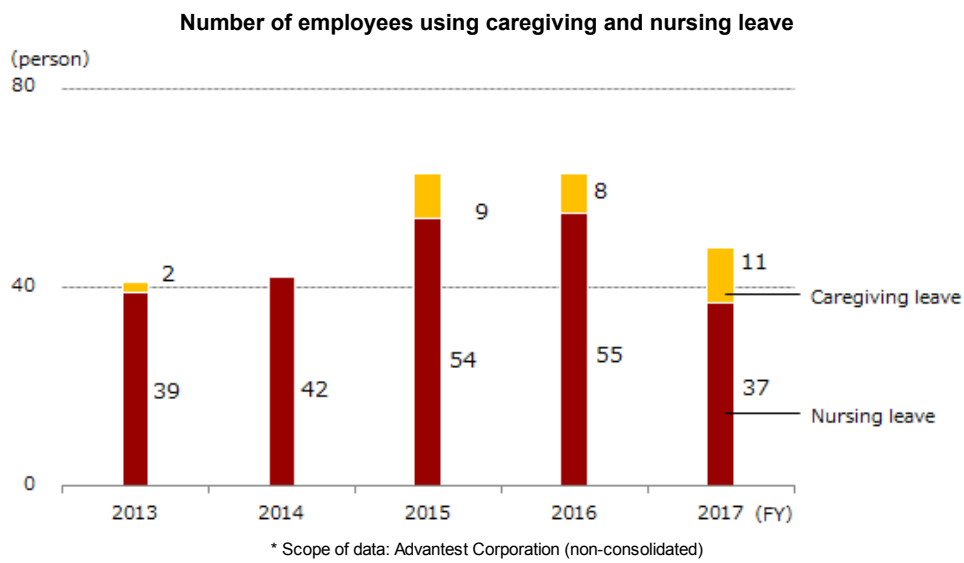
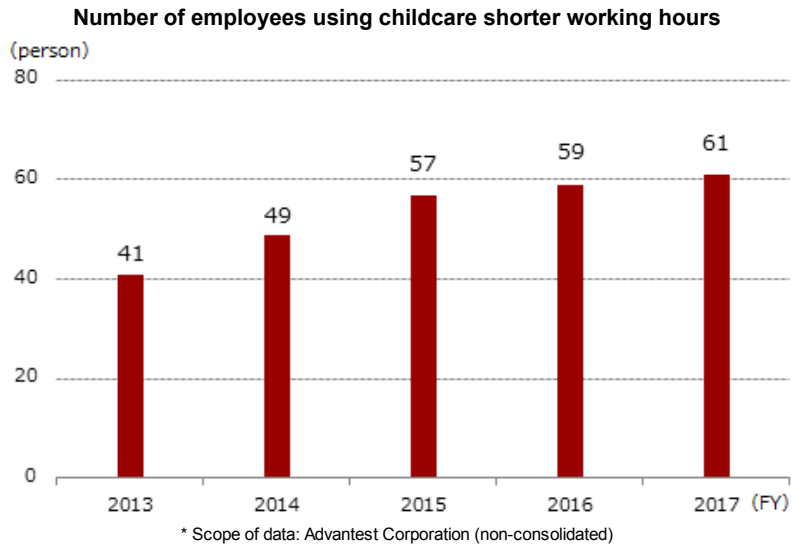
Advantest has implemented a variety of measures so that all employees, while maximizing their potential, can balance work and family (also partially includes non-regular employees).

Pregnant employees can receive 100% compensation during pregnancy visits and pregnancy complications leave as well as choose to work shorter hours if directed to by a doctor based on their symptoms. Employees who work while caring for children may use childcare leave for up to two-years and three months. In addition, employees with children up to the 3rd grade can choose shorter working hours.

It should be noted that re-employment following childcare leave was 93.3% in fiscal 2017.

Initiatives to find a work-life balance have successfully built an environment with a certain level of balance, but Advantest will continue to enhance current policies to better support both work and life while also examining the introduction of new systems. We will also actively raise awareness about these work-life balance programs and improve the number of employees taking advantage of these systems.





In 2007, we placed the Work-Life Balance Support Guide on the company intranet to spread awareness of the various programs that Advantest provides and encourage take-up. The guide also offers information on related services provided by local governments.



The Work-Life Balance Support Guide

Reducing Overtime Hours

Advantest strives to ensure employees work appropriate hours to protect their health and realize work-life balance. The Advantest Corporation (non-consolidated) set the goals specified below and then focused on increasing operational efficiency, encouraging a change in employee mindsets, and making the most of available work arrangements such as flextime and shift work while striving to reduce the amount of overtime.

Our overtime reduction goals are:

1. Number of employees with monthly overtime of 80 hours or more: zero
2. Average monthly overtime hours: 9 or fewer (excluding discretionary labor)

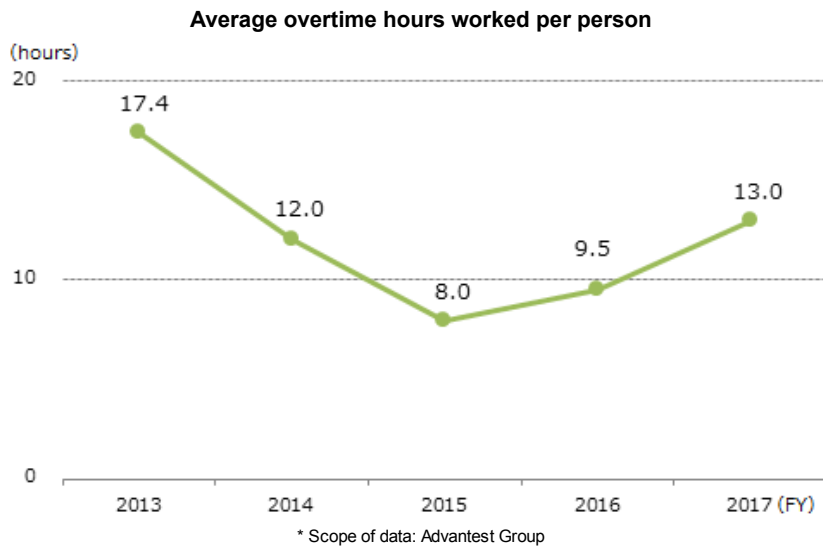
We have also made start and finish times more flexible and introduced half-day leave slots to make it easier for employees with working spouses to adjust their work schedules so that they can better share household chores and responsibilities.

In fiscal 2017, Advantest incorporate an action plan to reduce the amount of overtime based on the Act on Promotion of Women's Participation in Their Working Lives as well as the Act on Advancement of Measures to Support Raising Next-Generation Children and worked to raise awareness on the intranet. We issued notices to supervisors when employees clocked four or more hours of overtime by the 10th of the month, or seven or more hours by the 20th of the month, in an effort to further reduce overtime hours.

Although we have been engaging in these efforts, we have not succeeded in our in-house plan to have zero employees working 80 or more monthly overtime hours in fiscal 2017 as well as fewer than 9 average monthly overtime hours a month.

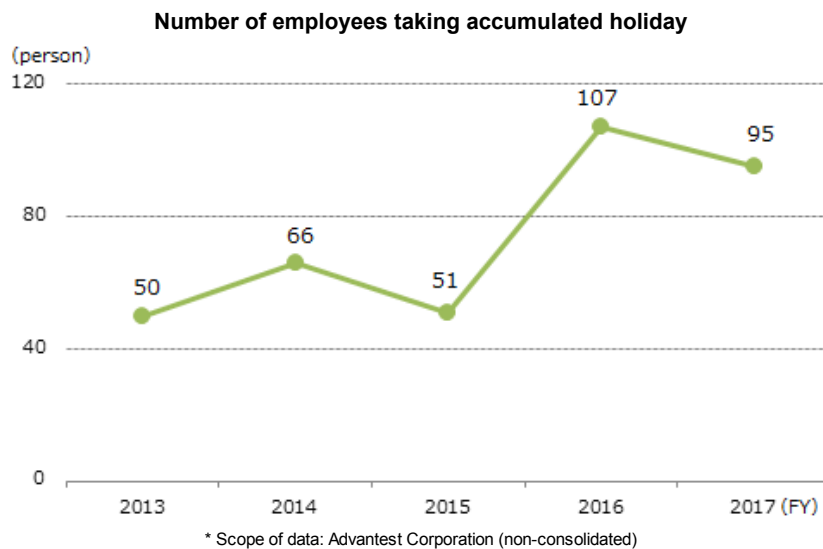
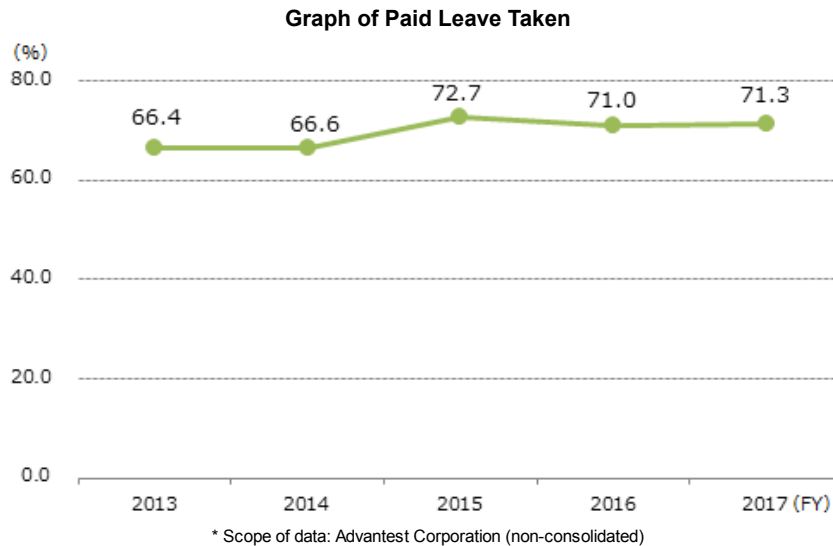
We were unable to achieve these goals due to keeping up with increased production and delivery support as well as dealing with unexpected problems.

The overtime hours per person at the Advantest Corporation (non-consolidated) in fiscal 2017 was and average of 12.8 hours as of March 2017.



Annual Paid Leave and Other Leave Systems

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



Achieving an Enthusiastic Workplace

Advantest has been striving to realize work-life balance for all employees and achieve a working environment where each employee will be motivated to work.

As a result, Advantest Europe GmbH (Germany) was recognized as one of the Best Employers 2017 presented by Great Place to Work®, an international human resource consulting agency. Great Place to Work® conducts research about the scale, business category and region of companies throughout all of Germany to rank the top 100 Best Employers every year based on criteria about whether the company has built a workplace with clear trust able to bring out the full potential of each and every employee. Recognition of Advantest as one of the best employers demonstrates fair and sincere unification of strength between employees as well as management who have a strong sense of unity with the company. Advantest earned the highest marks in a variety of categories in the anonymous benchmark test for employees about the corporate climate conducted by Great Place to Work®.

Each Group company will endeavor to reform work styles to achieve a working environment where each employee will be motivated to work.

Human Resources Development, Fair Evaluation and Treatment

Sustainability Report 2018

Human Resource Development Policy

To enhance corporate value, we need to ensure that employees clearly understand their role and make the effort to develop their capabilities. We expect our employees to show initiative with respect to refining their skills, and at the same time we encourage them to effectively leverage their respective strengths in the global business arena as part of our team.

Moreover, exceptional management ability to harness combined group capabilities plays a crucial role in our turning innovative ideas into products and delivering them to the market.

Therefore, Advantest had drafted a Human Resource Development Policy and strives to develop human resources based on the policies below.

Focusing on the three policies of developing an adventurous spirit among our workers, providing our workers with a cosmopolitan outlook, and upgrading management skills, we conduct human resources development to produce a professional workforce capable of navigating the global business environment. Through this policy, Advantest actively supports employees who work consistently to refine their skills, acquire greater expertise, and broaden their knowledge.



Approach to Materiality in Training and Development

Supervising division	Human Resources Department
KPI	Average number of hours of training per employee per year
FY2018 target	To enhance training reflected in the character of every employee who joins the company each year and the policies of society as a way to cultivate the fundamental skills of junior employees.
FY2017 result	Training hours: 18,072h; Average 7.9h
Material Reasons	To enhance corporate value, we need to ensure that employees clearly understand their role and make the effort to develop their capabilities. We recognize training and development as an important CSR theme based on these needs.
Boundary	Advantest Corporation (non-consolidated) in Japan
Relevant policies	Human Resource Development Policy
Relevant commitments	—
Responsible department/division	Human Resources Department
Management Resources	Education training budget for human resource supervisors 60,850 thousand yen; Staff of 7 (3 from Human Resources Department; 4 from AAY)
Relevant complaint processing policy	Handled based on surveys conducted after training is held
Assessment	△

Education and Training System and Implementation Status

Advantest has prepared a training program that anyone can participate in, and where a wide range of topics can be learned, from basic knowledge up to the latest technology trends. In addition, to ensure that this training program adapts to the changing environment, we continue to consider further improvements.

With the development of globalization, in order to adapt to the changes in the wider business environment, we worked to develop a human resources education system in line with the above-mentioned human resource development policy. To make this training even more effective, we are forging and implementing new programs, including the expansion of our global training program. New programs will be delivered by specialists to make them more effective, and we will selectively use in-house or external lecturers depending on the program content.

Even at each Group company, we will broadly expand education to heighten skills and expertise of individuals based on the needs in each country and region in addition to education through day-to-day operations.

For example, Advantest (China) Co., Ltd. regularly holds events under the name Training Day. Several seminars following themes are provided through internal instructors. These seminars create a culture of mutual learning through both instructor assessment and at the same time a commendation system. These efforts aim to share information between Group companies and engage in even better activities throughout the entire Group.

At the Advantest Corporation (non-consolidated) in fiscal 2017, a total of 1,319 employees received training of some kind, and the average number of training hours per employees was 7.9 hours for 18,072 hours of total lesson time.

Training category	Target	Number of trainees	Lesson time (hours)
Career Training	Managers, General employees	114	1,710
Business Training	Managers, General employees	265	2,354
Technical Training	Managers, General employees	331	2,162
e-learning	Managers	20	1,000
English	Managers, General employees	35	840
External Seminars	Managers, General employees	123	1,720
New Employee Training	General employees	8	7,440
TOEIC	Managers, General employees	423	846
Total		1,319	18,072

Development of Engineers

We place particular emphasis on educating engineers, with the aim of ensuring that our products continue to underpin leading-edge technologies.

We have created a training program accessible to every employee of the Group and covering a wide range of subjects, from basic knowledge to the latest technologies.

In fiscal 2017, approximately 350 engineers participated in the various technology seminars that were provided. The program now includes seminars hosted by Advantest's senior engineers. For example, one of the seminars featured a lecture on design quality by an employee in charge of design, thereby shedding light on the basic technologies required to maintain and improve product quality based on the speaker's first-hand experiences. The program acts as a means of imparting not only technical knowledge but also Advantest's "corporate DNA" to successive generations.

New Employee Education and Training

Advantest's training program for new employees starts with three weeks basic business training covering the basics of working life. After that, the new recruits are put into one of two occupation-specific training regimes, depending on whether they have been hired for engineering or administrative job assignments.

Engineering employees undergo "basic technology training" to learn the basic knowledge required, starting with the basics of design and then the methods for using products, quality assurance, and intellectual property etc., and go on to learn the necessary skills as Advantest engineers through "manufacturing training" to learn the necessary skills as an Advantest engineer through "practical development training" that offers hands-on experience in development and launch of new product production. New administrative employees do training in the two fields of sales, production, and management, to get an overview of the Group's business and how the divisions are interrelated.

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

New employees training

	April	End of September		
Engineering roles	Basic business training (3 weeks)	Basic engineering training (2 months) - Device measurement training - Quality assurance training - Intellectual property training - Screw fastening, soldering, etc.	CAD Practice Training (3 weeks)	Manufacturing training (3 months)
Administrative roles		Department exercises (5.5 months) - Sales training - Management training		

Global Human Resource System

Advantest engages in a wide range of initiatives both common worldwide as well as unique to each country to develop global and frontier human resources.

Regular Global HR Meetings are held to share the status and efforts in each country and to create a place for debate about solving personnel issues shared throughout the Group.

Human resource managers from each group company gathered at the fiscal 2017 Global HR Meeting in Japan to announce the endeavors and challenges of each country. We have also deepened exchange through discussion about further globalization such as the introduction of Group-wide human resource policies as well as new systems.

Fair Evaluation and Treatment

We evaluate and develop career of the employees by reflecting with the goals set at the beginning of the period, communicating with superiors during the period as necessary, and evaluation interview at the end of the year. This interview is carried out for regular employees and part of contract and temporary staff.

The Advantest Resource Management System (ARMS)

At present, our overseas sales ratio is over 90%, and among our 4,721 employees, more than 45% (2,168) are in overseas affiliated companies, making Advantest a global company. Given this structure, we introduced the Advantest Resource Management System (ARMS), a unified human resources system, in April 2012. ARMS promotes cooperation among multiple bases around the world, as well as smooth personnel exchanges and transfers.

Global human resource system



Under ARMS, the unique job classification systems decided on by Group companies in each country have been replaced by a new 10-level job system that is common to all. In this system, job levels 1 to 6 are for general employees, while levels 7 to 10 designate management positions. There are two management paths in this system: one for "people managers", who manage budgets and deal with staff merit and labor issues, and one for "functional managers", who tend to business and ensure that operations are carried out properly. Line managers with subordinates are assigned to the first path, and all other specialists are assigned to the second. With these two lines for advancement, we ensure that diverse personnel have opportunities to develop as managers.

We also apply common global rules to our pay scale, including basic pay and bonuses. Previously, for example, bonus payments in each country mainly reflected the performance of Advantest's subsidiary or affiliate in that country, but under the new system bonus payments reflect the Company's consolidated earnings. Starting in fiscal 2012, we have applied a new system of evaluating employee performance. No matter where Advantest employees work, they can now be evaluated and rewarded according to a common global system, with every employee receiving an evaluation/cultivation interview at least once a year.

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

Global job level and title

Job Level	Job Title		Descriptions
1	Entry		Performs routine tasks of a repetitive nature in a...
2	Career		Duties and responsibilities focused on structured and...
3	Associate		Requires specific knowledge of a business function or...
4	Developing		Handles moderately complex assignments and works...
5	Senior		Provides specialist or technical recommendations to...
6	Expert		Requires ability to make tactical judgments that are...
7	(Sr.)Manager	(Sr.)Consulting Manager	Operational team leader or professional/technical advisor...
8	Director	Consulting Director	Sets goals and targets for a department or management team...
9	Sr. Director	Principal	Sets annual plans in accordance with the global or regional strategy...
10	VP (or SVP)	Fellow	Accountable for developing and establishing long-term plans in line with the Advantest Group strategy...

Meanwhile, the new human resources framework offers labor management flexibility in setting up working hours, telecommuting arrangements and other job specifics, so that managers can more aptly address such matters directly in accordance with the laws and regulations of their respective nations and in line with local employment practices.

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

In the spirit of establishing ourselves as a truly global company going forward, Advantest will continue to work hard to create a professional business environment where every member of a diverse Advantest Group workforce can make the most of his or her individual capabilities.

Pension system

Domestically, Advantest introduces a point system to determine retirement benefits. We have also introduced a prefunded company pension system with defined benefits. Management of pension assets is entrusted to the Advantest Corporate Pension Fund. However, we plan to change a portion of the defined corporate benefits plan to a defined corporate contribution plan in 2018. Once the defined contribution plan is introduced, retirement benefits will be divided into lump-sum payments, which are paid by the Company, and the defined benefit plan, which can be paid out in pension according to years of service and the defined contribution plan. In every cases, Advantest shoulders 100% of the cost.

Occupational Health and Safety

Sustainability Report 2018

Approach to Materiality in Occupational Health and Safety

Advantest sees the assurance of safety and the preservation of health of our employees a major prerequisite in executing our business activities, and it recognizes the need to continually raise awareness.

Supervising division	General Affairs Department
KPI	Occurrence rate of occupational accidents (frequency)
FY2018 target	0.0
FY2017 result	0.4
Boundary	Advantest Corporation (Non-consolidated) in Japan (Target Scope) Group Companies Worldwide (Understanding the Situation)
Relevant policies	Advantest Group Occupational Health and Safety Policy
Relevant commitments	Continuation of "Aiming for Zero Serious Accidents Activity," which is an independent target
Responsible department/division	Activities are executed at each business location and Health and Safety Committee aims to promote those activities.
Relevant complaint processing policy	Operation of the Health and Safety Committee and establishment of the Health Management Office
Assessment	✓

Advantest Group Occupational Health and Safety Policy

Advantest Group recognizes that Health and Safety (H&S) is an important aspect of our business operations. This policy is set forth to ensure the Health and Safety of every Advantest employee.

1. Health and Safety First

We will make H&S the first priority for employees in all Advantest operations, including product development, design, manufacturing, customer service, and others.

2. Compliance with Laws and Regulations

We aim to achieve compliance with legal requirements through good occupational health and safety performance.

3. Regular Review of Health and Safety Compliance

To support this policy, we will provide employees with an annual activity plan which will address every business location's H&S regulations through management support.

4. Education and Training

We will ensure that employees receive appropriate training, and are competent to carry out their designated responsibilities.

5. Disclosure of Occupational Health and Safety

We will communicate this basic policy and other H&S-related information to all employees in the Advantest Group, and work to raise awareness. We will also disclose information outside the company as necessary.

Promotional System

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

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

Members of the company-wide Health and Safety Committee is made up of the chair for the Health and Safety Committees at each business location while the members of the Health and Safety Committees at each business location is composed mostly of representatives of both the company and union employed at the business location.

Organization of Health and Safety Management (Japan)



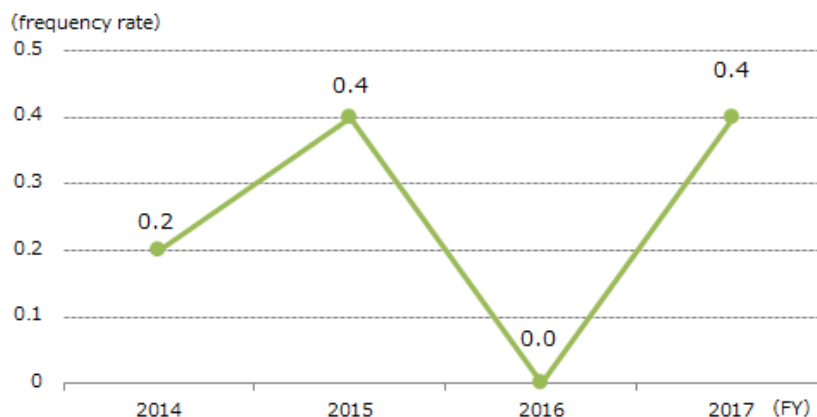
Implementation of Occupational Health and Safety Activities

Advantest strengthened preventive safety and avoidance of accident recurrence in fiscal 2017. We look into measure to clearly prevent recurrence using new chronological analysis methods for occupational accidents that occur while conducting risk assessments of operations in conventional manufacturing processes toward the prevention of recurrence of occupational accidents. Advantest has examined measure to respond to risks in 91 incidents.

In addition, we have identified and shared superior safety measures at research and development sites as well as factories in Japan by conducting a total of 16 patrols in addition to regular rounds with managers at each business establishment as well as chemical substance experts.

In our "Aiming for Zero Serious Accidents Activity" in fiscal 2018, we promoted safety education to enhance the safety of operations. We not only strive to provide the education required by law to enhance operational safety but also expand our own unique education. Advantest has also begun strengthening cooperation with overseas affiliates as well as collecting information about accidents during operations.

Occupational accident rate in Japan (frequency rate*)



* Number of injuries or deaths due to labor accidents per total actual million working hours
 * Scope of data: Advantest Group in Japan (non-consolidated)

There have been no fatalities in operations in the last five years. In addition, the rate of occupational accidents (frequency) was 0.5 at affiliate companies worldwide in fiscal 2017.

Occupational Health and Safety Education

The Advantest Group regularly conducts occupational health and safety education and strives to build a safe workplace everyone can work with piece-of-mind by preventing occupational accidents before they happen and raising awareness about occupational health and safety.

Occupational Health and Safety Results Achieved in Fiscal 2017

Occupational Health and Safety Results Achieved in Fiscal 2017	Target	Number of trainees (Total)	Hours of education
General education	Managers, General employees	2,733	1,127
Specialized education (Including overseas)	Managers, General employees	987	1,691

Mental Health

At Advantest we believe that vigorous employees make for a vigorous workplace. Accordingly, our Health Promotion Office supports efforts to ensure both the mental and physical health of our employees, so that we can provide a safe and comfortable workplace environment for them. We introduced testing of stress levels around preventative safety in fiscal 2012 before they became required by law. By quantifying stress (thus making it visible), we promote stress awareness among all employees, which is useful for self-care.

The fiscal 2017 stress diagnosis test drew an 85.7% response rate. The 10% of employees with the highest diagnosed stress levels were invited to attend health consultation (and 12% did). We have incorporated e-learning to reinforce self-care with a 95.7% participation rate.

As a result of group analysis (organizational analysis), Advantest held two separate management trainings for managers of departments that showed high levels of stress with an 80% participation rate. Managers worked to learn how to handle stress in the workplace through this training in an effort to cultivate a workplace which mitigates the occurrence of mental health disorders. We have also formulated recovery plans with industrial doctors from the latest reports as well as support for employees to return to the workplace to allow employees to take time off without worry even when their healthy mental state worsens under a variety of stress. In addition, the establishment and operation of an eight-stage process up to a follow-up interview after the employee returns to work is a measure to ensure no excess stress when the individual does return to work.

Health Consultations

Advantest provides regular health check-ups to maintain and improve the health of employees in addition to regular physicals through subsidies from the health insurance society. The Advantest Group in Japan, North America, China, Taiwan and Malaysia provide health examinations once to twice each year by region with an examination rate of 90% to 100%.

We have also established programs in which employees can have be examined individually at each site in Singapore, Germany and other European sites.

At Advantest's Health Management Office, a comprehensive range of health professionals (including occupational health physicians, clinical psychologists, public health nurses, nurses, industrial counselors, etc.) provide counseling services for physical and mental problems of all kinds. Applications for counseling can be submitted easily by telephone or e-mail, or via the company's intranet. In fiscal 2017, counseling services were provided on 947 occasions.

Health Guidance

Advantest has provided health guidance, email support, staff, and consultation with industrial physician as well as other medical measures for the main purpose of improving lifestyle diseases for 97% of the 69% of Group employees throughout Japan who showed signs in medical examples. We will provide the programs below as part of these efforts and strive to maintain and improve the health of every employee.

Diet Support Program (Dietary Consultation)

Diet Club Event: Slim Down and Feel Great! One Week Program

70% of those who have participated have completed the program with an average waist reduction of 1.06 cm.

Respecting and Protecting Human Rights

Sustainability Report 2018

System to Promote the Respecting and Protecting Human Rights

Focused around the Corporate Ethics Office and the Code of Conduct Committee, Advantest strives to promote and set policies on human rights issues and deal with complaints about discriminatory treatment.

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

Creating a Workplace that Respects Human Rights

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

The ADVANTEST Way and the Code of Conduct incorporate a pledge that we will respect human rights without discriminating on the basis of age, gender, nationality, religion or any other factors. We have established a manual for human rights and discrimination and prevention guidelines for harassment as well as promoted protection and respect for human rights.

To enhance employees' understanding of these issues, every year starting from April 2006 the training provided for new employees and for new managers has incorporated training in sexual harassment and workplace bullying prevention as well as human rights education.

In fiscal 2013, we launched an e-learning program on The ADVANTEST Way and the Code of Conduct for all Group employees. In fiscal 2017, this training was expanded to include all employees in the Advantest Group, both in Japan and overseas.

Harassment Prevention

Advantest created a manual to prevent sexual harassment and workplace bullying in July 1999 and worked to prevent all forms of harassment. We made additions and revisions to this manual about harassment to include pregnancy, childbirth and parental leave following amendments to the Equal Employment Opportunity Law as well as the Child Care and Family Care Leave Law in January 2017. This manual has been published on the intranet for employees to refer to easily.

The key points are as follows.

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

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

Labor-Management Dialog

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

Labor unions currently representing our employees include company union JEIU, in which 69.9% of our employees and over 99.6% of our labor union members are enrolled, and industrial union JMITU. Advantest negotiates in good faith with each of these labor unions.

Additionally, the labor agreement with JEIU includes health and safety and claims management, and we work cooperatively together to respond to issues regarding the operation of the health and safety committees, Code of Conduct and HR claims management.

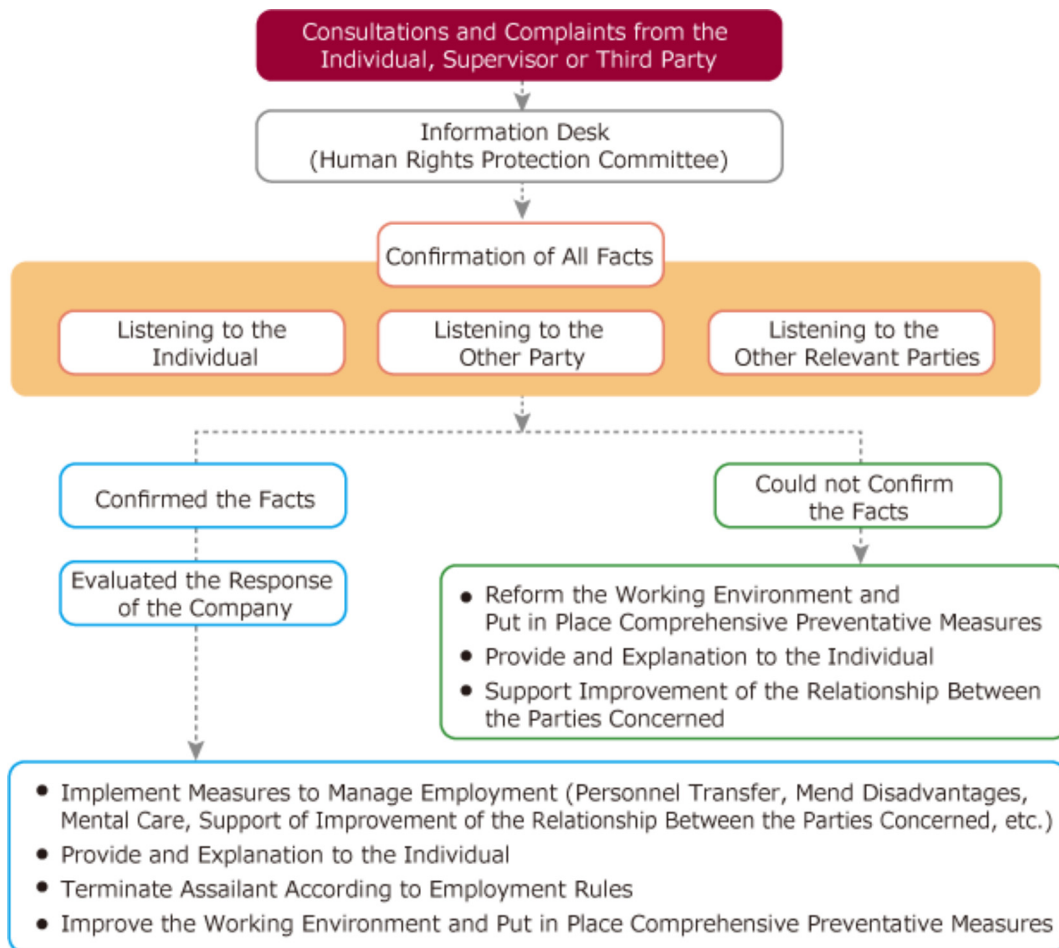
Reporting and Consultation Framework for Human Rights Issues

We have set up a Corporate Ethics Helpline to address human rights issues and concerns that are not readily resolvable in the workplace, designed so that those facing such issues can draw on the support of our Corporate Ethics Office. Reports and consultations are handled mainly by the Corporate Ethics Office, and every precaution is taken to prevent those employees seeking help from suffering any disadvantage or retribution, for example, by protecting their anonymity. This helpline can also be used from overseas. There were no incidents reported about human rights to the Corporate Ethics Hotline in fiscal 2017.

Moreover, in Japan, we have established a human rights protection committee together with the labor union to handle consultations about domestic human rights issues. There were four consultations about harassment across the board in fiscal 2017. The Human Rights Protection Committee is properly responding to all incidents to seek a rapid resolution after making every consideration to privacy of the employees concerned.

Through this activity, Advantest aims to foster a stress-free environment where employees respect one another's human rights.

Flow of Response to Consultations and Complaints



Membership of Civil Society

Sustainability Report 2018

■ Prevention of Bribery and Compliance with the Anti-Monopoly Act

Basic Stance

The basic philosophy of the Advantest Group, which is embodied in the ADVANTEST Way and Code of Conduct, attaches great importance to being aware of one's responsibilities to society, and to the maintenance of integrity in one's conduct. Advantest implements a variety of measures to prevent the occurrence of bribery or other corrupt practices, and to prevent anti-competitive behavior.

▶ [The ADVANTEST Way & Code of Conduct](#)

Prevention of Bribery and Other Corrupt Practices

As a supplement to the Code of Conduct, Advantest has also formulated an Anti-corruption and Anti-bribery Policy, which clarifies, in detail, Advantest's rules in relation to prevention of bribery and other forms of corruption throughout the world.

To ensure that all Advantest employees fully understand the Policy, and to ensure that they do not engage in behavior that violates law or regulations in any country, all employees throughout the Advantest Group are required to undergo Anti-corruption and Anti-bribery Training on an annual basis.

Furthermore, there was one incident handled that violated the internal regulations related to anti-corruption and anti-bribery in fiscal 2017.

Compliance with the Anti-Monopoly Act

Advantest educates its employees about all aspects of anti-competitive behavior prevention as part of its Code of Conduct training, with particular emphasis being placed on the need to comply with the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors; education regarding the Act is provided to new personnel in all relevant departments, including purchasing departments. In the future, Advantest intends to continue providing education and training aimed at ensuring the realization of fair and equitable transactions. In addition, Advantest's Internal Auditing Department undertakes sampling of purchasing transaction content, to verify that there are no violations of any kind.

In fiscal 2017, Advantest was not the subject of any legal action relating to bribery or other corrupt practices.

Social Contribution Activities

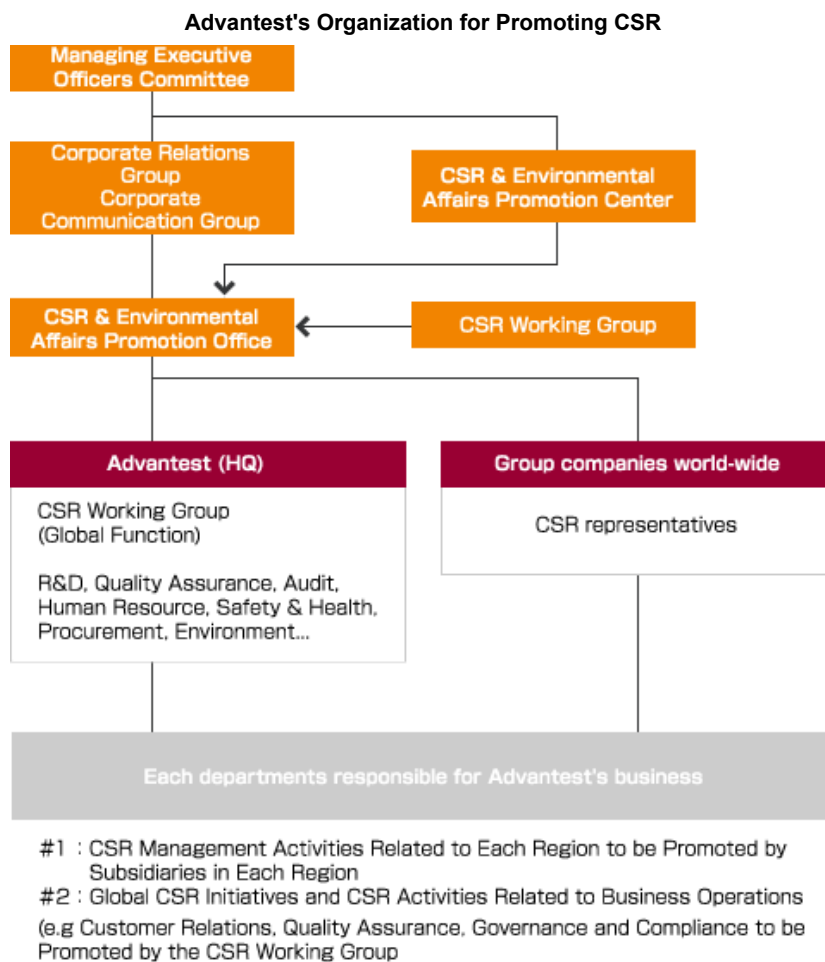
Stance towards social contribution activities

Advantest's Corporate Social Responsibility (CSR) Policy was stipulated as follows in April 2008: "Advantest respects each of its stakeholders and strives to maintain harmony with society in all its operations while contributing to the goal of a sustainable society." Based on this stance, Advantest conducts social contribution activities focused on the areas of preserving the global environment, developing the next generation, and contributing to local communities.

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

Promotional System

Advantest has a track record of promoting CSR and environmental initiatives in every country and region it operates in, especially Japan. However, it has been increasingly important for Advantest to conduct more global CSR and environmental initiatives through its supply chain as a company that contributes to a broader range of societies. We intend to continue contributing to regional societies through our CSR and environmental initiatives.



Framework to Promote Employee Participation

At Advantest we are actively promoting employee participation in volunteer activities.

Volunteer activities provide a way to contribute to society, and we recruit participants through our intranet. We also include reports on activities in each region and participants' views in our internal newsletter which contributes to attracting new participants. Employees can save up their unused holidays that would otherwise not be transferred to the next year and use them for volunteer activities.

Examples of Social Contribution Activities in fiscal 2017

In America, Advantest has participated in the Non-profit Rebuilding Together Silicon Valley activities over 13 years to promote housing repairs for disadvantaged people.



In Germany, used IT equipment was auctioned to employees and the revenue was donated to charitable organizations. (Left Picture)



In Singapore, we regularly conduct charitable activities such as visits to elderly homes and food drives. (Right Picture)

In Japan, we conduct a craft workshop at our business establishments and communicate the joy of cooking to children through classes held on-site at elementary schools.



In Taiwan and Japan, employees volunteer in forest conservation activities.



Supporting Product Safety and Quality

Sustainability Report 2018

Materiality to Respond to Product Liability

- ▶ [Approach to Materiality in Customer Health and Safety](#)
- ▶ [Approach to Materiality in Product Service Compliance](#)
- ▶ [Approach to Materiality in Product Quality](#)

Approach to Materiality in Customer Health and Safety

Supervising division	QA, Field Service
KPI	Number of non-compliance of own safety standards
FY2018 target	0
FY2017 result	0
Material Reasons	Modern society views product safety with even greater importance. We recognize ongoing work to more readily respond to this societal expectation as vital.
Boundary	Advantest Group
Relevant policies	Advantest Product Safety Charter, Product Safety Promotion Regulations
Relevant commitments	—
Responsible department/division	PL Committee
Management Resources	This committee is chaired by the head of the Quality Assurance Group and is made up of a total of 21 people.
Relevant complaint processing policy	—
Assessment	✓

Approach to Materiality in Product Service Compliance

Supervising division	QA
KPI	Number of non-compliance relating to products/services
FY2018 target	0
FY2017 result	0
Material Reasons	Adherence to laws related to products and services is a corporate social responsibility that we believe is important to a broad array of quality management.
Boundary	Advantest Group
Relevant policies	Advantest Product Safety Charter, Product Safety Promotion Regulations
Relevant commitments	—
Responsible department/division	PL Committee
Management Resources	This committee is chaired by the head of the Quality Assurance Group and is made up of a total of 21 people.
Relevant complaint processing policy	—
Assessment	✓

Securing Product Safety and Quality

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

To achieve the above, we formulated our Product Safety Promotion Regulations and established a companywide committee as an organization to promote advances in product safety. From May 1995 to the present, this committee has been continually active in product safety improvements.

In fiscal 2017, we commissioned specialist outside bodies to undertake inspections of the safety and durability of 6 Advantest's major products.

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

It should be noted that, in fiscal 2017 there were no violations of the standards specified in Advantest's Product Safety Promotion Regulations.

Furthermore, Advantest operates a 10m Radio Anechoic Chamber (EMC Center) that complies with the EMC Act required for the sale of products worldwide.

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

Even in America, Advantest is complying with American EMC laws and regulations (FCC) due to a risk of litigation caused by noise in the surrounding environment during operation of products as well as strict customer requirements.

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

The facilities of the EMC center also put in place an environment able to test large industrial machinery only available in a few places in Japan thanks to equipment that includes a turntable with an 8 meter diameter to equip with products, a 3-phase power supply able to supply total 48 KVA power capacity able to withstand 10 t, and equipment able to provide water cooling.

Advantest collects information about EMC laws and regulations by participating in the KEC Electronic Industry Development Center (KEC) working group as well as provides EMC regulatory information with the semiconductor manufacturing industry through the Semiconductor Equipment Association of Japan (SEAJ) because the Company needs to collect information about each each country of origin and always concentrate on the latest legislative trends.

Approach to Materiality in Product Quality

Supervising division	QA
KPI	Loss Reduction via quality Improvement Activities
FY2018 target	Cut in half compared to fiscal 2008
FY2017 result	Expected to below 1/4 compared to fiscal 2008
Material Reasons	Advantest contributes to improving profitability which is a corporate policy by reducing loss through quality.
Boundary	
Relevant policies	
Relevant commitments	
Responsible department/division	
Management Resources	Quality Assurance Group, Business Promotion Division
Relevant complaint processing policy	Quality Assurance Group, Business Promotion Division
Assessment	

Advantest Group Quality Policy

"Customer Satisfaction" is the fundamental basis of all our activity.

We are committed to providing customer-satisfying products in a timely manner, by activating quality implementation from early in the design stage, and increasing the total efficiency of our overall sales and manufacturing process.

Quality Management System

In keeping with our product quality plan, which calls for improvement in customer satisfaction, we have designed our quality management system to comply with the international quality assurance standard ISO9001 throughout the Company.

We have established an organization to promote the system within the company-wide framework, led by the Quality Assurance Manager under the supervision of executive management, which maintains and improves quality systems, with the goal of raising customer satisfaction. We have also constructed our own internal audit framework, and we maintain and improve our systems through regular internal audits.

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

In the future, we are aiming to strengthen and expand quality control while maintaining this framework.

Design Review System Aimed at Improving Quality

Persistently stringent customer demands for functionality, performance and quality create demand for Advantest products equipped with increasingly large-scale and progressively more complex circuitry. Meanwhile, we are also responding to demands for shorter development lead times, a challenge we feel is best addressed by instilling quality at the upstream design phase so that we can detect potential issues early on. Accordingly, we introduced a new design review system in 2008 as a framework for achieving these goals.

- Our design review system was amended to ensure that the project leader establishes a design review plan when product development begins, and so that reviews are conducted regularly.
- We changed the system so that the relevant staff and the project leader, as well as the quality assurance division, carry out monitoring to prevent follow-up omissions, by enabling visual identification of issues raised.
- We also adopted the Design Review Meister System, which involves forming groups of in-house experts for each technical area to participate in the related design reviews. This system increases the rate of problem detection in design reviews, encourages the succession of technologies, and facilitates in-house education. Many positive results have been achieved through these activities.

For instance, the rate of defect detection during the design phase has recently improved, leading to a decrease in setbacks and fewer defects finding their way into the post process, thereby minimizing development delays. The new design review system has resulted in improvements in design quality and a reduction in development lead times. However, it has also revealed some cases in which problems that should have been detected by the designer ultimately found their way into the design review or the post process.

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

SQE Activities

We are committed to the notion that individual components underpin overall product quality, and therefore the quality of each and every component has to be exceptional. Premised on that assertion, the Advantest Group engages in SQE (Supplier Quality Engineering) initiatives beginning at the component adoption phase, drawing on the support of our supplier network. SQE initiatives are undertaken with the aim of enlisting a team of experts to bring about improvements to component quality. Accordingly, it is critical that we engage in practices to ensure component quality, particularly given that the number of parts used in our products is roughly equivalent to the 200,000 to 3,000,000 parts that make up an aircraft.

Our SQE initiatives involve the following three practices.

- Careful selection of components: When given the choice of multiple components with similar performance specifications, we select the best item through a process involving in-house quality analysis and evaluation.
- Quality improvement through PDCA: We apply PDCA-cycle practices from the component design phase to manufacturing to achieve improvements prior to high-volume production and thereafter.
- Ensuring that tolerances are maintained in component design: We aim for component design benchmarks determined on the basis of tolerances rather than standard specifications.

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

Also, by decreasing the incidence of rejected parts we decrease the need for their exchange and disposal, and so contribute to reducing the environmental impact.

Availability

Advantest is committed to helping its customers achieve higher levels of productivity by offering them products that guarantee high availability – meaning that they are unlikely to malfunction, and will recover immediately should failure occur. More specifically, availability refers to the ratio of time that a system is operational over a given time, and as such constitutes one of the benchmarks of product integrity. The Advantest Group delivers high availability by working hard to improve MTBF*1 so that systems will operate without malfunction over longer duration of use, while also reducing MTTR*2 so that systems will be more readily serviceable when malfunction does occur.

*1 MTBF: mean time between failure

*2 MTTR: mean time to repair

Initiatives Aimed at Improving Software Quality

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

Beginning in 2012, process improvement activity using the "Toyota development process"*1 has been implemented with the cooperation of the R&D Division. This activity improves the level of the design review process, and high-quality design enables high-quality and high-throughput product development. These initiatives help to bring about the timely delivery of even better products.

*1 Source: The Toyota Product Development System, James M. Morgan, Jeffrey K. Liker

Basic Policy for Improving Customer Satisfaction

Customer satisfaction is the most fundamental of principles underpinning Advantest's business. Our product quality policy, which is shared throughout the Group – "Elaborate for quality from the design stage, promote to optimize the whole process of manufacturing, and offer the timely and high-quality products our customers expect" – characterizes our portfolio of products that offer not only superior performance, but also superior environmental friendliness and safety. We are committed to keeping our customers satisfied at every stage, from design and manufacturing to sales and service, via guaranteed quality, top-notch service, and support on a global scale.

Sales and Marketing Practices that Support Customer Satisfaction Gains

Markets related to semiconductors in recent years are evolving semiconductor technologies to support digital innovation represented primarily by IoT, cutting-edge driver assistance system and artificial intelligence in addition to rapid capital investment in a backdrop of circumstances that include a higher functionality of smartphones and a growth in the number of units sold, evolution of electric vehicles, and an increase in investments related to data centers. Advantest also faces the important challenge of actively providing products and services quickly to respond to fluctuations in their market and evolution of technology. In line with this, we integrated marketing of our business divisions into the sales headquarters in December 2016 before also integrating system solutions in June 2017.

This integration of marketing fully grasps the market and requirements of customers in a timely manner and feeds these requirements back to the business division to allow for more efficient product development and provision to our customers. The integration of system solutions also establishes more robust technical support for customers.

We are aiming to further improve customer satisfaction through this measure.

Sales and Marketing Activities to Improve Customer Satisfaction

The semiconductor industry, which Advantest supports through its products, is an industry characterized by intense competition to develop next-generation technologies. Besides providing our customers with test solutions, Advantest also holds the annual VOICE Advantest Developer Conference, at which we share the latest technology and product information with our partner companies. The 11th VOICE Developer Conference held in fiscal 2017 spanned the pacific ocean in May at a venue in Palm Springs, California and another in Shanghai, China. VOICE this year broke many different records such as sponsorship by 25 companies, 10 of which were new sponsors, and the submission of 181 paper abstracts. The event was an amazing success with 46,446 actions counted in the mobile app introduced at both venues.

The event is scheduled to be held in America and Taiwan in fiscal 2018, and we will work so that the event can provide even more complete content.

Advantest has also continued to hold technical seminars at locations throughout the world, with the aim of presenting the latest information about our products and enhancing communication with customers. In 2017, technical seminars were held in Tel Aviv, Israel in June, Hsinchu, Taiwan in October, Grenoble, France in November, and Tokyo as well as China (Shanghai, Beijing, Xi'an, and Shenzhen) in November and December. We were delighted to see so many Advantest customers attending these events.



Scene of presentation

In the future, Advantest will continue to hold events worldwide aimed at helping us to better understand customer needs and strengthen communication with customers, which in turn can help us to enhance our customer service provision.

Promoting Customer Support

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

Our basic policy is outlined as follows.

Basic policy for customer support

- We will propose total solutions in the form of support packages designed to deliver maximum efficiency to our customers in their device measurement operations.
- We will propose unified service support matching the customer's business model from development to the mass production environment.
- We will respond to customer demands by proposing service support packages that encompass total solutions.
- We will always take the customer's point of view and draw on our global organization in offering solutions.
- Our premium services and customer support will not only be efficient, but will also take the environment and safety into consideration.
- We will offer high-value-added professional services.
- We will strive to maintain our zero-accident record by thoroughly observing safety standards in field service provision and elsewhere.

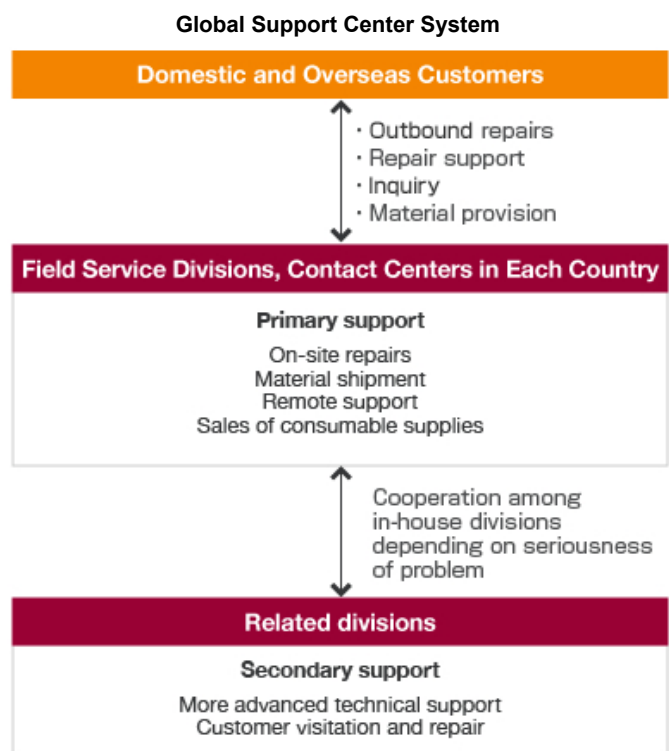
Better Customer Support with a Global Focus

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

We station expert support teams in product development bases to carry out secondary support, allowing us to respond appropriately to the content and difficulty of service requests.

We have developed a global supply-chain network covering customer operations ranging from their development bases to mass production facilities.

Moreover, we also operate a supply-chain control mechanism through which replacement equipment and parts at service centers in each country are monitored to determine inventory needs at respective locations worldwide. This two- to three-year program aims to sharpen engineers' technical skills, develop cross-cultural competencies, and raise foreign language and communication proficiencies. In the mass production facilities of customers, we offer on-request expert consulting and solutions regarding productivity issues. Also, we offer device measurement training to our customers, and provide professional advice in that regard.



Recipient of the "10 BEST" Customer Satisfaction Award for the 30th Consecutive Year, on the Basis of the VLSI Research Survey

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

At Advantest, we gain a better understanding of our customers' needs through information that we acquire from our daily business activities, and also through yearly participation in the customer satisfaction survey conducted by VLSI Research, a company renowned for its semiconductor market research. Based on this year's survey, we received the "10 BEST" award granted to the top-ten ranking companies for the 30th year in a row.



VLSI Research: 10 BEST

Corporate Governance

Sustainability Report 2018

Our Stance to Corporate Governance

Advantest formulated the Corporate Governance Policy based on the principles of its Corporate Governance Code.

Corporate governance at Advantest lives by the "Enabling the Leading Edge Technology" corporate philosophy. We have established The ADVANTEST Way & Code of Conduct while contributing to the growth of society through leading-edge technological development by encouraging ongoing self-improvement to provide technology, products and services that are able to satisfy customers. By instilling and adhering to this management philosophy as the foundation of activities for all executives and employees throughout the Group, we will enhance the transparency and fairness of management, make decisions quickly, accelerate the speed of management, and establish a framework for strengthening the competitiveness of the company to improve sustainable corporate value, which we will build and operate as a corporate system.

While encouraging appropriate risk taking in the execution of management, our objective is to improve corporate value by building corporate governance which establishes and operates highly effective auditing functions for the execution of management based on this concept.

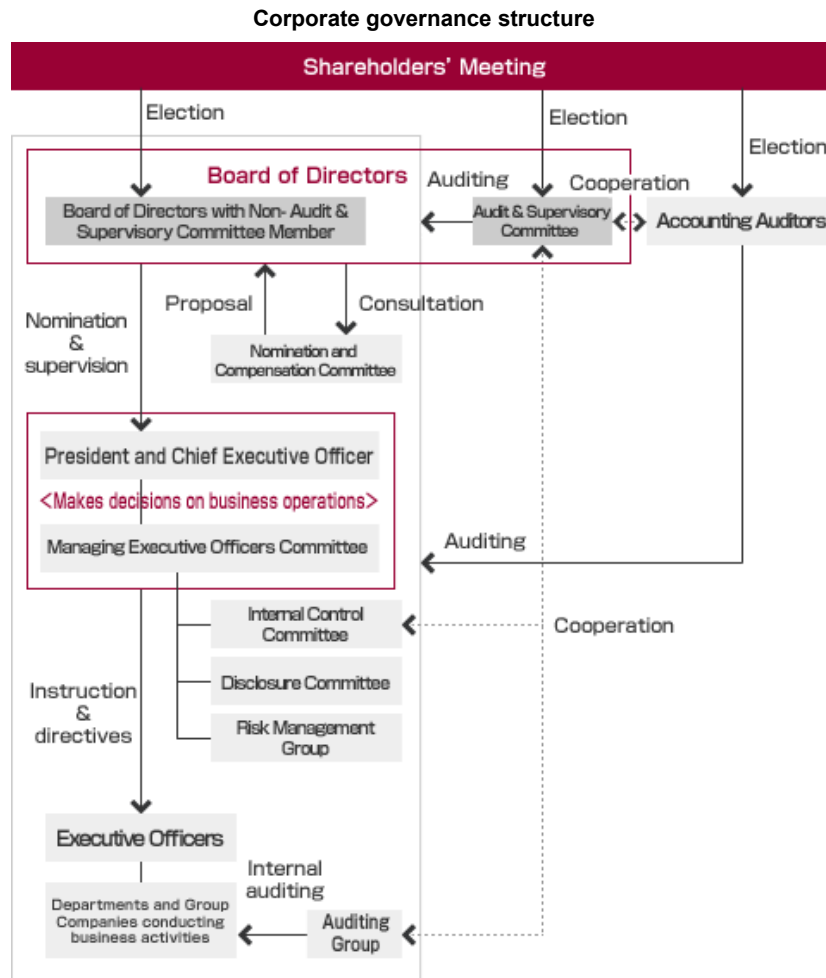
The websites below publish information defined in our basic policies on corporate governance.

▶ [Advantest Corporate Governance Policy](#) 

Management Structure

The global business environment is changing more rapidly than ever before. To continuously increase our corporate value and competitiveness in today's world, we emphasize swift decision-making and execution. We also place an emphasis on sound, highly transparent business operations in compliance with relevant laws and regulations. In order to meet these challenges, we draw clear lines of authority within our organization and set responsibilities in accordance with each management function, assigning each role to the best person for the job.

We have been implementing Company with an Audit & Supervisory Committee system since June 2015. Advantest further strengthened its corporate governance and Board of Directors' audit function under the company with an audit & supervisory committee which the audit and supervisory committee member uses their voting rights in Board of Director Meetings, and with the aim of further increasing our corporate value. Furthermore we have established a structure that can quickly respond to the rapidly changing business environment, and in order to strengthen our corporate governance, starting from 2003 we introduced an executive officer system.



List of Governance Systems (As of June 27, 2018)	
Structure	Company with an Audit & Supervisory Committee
Executive Officer System	In place
Number of Directors	9
Number of Outside Directors	4
Number of Non-Japanese Directors	2
Term of Office for Directors Who Are Not Audit & Supervisory Committee Members	1 year
Number of Directors Who Are Audit & Supervisory Committee Members	3
Number of Outside Directors	2
Term of Office for Directors Who Are Audit & Supervisory Committee Members	2 years
Nomination and Compensation Committee	In place
Nomination and Compensation Committee Members	3 (Directors) (Two of which are outside Directors)
Nomination and Compensation Committee Chair	Outside Director
Number of Board of Directors Meetings Held in FY2017	13
Performance-based Remuneration System	In place
Executive Officer System	In place
Executive Officers	24
Non-Japanese Executive Officers	11

Please see the information below for the Corporate Governance Report

▶ [Corporate Governance Report](#) 

Board of Directors

The Board of Directors, as a management decision-making body, makes decisions on the basic policy for the management of the entire group, as well as decisions on important matters such as management strategy, and, in order to ensure quick and efficient business operations, monitors and supervises whether executive committees that have had authority delegated to them are operating appropriately. Currently, our Board of Directors is made up of nine Directors, four outside Directors and five internal Directors, and two of which are non-Japanese Directors. The Board of Directors meets once a month as a general rule for approximately three hours. The materials for the meetings are handed out to each Director in advance so that everyone will be well informed of the information for the meeting in advance. In order to ensure the will of our diverse Board of Directors is communicated clearly, we bring in a simultaneous interpreter to Board of Directors meetings so that every Director can speak freely in both Japanese and English. We also prepare the meeting minutes in English.

We expect our four outside Directors to make decision and conduct audits from an independent standpoint to leverage the expertise of each Director in our management. In addition, Advantest has built a system to ensure sound management by requiring reports from the board of Directors to the Managing Executive Officers Committee on the matters approved for business execution as well as strengthening of informational sharing and auditing functions.

The attendance of all outside Directors to the Board of Directors meetings exceeded 90% in FY2017.

The medium-term plan was debated at Board of Directors meetings in fiscal 2017.

The Board of Directors also conducts surveys every year that include a self-assessment of each Director, analyze and evaluate the effectiveness of the Board of Directors itself, and identify challenges related to the structure, proposals and operation of the Board of Directors to make improvements as necessary.

Information regarding the background of directors, the reasons for their selection, etc., is given in the director appointment proposals section of the [Notification of Convening of Regular Meetings](#) of the Board of Directors and in the company's business report.

▶ [More information about the Shareholders' Meeting](#)

Assembly of Outside Directors

Outside Directors come together in a separate meeting roughly once or twice each quarter to discuss the environment surrounding the company and the internal state of business to promote understanding of the matters approved by the Board of Directors and to engage in a lively debate.

The outside Directors held separate meetings four times in fiscal 2017. The attendance to these four meetings by the outside Directors was 100%.

Director Training

Advantest plans and holds training for Directors once or twice every year to provide opportunities to learn the information and expertise required to deepen understanding of the role and responsibilities of Directors.

Nomination and Compensation Committee

In 2005, Advantest established a Nomination and Compensation Committee as a discretionary institution. Nomination and Compensation Committee members consist from three Directors including two outside Directors selected by the Board of Directors' resolution, and outside Director is in charge of Nomination and Compensation Committee chairperson. The Nomination and Compensation Committee, in consultation with the Board of Directors, discusses matters relating to nomination and compensation of Directors, and makes proposals to the Board of Directors.

* The number of people given is correct as of June 27, 2018

We have established a policy and procedure to assure objectivity and transparency of nomination and compensation of Directors and are made publicly available on the website.

▶ [Policy and procedures for nominating Directors](#) 

▶ [Policy and procedures for determining remuneration for Senior Executives](#) 

Executive Officer System

Advantest has introduced an Executive Officer system that keeps decision-making functions separate from executive functions, in order to boost management efficiency.

Executive Officers are selected by the Board of Directors as senior management dedicated to the execution of operations. They have the responsibility for swiftly and efficiently implementing management policies and strategies determined by the Board of Directors. The term of each Executive Officer is limited to one year, so as to achieve more explicit accountability.

There are a total of 24 Executive Officers*, 11 of whom are not citizens of Japan (America: 3; Europe: 3; Asia: 5; Percent of non-Japanese: 46%), appointed to enhance integration of the company's global operations.

* The number of people given is correct as of June 27, 2018

▶ [List of Directors](#)

Executive Compensation

With regard to decisions relating to the compensation of members of the Board of Directors (excluding directors who are members of the Audit & Supervisory Committee) and executive officers, following consultation with the Board, the Nomination and Compensation Committee implements review, and then submits a proposal to the Board. The Board then reviews the proposal submitted by the Committee, and makes a final decision regarding compensation. The compensation of directors who are members of the Audit & Supervisory Committee is determined following consultation with those directors who are members of the Audit & Supervisory Committee.

Executive compensation for fiscal 2017 is as follows.

Classification	Number of persons receiving compensation	Compensation amount
Directors (excluding directors who are members of the Audit & Supervisory Committee)	8	291 million yen
Directors who are members of the Audit & Supervisory Committee	3	67 million yen
Total	11	358 million yen

1. The amount of compensation includes the payment for stock options.
2. Of the above-mentioned compensation, for the two outside Directors (excluding Directors serving on the Audit and Supervisory Committee), and two outside Directors (serving on the Audit and Supervisory Committee), the amount of compensation was 41 million yen.

Internal Controls

Advantest has set up and maintains internal control systems that correspond to the requirements of the Companies Act and the Financial Instruments and Exchange Act. In order to manage the group with an emphasis on performance evaluation based on the consolidated balance sheet, these systems are built as a unified system that includes both Advantest and its affiliates.

Also, Advantest has established an Internal Control Committee with related Directors as members, and we operate the internal control systems in a unified manner on the basis of the policies set by the Committee.

Auditing System

Audit & Supervisory Committee

In accordance with the auditing policy formulated by the Audit & Supervisory Committee, the Committee members attend meetings of the Board of Directors and other important meetings; undertake surveys of the state of business operations and of the company's assets, and audit the carrying out of their duties by directors, executive officers and other executive organs within the company. The Audit & Supervisory Committee has three members (including one standing member): one inside director, and two outside directors.* Those directors who serve as members of the Committee are appointed by the Shareholders Meeting separately from other directors who are not members of the Committee.

To facilitate the implementation of appropriate, effective auditing, the Audit & Supervisory Committee may request information from the Auditing Group and from the external auditors, and there are opportunities for the exchange of views with the Auditing Group and the external auditors.

* The number of people given is correct as of June 28, 2018

Accounting Auditors

Accounting Auditors perform accounting audits of the consolidated financial statements, accounting documents etc., and produce an audit report. Advantest has appointed an auditing firm as independent auditor, and receives a set audit.

Internal Auditing

Advantest has established an internal auditing team that comprises the Auditing Group and the Singapore auditing team. To verify whether the company's day-to-day operations are carried out appropriately and efficiently in accordance with the requirements of relevant domestic and overseas laws and ordinances, and whether operations are performed efficiently, the internal auditing team implements operational auditing, compliance auditing and internal controls auditing. Besides evaluating the efficacy of the internal controls system, when necessary the internal auditing team also provides support to assist in the making of improvements at individual business locations. The internal auditing team hold appropriate qualifications (such as Certified Public Accountant, Certified Internal Auditor, or Qualified Internal Auditor), and all team members are committed to enhancing auditing quality.

Risk Management

Sustainability Report 2018

Risk Management Basic Policy

The Advantest Group will conduct measures to minimize damage should any of the following events occur:

1. If damage is caused to buildings or facilities, or if networks and systems stop functioning, thereby making it difficult to continue our business operations, or if there is the possibility of this type of situation occurring due to a disaster or accident;
2. If there is the danger of one of our executives or employees being killed or injured or their life or physical health is put at risk due to a disaster or accident;
3. If there is an occurrence of scandal or incident that has the potential to become a matter of social concern; or,
4. If any event other than those described above were to occur that could cause a significant impact on the business of the Group or its affiliates due to a disaster or accident.

Approach to Materiality in Customer Privacy

Supervising division	Legal/security departments
KPI	Number of claims related to informational security
FY2018 target	0
FY2017 result	0
Material Reasons	Information that we receive from our customers and business partners is information that should be socially protected and it is also thus an informational asset for the company. We recognize the proper protection and management of this information as vital.
Boundary	Advantest Group
Relevant policies	Basic Information Security Policy, Privacy Policy
Relevant commitments	—
Responsible department/division	—
Relevant complaint processing policy	We accept contact such as inquiries and complaints at the email address below that is publicized externally. InformationSecurityCommittee@advantest.com
Assessment	✓

Risk Management System

In December 2001, Advantest established a Risk Management Group with the Company's president as its head. The Risk Management Group will convene when any of the above events occur, and will consolidate information flows, evaluate the problem, direct the initial response, and formulate recovery plans. The Group will remain in operation until recovery is complete.



Major Risk

Risks associated with Advantest's business are shown below.

▶ [Business Risks](#)

Practice of Risk Management

Advantest is identifying risk related to each sector and affiliate company, conducting risk assessment to determine how to respond to risks and building a risk management system with the Internal Control Committee at the core.

We will monitor the state of our risk management and practice the plan-do-check-action cycle to review and improve the system in the future.

- Risks identified by risk assessment: 302 risks

To prevent a decline in productivity due to a change in leadership and prevent a decline in the failure tolerance of designs, risks that have been rectified are registered and shared as design information to respond.

Cultivating a Risk Management Culture

Advantest conducts risk management education for every employee for the purpose of correctly recognizing and properly handling risks the company faces.

Employee Training Conducted in FY2017

Name of Training	Scope	Attendance Rate
Code of Conduct Training	Advantest Group	100.0%
Anti-corruption and Bribery Prevention Training	Advantest Group	100.0%
Intellectual Property Management Training	Advantest Group	99.4%
Occupational Health and Safety	Employees in Japan	97.0%
ISO14001 Environmental Education	Advantest Group	99.8%
Specialized Chemical Substance Training	Employees who interact with chemical substances	100.0%

Business Continuity Plan

Advantest Corporation established the following basic policy during fiscal 2007 in preparation for large-scale natural disasters. We have devised our business continuity plan based on this policy.

Business Continuity Plan (BCP) – basic policies

- We will place top priority on ensuring human safety should a major disaster strike.
- We will fulfill our responsibility to our stakeholders by ensuring that any impairment to our operations has a minimal adverse impact on our suppliers and other stakeholders.
- We will cooperate with local bodies in regular disaster prevention measures, and if a disaster should strike near any of our locations, we will contribute to local recovery.

After the Great East Japan Earthquake in March 2011, we began reviewing our disaster prevention arrangements. In fiscal 2012, we revised our Business Continuity Plan (BCP) to take into account the possibility of an earthquake directly under Tokyo and flooding along the Tone River, and to ensure the integrity of our supply system even in the event of such disasters. Within the BCP, the following measures are stipulated in line with the basic policy.

Basic Policy	Specific Measures
1. Ensuring human safety	In addition to continuing with regular disaster prevention drills and safety confirmation drills, we will strengthen crisis management and business continuity systems, making human safety the top priority.
2. Fulfillment of supply responsibilities	When an earthquake occurs, supply systems at our main manufacturing plant (i.e. the Gunma Factory) will continue. In the case of a flood, it is assumed that supply systems will be maintained at alternative manufacturing sites.
	In preparation for cases where workplace attendance is temporarily impractical because of damage to offices or infrastructure, we will establish an environment allowing high-priority work to be done from home.
3. Regional & social contributions	Our Gunma R&D Center has been designated by the town of Meiwa as an evacuation shelter in case of flooding, and we contribute to the area by keeping the site ready for flood evacuees.

Measures Implemented in fiscal 2017

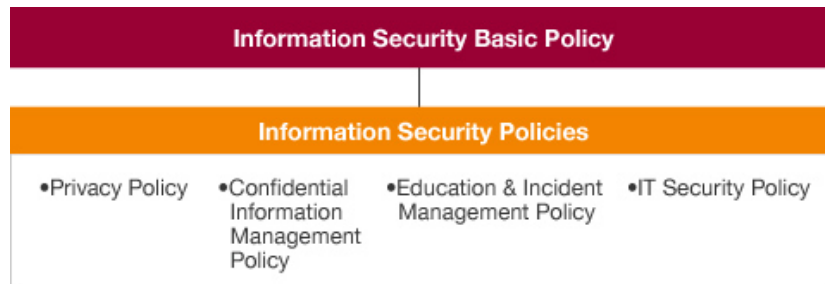
In 2017, management reviews were conducted about the role, policies, and state of activities in August due to restructuring of the Risk Management Group. In these activities each quarter, we examined BCP training such as safety that includes the building and equipment related to disaster prevention training in addition to secondary disaster prevention inspections as well as organized and shared information for the initial response of supervisors and each person in charge of business locations. We also conducted training to confirm the safety of our employees in Japan three times to quickly register the safety of each and every employee. Furthermore, we strengthened our communication methods by installing wireless IP to communicate between business establishments during emergencies as well as conventional satellite telephones.

Information Security Management Policy

Advantest is fully aware that information we receive from suppliers and information pertaining to our technical and sales operations are important assets; to effectively manage this information we pursue information security practices that include developing regulations, constructing control systems and providing employee training.

Policies and rules relating to information security

Advantest has established an Information Security Basic Policy. Rules are specified in four policies: our Privacy Policy, Confidential Information Management Policy, Education & Incident Management Policy, and IT Security Policy.



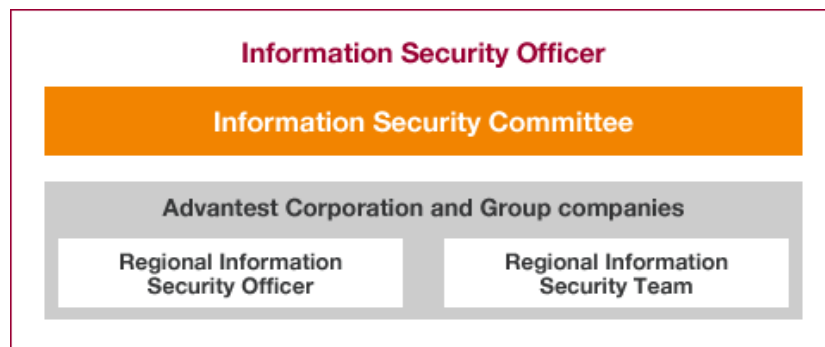
Organization of Information Security Management System

Advantest regards implementation of information security controls as a key management issue, and has accordingly assigned the Senior Executive Officer to act as Information Security Officer responsible for such systems on a global basis.

Moreover, we have set up a system that enables our offices in respective countries to autonomously address information security issues. Under this system, Regional Information Security Officers posted in respective countries bring a variety of viewpoints to the table in the course of deliberating on potential information security measures to be applied on a group-wide basis, and also when considering which policies and rules should be adopted, or otherwise revised or abolished.

Specifically, the head of each Group company's administration division has been assigned to the position of Regional Information Security Officer, responsible for security management in their respective regions. Meanwhile, members from related divisions in respective countries have been tasked with implementing information security measures.

Organization of Advantest Group Information Security management



Information Security Training

Based on the view that the final barrier for information security is "people", we aim to thoroughly publicize information security policies and related regulations. We administer information security training on each policy – Privacy Policy, Confidential Information Management Policy, Education & Incident Management Policy, and IT Security Policy – to all employees in Japan and overseas.

Going forward, we intend to continue developing more practical content and offering more pragmatic training through learning activities that entail repeated exposure to information security rules and content covering key topics in that regard.

Training/Awareness Raising as Part of the Information Security Training

- Targeted email threat training: 2
- Awareness raising for all employees: 1
- Informational broadcasts to raise awareness: 15

■ Initiatives for Strengthening Information Security

In fiscal 2011, we adopted a system whereby internal audit divisions perform information security audits, which enables us to conduct more objective rules-based checks and provide feedback to divisions that have been audited.

In updating our rules governing access to information equipment, we dropped requirements stipulating that employees must use encrypted PCs only, and now allow them to use thin client computer platforms through which they can perform work in secure environments without the prospect of leaving traces of data behind after use. Also, we made sure that our uniform Group-wide guidelines for business-related use of smartphones enable our employees to draw on such devices effectively in a business context, and in a manner that facilitates better customer service.

We also undergo security assessments and vulnerability tests via an external agency as an objective evaluation of our information security measures. We are then refining points to improve security based on those results to strengthen our level of security.

■ Confidential Information Protection

Our Information Security Basic Policy defines confidential information as that which has been disclosed by clients under contract along with that which is important to the company; moreover, the policy stipulates that such information be handled in accordance with relevant regulations.

Accordingly, we are committed to ensuring that confidential information is not divulged outside the company by ensuring that it is protected through use of adequate controls governing its storage, disclosure and handling. In fiscal 2017, there were no incidents involving the unauthorized disclosure of important confidential information, etc.

■ Personal Information Protection

We consider the confidentiality of all personal information entrusted to us to be very important, and accordingly we take steps to ensure that such information is properly protected and managed. In fiscal 2017, there were no incidents involving the unauthorized disclosure of important personal information, etc.

▶ [Privacy Policy](#)

Our commitment to safeguarding personal information entails posting personal information managers in divisions handling such duties, and furthermore ensuring that those managers properly carry out their duties in regard to overseeing such information. Furthermore, we perform regular audits of personal information control and use practices in the respective divisions, and make improvements whenever deficiencies are discovered.

In Group companies outside of Japan, Regional Information Security Officers work to protect and manage personal information in accordance with the laws, regulations, and demands of each respective country or region.

Management Approach

Sustainability Report 2018

Basic Stance

Through our business activities, we create various kinds of economic value, both directly and indirectly.

This value is distributed to a variety of shareholders, including shareholders, employees, etc., and has an extensive social impact. Reflecting this, key materiality aspects have been identified in the economic dimension, and Advantest is implementing measures based on these identified materiality aspects, including measures aimed at fostering effective protection of intellectual property rights, etc.

Identified Materiality Aspects and KPIs, and Targets for FY2018

Materiality Aspect	KPI	Measures implemented
Economic Performance	Sales, operating income margin, return on equity ratio of net income attributed to the parent (ROE), and basic net earnings per share (EPS)	Economic Impact
Intellectual Property Protection	Percentage of employees who have undergone e-learning training relating to intellectual property protection	Intellectual Property Protection

For more detailed information about measures relating to the protection of intellectual property, see "[Ethics and Integrity](#)".

Economic Impact

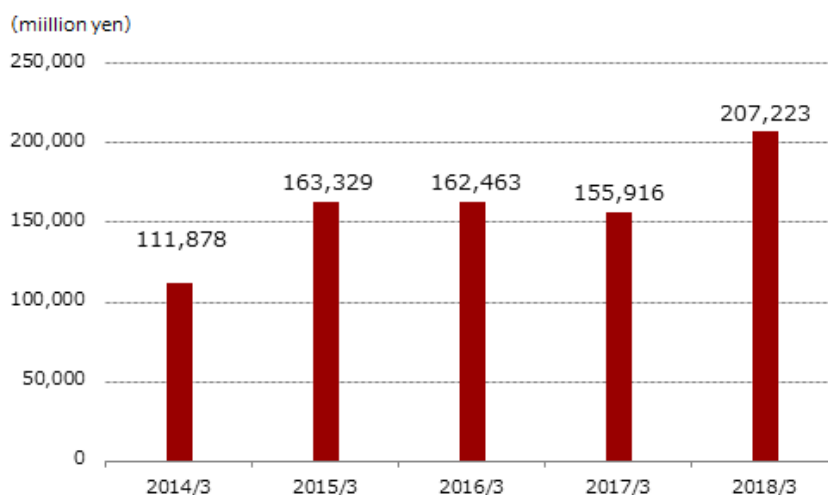
Sustainability Report 2018

Approach to Materiality in Economic Performance

Supervising division	Management Planning Department
KPI	Sales, operating income margin, return on equity ratio of net income attributed to the parent (ROE), and basic net earnings per share (EPS)
FY2018 target	Net sales: 250.0 billion yen; Operating profit margin: 17.0%, ROE 18%, EPS 170 yen
FY2017 result	Net sales: 207.2 billion yen; Operating profit margin: 11.8%, ROE 15.5%, EPS 101.94 yen
Material Reasons	We consider economic performance such as net sales, operating income, ROE, and EPS our foundation and the most important factor for the company to continue ongoing activities.
Boundary	Advantest Group
Relevant policies	Financial Results/Presentation
Relevant commitments	—
Responsible department/division	Board of Directors
Relevant complaint processing policy	—
Assessment	—

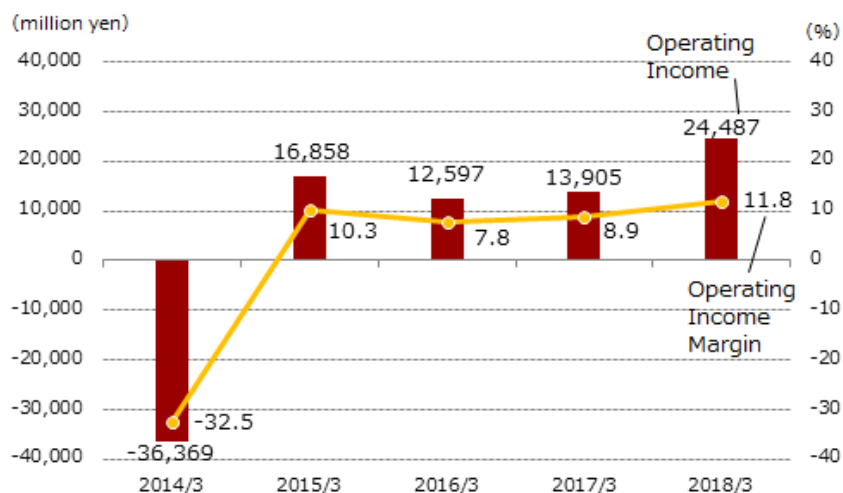
Economic performance

Change in Net Sale



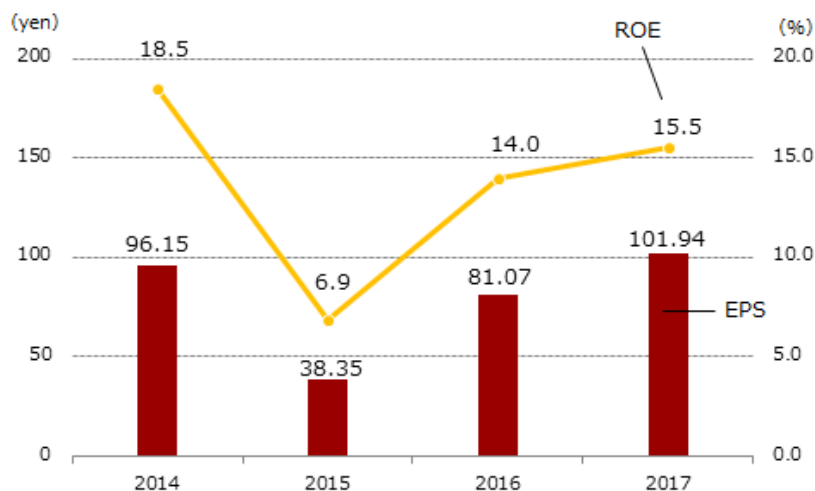
* Financial data is presented in accordance with International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2015 and the data before then is presented based on US GAAP.

Change in Operating Income/Operating Income Margin



* Financial data is presented in accordance with International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2015 and the data before then is presented based on US GAAP.

Change in ROE and EPS



* ROE: Return on equity ratio of net income attributed to the parent; EPS: Basic net earnings per share

* Financial data is presented in accordance with International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2015 and the data before then is presented based on US GAAP.

For more detailed information, see the "[IR Library](#)" section on the Advantest website.

Financial Support Received from the Government

In FY2017, the Company did not receive any financial support (including tax breaks or subsidies) from the Japanese government or from local government authorities.

Procurement Practices

Sustainability Report 2018

Materiality of Procurement Practices

- ▶ [Approach to Materiality in Conflict Minerals](#)
- ▶ [Approach to Materiality in Supplier Labor Practice Assessment](#)
- ▶ [Approach to Materiality in Supplier Human Rights Assessment](#)
- ▶ [Approach to Materiality in Assessment of the Supplier Impact on Society](#)
- ▶ [Approach to Materiality in Environmental Assessments of Suppliers](#)

Approach to Materiality in Conflict Minerals

Supervising division	Procurement Administrative Department
KPI	Continuing efforts to use materials where the risk that said minerals have been produced using conflict minerals is low, by asking business partners to ensure transparency in regard to the sources of materials and components, etc., and by working together with industry organizations and business partners to investigate information relating to conflict minerals (i.e. mineral processing firm information).
FY2018 target	Continuing efforts to use materials where the risk that said minerals have been produced using conflict minerals is low, by asking business partners to ensure transparency in regard to the sources of materials and components, etc., and by working together with industry organizations and business partners to investigate information relating to conflict minerals (i.e. mineral processing firm information).
FY2017 result	<ul style="list-style-type: none"> • Conducted surveys and gathered answers related to relevant business suppliers • Participated in the JEITA Responsible Minerals Trade Working Group
Material Reasons	Conflict minerals are not only regulated by the Dodd-Frank Wall Street Reform and Consumer Protection Act, but it is also a major problem faced by society as a whole. Advantest is no longer subject to the Dodd-Frank Wall Street Reform and Consumer Protection Act after delisting its corporate stock in the United States in April 2016. However, Advantest remains aware of the importance of responding to the issue of conflict minerals, which also has deep ties to efforts conducted by the entire industry.
Boundary	Advantest Group
Relevant policies	Procurement Policy (3. Supplier Expectations)
Relevant commitments	Sec. 1502 of the Dodd-Frank Act (Conflict minerals) and other relevant regulations
Responsible department/division	CSR & Environmental Affairs Promotion Office/Procurement Administrative Department
Relevant complaint processing policy	Establishment of a contact window
Assessment	✓

Approach to Materiality in Supplier Labor Practice Assessment

Supervising division	Procurement Administrative Department
KPI	To facilitate a ratio of dealings with new suppliers after an assessment of their labor practices
FY2018 target	100%
FY2017 result	<ul style="list-style-type: none"> • FY2017: 3 of 3 new suppliers • Revised the evaluation sheets when hiring new suppliers and added assessment items about whether a code of conduct is in place.
Material Reasons	Advantest considers the execution of its own businesses in accordance with human rights and labor practices important for a broad range of stakeholders, including our business partners.
Boundary	Advantest Group
Relevant policies	Procurement Policy, Advantest CSR Procurement Guidebook
Relevant commitments	Labor Standards Law, Industrial Safety and Health Act, RBA Code of Conduct
Responsible department/division	Purchasing (Purchasing Department/Procurement Administrative Department)
Relevant complaint processing policy	Establishment of a contact window
Assessment	—

Approach to Materiality in Supplier Human Rights Assessment

Supervising division	Procurement Administrative Department
KPI	To facilitate a ratio of dealings with new suppliers after an assessment of their human rights practices.
FY2018 target	100%
FY2017 result	<ul style="list-style-type: none"> • FY2017: 3 of 3 new suppliers • Revised the evaluation sheets when hiring new suppliers and added assessment items about whether a code of conduct is in place.
Material Reasons	Advantest recognizes the influence it has as a company on human rights violations in part, material as well as manufacturing processes and it considers the broad protection of human rights even at our suppliers vital.
Boundary	Advantest Group
Relevant policies	Advantest CSR Procurement Guidebook, Advantest Procurement Policy
Relevant commitments	RBA Code of Conduct
Responsible department/division	Purchasing (Purchasing Department/Procurement Administrative Department)
Relevant complaint processing policy	Establishment of a contact window
Assessment	—

Approach to Materiality in Assessment of the Supplier Impact on Society

Supervising division	Procurement Administrative Department
KPI	To facilitate a ratio of dealings with new suppliers after an assessment of their effect on society
FY2018 target	100%
FY2017 result	<ul style="list-style-type: none"> • FY2017: 3 of 3 new suppliers • Revised the evaluation sheets when hiring new suppliers and added assessment items about whether a code of conduct is in place.
Material Reasons	Advantest recognizes where the impact it has as a company even for compliance proposals and adherence to social norms in part, material as well as manufacturing processes and it considers the fulfillment of its social responsibility throughout the entire supply chain that includes all of its business partners vital.
Boundary	Advantest Group
Relevant policies	Procurement Policy, Advantest CSR Procurement Guidebook
Relevant commitments	RBA Code of Conduct
Responsible department/division	—
Relevant complaint processing policy	Establishment of a contact window
Assessment	—

Approach to Materiality in Environmental Assessments of Suppliers

Supervising division	Procurement Administrative Department
KPI	To facilitate a ratio of dealings with new suppliers after an assessment of their effect on the environment
FY2018 target	100%
FY2017 result	<ul style="list-style-type: none"> • FY2017: 3 of 3 new suppliers • Revised the evaluation sheets when hiring new suppliers and added sections to add results and even comments about environmental activities such as the acquisition of the ISO14001 in questions about purchasing policies.
Material Reasons	Advantest considers the development of high-quality green products vital by working from the perspective of environmental conservation in parts, materials as well as manufacturing processes.
Boundary	Advantest Group
Relevant policies	<ul style="list-style-type: none"> • Advantest Group Environmental Policy • Advantest Green Procurement Guidelines • Procurement Policy • Advantest CSR Procurement Guidebook
Relevant commitments	RoHS Directive and regulation and reference values in environmental laws from each municipality
Responsible department/division	CSR & Environmental Affairs Promotion Center/Environmental Management Supervisors
Relevant complaint processing policy	Establishment of a contact window
Assessment	✓

Advantest Procurement Policy

The Advantest Group's CSR Policy pledges respect for our suppliers, places value on open communication with our suppliers, and emphasizes the maintenance of fair business relationships in accordance with relevant laws and regulations. We are also committed to sharing values and building collaborative relationships with our suppliers, toward our goal of achieving mutual growth.

▶ [Advantest Procurement Policy](#)

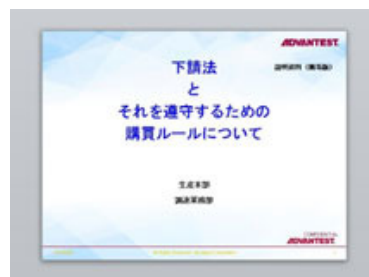
Organization to Promote Fair Trade (CSR Procurement)

In order to promote and manage fair trade we have established a department whose role is to check the purchasing department and we implement a once-yearly audit by Audit and Supervisory Committee to ensure that there are no problems and that normal trade practices are being followed. Also, every year we implement an internal control audit using an external organization and we were able to confirm again in fiscal 2017 that there were no problems.

Moreover, for outstanding orders, in addition to checking the status at the end of each month to ensure that there are no acceptance inspection omissions, for orders where the acceptance inspection is taking a long time we report the reason for this and the expected completion date to the Audit and Supervisory Committee.

Education for Practicing Fair Trade

Since fiscal 2010, we have held seminars on a subcontractors law, participation in which is not restricted to purchasing department staff. Moreover, we began employee e-learning about the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors in fiscal 2016 to raise greater awareness about this law. We also implemented follow-up training with internal instructors to each of our departments. In the future, we will continue to educate our employees in order to realize the principles of fair trade.



A scene from the subcontractors law seminar

Social Responsibility in the Supply Chain

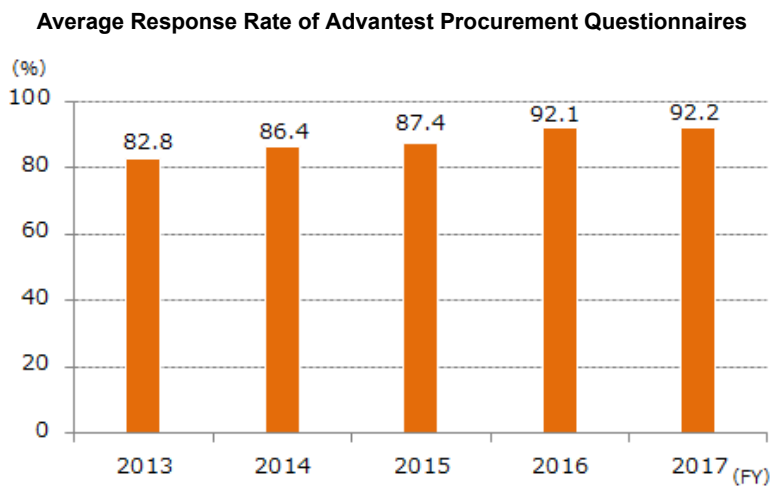
Implementation of questionnaire survey for suppliers

Advantest has published its Procurement Policy and the Advantest CSR Procurement Guidebook on its homepage as a way of fulfilling its social responsibility in a supply chain that includes all of its business partners, and it asks these business partners to adhere to relevant laws and ordinances as well as social norms.

We evaluate our business partners on QCD* every quarter and carry out an annual CSR questionnaire primarily for our business partners who largely impact procurement of Advantest. We devise the questions and conduct this survey to match the perception of all of our business partners by re-examining the priority issues of our company and questions every year based on an analysis of the assessment results for the previous year with focus on the Advantest CSR Procurement Guidebook. Furthermore, by creating materials that bring together the answers for each business partner to provide feedback independently about areas that have been highly evaluated and areas where improvements are requested, we are building a bond in which we will grow together with these business partners.

In fiscal 2017, we carried out the questionnaire in March 2018 and obtained the answers from each company. The return rate for completed questionnaires was 100%. We were able to confirm that each company had established an overall policy and Code of Conduct for societal responsibility in accordance with the Advantest Procurement Guidebook. We will conduct another questionnaire in fiscal 2018 based on the results from the questionnaire conducted in fiscal 2017 and confirm our business partners' response to our procurement policy.

* QCD: abbreviation of Quality, Cost, Delivery



One priority issue for Advantest in fiscal 2017 was to strengthen informational security. Therefore, we asked all of our business partners to conduct information security training for their employees. We also conducted an informational security survey primarily for business partners who largely impact procurement of Advantest to assess the state of corporate informational security measures and informational security training. Every company within the scope of this survey responded, and we were able to confirm all of our companies had the appropriate security measures.

- ▶ [Advantest Procurement Policy](#)
- ▶ [Advantest CSR Procurement Guidebook](#) (PDF: 136KB)

Set up of inquiry and reporting window

During trade with our business partners, in the event that one of our employees infringes, or is suspected to infringe, on our Code of Conduct, a trade contract or a relevant law, we request that this is reported to the Contact Window on our website. In fiscal 2017 we did not receive any complaints. The reporter and their company would not be penalized in any way for reporting. Following an investigation, in the case that a problem is recognized, the action in question would be stopped and measures would be taken to prevent reoccurrence.

Measures Against Procurement Risks

Advantest promotes purchasing from multiple procurement sources as a general rule to put in place a contingency for the procurement of components from the perspective of BCP. In procurement of products that must respond to sudden increases in production volume often seen today, we are also mitigating risk through not only examining inventory policies able to flexibly adapt to fluctuations as well as the handling of long-term delivery products in supply chain departments independently but also by organizing response team that include management to enable cross-departmental response.

■ Response to Conflict Minerals

Implementation of survey

At Advantest, in order to respond to Section 1502 (conflict minerals provisions) of Title XV of the Dodd-Frank Wall Street Reform and Consumer Protection Act and related regulations in the U.S., we are playing an active role together with the industry organization to address the conflict minerals problem.

Since 2013 we have been implementing an annual survey of our business partners regarding use of conflict minerals through a RMI* report (conflict mineral reporting template (CMRT)) and releasing the results.

* RMI: [Responsible Minerals Initiative](#) 

The Advantest Way & Code of Conduct

Sustainability Report 2018

The ADVANTEST Way and the Code of Conduct provides a set of rules and standards of behavior that all executives and employees must observe when carrying out the Group's global corporate activities. At Advantest, we adopt a global perspective when implementing our company management and our social and environmental activities so that we can use our cutting-edge "measurement and testing technologies" to fulfill the expectations that our customers and all of our stakeholders throughout the world hold for us.



▶ [The ADVANTEST Way & Code of Conduct](#)

Compliance

Sustainability Report 2018

Materiality in Compliance

- ▶ [Approach to Materiality in Non-discrimination](#)
- ▶ [Approach to Materiality in Corruption Prevention](#)
- ▶ [Approach to Materiality in Compliance to the Antitrust Act](#)
- ▶ [Approach to Materiality in Social Compliance](#)

Approach to Materiality in Non-discrimination

Supervising division	Human Resources Department
KPI	Number of issues solved through inquiries to the helpline
FY2018 target	Total number of issues solved
FY2017 result	4
Material Reasons	Advantest considers the elimination of discrimination in any form such as age, gender, nationality, and religion vital to creating a company where everyone is enthusiastic in the execution of businesses worldwide.
Boundary	Advantest Group
Relevant policies	The ADVANTEST Way & Code of Conduct
Relevant commitments	—
Responsible department/division	Corporate Ethics Office, Code of Conduct Committee
Management resources	Corporate Ethics Office 1; Code of Conduct Committee 9 (one of whom is also part of the Corporate Ethics Office)
Relevant complaint processing policy	Corporate Ethics Helpline (Worldwide), Human Rights Protection Committee (Only Japan)
Assessment	✓

Approach to Materiality in Corruption Prevention

Supervising division	Legal Department
KPI	Number of confirmed dishonest acts
FY2018 target	0
FY2017 result	1
Material Reasons	Legal compliance and governance is the basis of our corporate activities. We recognize the elimination of acts that will truly damage the trust of our stakeholders such as bribery and corruption as our greatest corporate social responsibility.
Boundary	Advantest Group
Relevant policies	The ADVANTEST Way & Code of Conduct
Relevant commitments	FCPA, Unfair Competition Prevention Act
Responsible department/division	Auditing team and legal divisions
Relevant complaint processing policy	Corporate Ethics Helpline
Assessment	△

Approach to Materiality in Compliance to the Antitrust Act

Supervising division	Sales Administration
KPI	Number of relevant legislative actions
FY2018 target	0
FY2017 result	0
Material Reasons	Advantest considers the elimination of anticompetitive practices in order to conduct business fairly vital to earning trust from society.
Boundary	Advantest Group
Relevant policies	—
Relevant commitments	Antitrust Act
Responsible department/division	Internal audit divisions
Relevant complaint processing policy	Corporate Ethics Helpline
Assessment	✓

Approach to Materiality in Social Compliance

Supervising division	Code of Conduct Committee
KPI	Number of social aspect non-compliance
FY2018 target	0
FY2017 result	1
Material Reasons	Advantest considers the execution of social responsibility though a high ethical perspective held by each and every employee vital to earn the trust and faith from our stakeholders.
Boundary	Advantest Group
Relevant policies	The ADVANTEST Way & Code of Conduct
Relevant commitments	—
Responsible department/division	Corporate Ethics Office, Code of Conduct Committee
Management resources	Corporate Ethics Office 1; Code of Conduct Committee 9 (one of whom is also part of the Corporate Ethics Office)
Relevant complaint processing policy	Corporate Ethics Helpline
Assessment	—

Our Stance to Compliance

Overview of Policy

Companies aiming for sustainable growth need employees who fulfill their social responsibilities and who possess a strong sense of ethics. They also need to earn the trust of stakeholders. Based on this belief, Advantest has established The ADVANTEST Way – the fundamental handbook which lays out our management direction and policy, and which comprises our Corporate Mission (“Enabling the Leading-Edge Technology”), Corporate Mantra (“Quest for the Essence”) and CSR Policy – as well as The Advantest Code of Conduct, which provides specific guidelines for employees to enhance their ethical awareness.

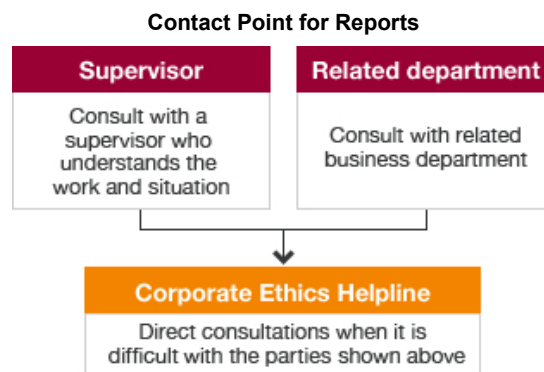
▶ [The ADVANTEST Way & Code of Conduct](#)

Compliance Promotion System

Advantest gives guidance and advice to all Group employees to ensure that they fully understand and comply with the "The ADVANTEST Way & Code of Conduct", and has established a global management structure.

When employees are carrying out day-to-day business operations, if they come across a problem that they feel is in violation with or contradiction of "The ADVANTEST Way & Code of Conduct", they should first report to and consult with the department head, and if necessary, to other relevant departments. In 2006, we established a "Corporate Ethics Helpline", which we operate globally, for cases where it is difficult for employees to consult with department heads or other relevant departments. Since setting up the helpline, we have received various communications from Group employees both in Japan and overseas; we then seek to resolve these issues while maintaining the privacy of the employees concerned. We had one issue reported in fiscal 2017 and response fell to the departments in charge. We will continue to sincerely respond to such communications so as to maintain Advantest's integrity.

Also, as a member of the international community, we regularly conduct compliance audits through our global audit teams in order to ensure that we follow the different laws and regulations in each country and carry out our business activities appropriately.



Compliance Education

At Advantest, we distribute a booklet called "The ADVANTEST Way & Code of Conduct" to all Group employees and implement efforts to ensure employee commitment. However, with the full integration of Verigy Inc. into Advantest in April 2012, the creation of new overseas production bases and the internationalization of both R&D and production bases, there is an increasing need to ensure thorough legal compliance worldwide and to pay attention to compliance across the Group while also ensuring a thorough understanding of the different laws and regulations in each country.

For this reason, through cooperation between Advantest's audit teams and the legal affairs departments, we are working to strengthen training activities related to national laws and regulations. In addition, to ensure employee commitment in regard to compliance matters, we are implementing regular e-learning sessions for all Group employees on "The ADVANTEST Way & Code of Conduct" and on the subject of "anti-corruption and anti-bribery".

In fiscal 2017, all of our Group employees took e-learning education and agreed to adhere to compliance.

Intellectual Property Protection

Sustainability Report 2018

Approach to Materiality in the Protection of Intellectual Property

Supervising division	Intellectual Property Management
KPI	Ratio of e-learning students in periodic education about intellectual property
FY2018 target	100%
FY2017 result	99.4%
Material Reasons	The strength of Advantest is its state-of-the-art technological capabilities. Therefore, we believe protecting our intellectual property as the source of our competitiveness vital to persist as an enterprise.
Boundary	Advantest Group
Relevant policies	IP Management Policy and relevant agreements and bylaws
Relevant commitments	—
Responsible department/division	Intellectual Property Management
Relevant complaint processing policy	—
Assessment	✓ (Cleared over 99% of fiscal 2017 targets set as interim targets)

Basic Philosophy

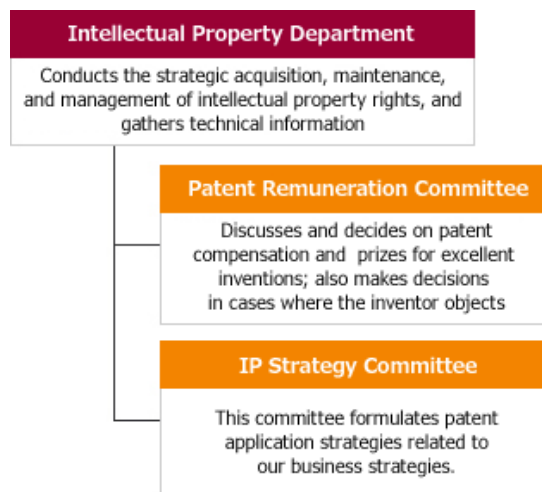
The guiding principles underlying Advantest's intellectual property management emphasize compliance with intellectual property laws and regulations and the need to respect the intellectual property of third parties.

Organization of Intellectual Property Management

The organization illustrated below was developed to ensure that intellectual property is managed appropriately on a global basis. IP strategic committee members who are selected by business leaders formulated patent application strategies related to our business strategies.

Employees in charge of intellectual property meet periodically with each IP strategy committee member to advance intellectual property activities related to our businesses.

Organization of Intellectual property management



Employee Education about Intellectual Property

At Advantest, in order to improve awareness of intellectual property among all employees, we are conducting training for new technical employees and e-learning for all Group employees every year.

We conduct separate e-learning for the general employees and engineers, with content for engineers being more specialized.

Disputes and Litigation Relating to Intellectual Property

As of March 31, 2018 there were no such disputes.

Communication with Stakeholders

Sustainability Report 2018

Advantest implements the following types of communication with stakeholders.

Main stakeholders	Main communication methods
Shareholders and investors	Shareholders' meeting, business report, and interim reports Financial results and Quarterly / Annual financial securities report Corporate governance reports Dissemination of information via the Sustainability report Holding of briefings for institutional investors and analysts each quarter on the day of publication of earnings announcement Implementation of regular overseas IR roadshows (at least once a year in each of North America, Europe and Asia), and participation in major IR events in Japan Individual meetings with domestic and overseas institutional investors Individual meetings with major domestic and overseas shareholders
Customers	CSR questionnaire User group meetings (VOICE) Exhibitions (SEMICON, etc.)
Suppliers	Suppliers New Year Meeting Suppliers Reception QCD Cooperate Forum
Employees	Labor-bargaining

Dialog with Shareholders and Investors

Shareholders' Meeting

Advantest views the ordinary general meeting of shareholders (which constitutes the company's highest decision-making body) as also providing an important opportunity for dialog with all of the company's shareholders. We actively welcome questions from shareholders, and strive to reply to them in a considerate, easy-to-understand manner, endeavoring to help shareholders understand the measures that we implement in order to enhance the company's value.

At Advantest's 75th ordinary general meeting of shareholders held in June 2017, the following proposals on the agenda were all approved:

- **Proposal 1: Appointment of six Directors (excluding Directors serving as Audit and Supervisory Committee Members)**
Yoshiaki Yoshida, Osamu Karatsu, Seiichi Yoshikawa, Hans-Juergen Wagner, and Soichi Tukakoshi were elected and appointed as Non-Auditor Directors. Osamu Karatsu and Seiichi Yoshikawa are outside Directors.

▶ [Details of Senior Executives](#) 
- **Proposal 2: Appointment of three Directors serving as Audit and Supervisory Committee Members**
Yuichi Kurita, Megumi Yamamuro, and Yasushige Hagio were elected and appointed as Directors serving as Audit and Supervisory Committee Members. Megumi Yamamuro and Yasushige Hagio are outside Directors.
- **Proposal 3: Appointment of one substitute Director serving as Audit and Supervisory Committee Member**
Osamu Karatsu was elected as a substitute Director serving as Audit and Supervisory Committee Member.

Three shareholders asked questions and shared opinions about topics that included the trends of the industry and operation of the shareholders' meeting over the course of the one-hour ordinary general meeting of shareholders, all of which received replies from the Chairman. The ordinary general meeting of shareholders was followed by a social event, which combined displays of the company's products and business development plans with the provision of direct explanations by Advantest directors, in an effort to strengthen dialog with participating shareholders.



Shareholders' Meeting

IR activities

To fulfill the company's duty to demonstrate the company's accountability to our shareholders and investors, and to further increase the level of trust placed in the company, Advantest has formulated the Basic Investor Relations Policy, and is working to foster more intensive communication with shareholders and investors under the direction of our CEO.

Under our basic IR policy, Advantest discloses material information appropriately in order to ensure fair disclosure to shareholders and investors both in Japan and overseas. Our IR activities are implemented through designated IR spokespersons, including the CEO, Corporate Vice President, CFO, Executive President and Vice President in Corporate Relations Group and IR personnel. Moreover, to avoid the disclosure of material nonpublic information and prevent information gaps during discussions, we engage multiple IR spokespersons in conversation or other venues for communication. We also formulated new internal regulations related to the handling of material information to comply with the fair disclosure rules of Japan enacted in April 2018 as well as similar law and the regulations in each country. Advantest will maintain fair informational disclosure and further enhance communication with all of its shareholders and investors based on these new regulations.

With regards to our IR activities, besides the timely disclosure on the company's website, we holds the quarterly financial information meetings, at which senior Advantest managers give presentations. Advantest also holds individual meetings with domestic and overseas institutional investors (with around 350 such meetings being held in fiscal 2017) as well as other small meetings, striving to help attendees develop a more in-depth understanding of the business environment within which Advantest operates and of the business strategies adopted by the company.

The useful suggestions that we receive from shareholders and investors in the course of engaging in communication with them are shared with the board of directors, and are utilized to help enhance Advantest realize sustainable growth and increase its corporate value over the medium and long term.

Dialog with Suppliers

To help build harmonious relationships with suppliers, Advantest holds an annual Suppliers New Year Meeting, Suppliers Reception and QCD Cooperate Forum with suppliers. Besides providing an opportunity for the presenting of awards that give recognition to suppliers who have made a particularly valuable contribution to Advantest's business, these events also provide a forum for the exchange of views between suppliers and Advantest's Chairman and Directors.



A scene from the QCD Cooperate Forum

Dialog with Employees

As opportunities for the dissemination of the Chairman's Message and for dialog with employees, Advantest seeks to engage in communication with employees at the monthly Morning Meetings and Meetings of All Employees which are held at each business location, the New Year Greeting event held in January each year, the Spring Labor Talks which are held each year starting in March, the ceremony to mark the company's founding which is held in July each year, the Central Labor Negotiations which are held in September each year, and various social events etc.

External Recognition

Sustainability Report 2018

Advantest strives to improve customer satisfaction and achieve sustainable level of business development while enhancing our corporate value under the Corporate Mission of "Enabling the Leading-Edge Technology" and Corporate Mantra of "Quest for the Essence" while respecting the stakeholders to be in harmony with society and contribute in creating a sustainable society. Our activities are highly praised by various external agencies and organizations.

Selected for FTSE4Good Index Series

* Major index for Socially Responsible Investing (SRI) that evaluates and selects companies based on their social responsibility and sustainability using various criterion for environment, society, and governance

FTSE Blossom Japan Index

* Index to measure the performance of Environmental, Social and Governance (ESG) practices of Japanese companies designed to be industry neutral.

Selected as Index Component for the SNAM Sustainability Index

* Index set by Sampo Japan Nipponkoa Asset Management Co., Ltd. combining ESG evaluation and share vale.

Named a 2018 Thomson Reuters Top 100 Global Technology Leader

* Tech industries first comprehensive evaluation for major companies in the industry. The index evaluates companies based on 28 items in eight pillars of performance: Financial, Management and Investor Confidence, Risk and Resilience, Legal Compliance, Innovation, People and Social Responsibility, Environmental Impact, and Reputation.

Achieved Recognition as a 5-Star Company and Named to 10 BEST List in VLSresearch Customer Satisfaction Survey for 30th Consecutive Year

* The VLSresearch Customer Satisfaction Survey is the industry's only available opportunity since 1988 to receive feedback form semiconductor manufacturers. It evaluates and ranks equipment manufacturers based on 15 items in three key factors of customer service, supplier and equipment performance.

Awarded Excellence Award in the Environmental Communication Awards

* Held every year to promote business operators to engage in environmental management and communication and raise the quality of environmental information disclosure by awarding them.

Advantest Europe GmbH awarded Best Workplaces 2017

* Advantest Europe GmbH was awarded Best Workplaces 2017 by international human resource consulting agency Great Place to Work®. Great Place to Work? awards management staff of companies in Germany that have strong relationship with their employees based on trust in the workplace, performance of employees, etc.



GRI Standard

Sustainability Report 2018

* This report refers to information related to items of GRI Standard as a reference and does not indicate accordance with the GRI Standard.

102: General Disclosures

GRI Items	GRI Index	Page to Refer
1. Organizational profile		
102-1	Name of the organization	▶ About the Advantest Group
102-2	Activities, brands, products, and services	▶ Products ▶ Global Services
102-3	Location of headquarters	▶ About the Advantest Group
102-4	Location of operations	▶ About the Advantest Group
102-5	Ownership and legal form	▶ About the Advantest Group
102-6	Markets served	▶ About the Advantest Group ▶ Investors
102-7	Scale of the organization	▶ About the Advantest Group ▶ Employment and Diversity
102-8	Information on employees and other workers	▶ About the Advantest Group ▶ Employment and Diversity
102-9	Supply chain	▶ Procurement Policy ▶ Procurement Practices
102-10	Significant changes to the organization and its supply chain	▶ Investors
102-11	Precautionary Principle or approach	▶ Materiality for the Advantest Group
102-12	External initiatives	▶ About the Advantest Group ▶ Procurement Practices
102-13	Membership of associations	▶ About the Advantest Group ▶ Procurement Practices
2. Strategy		
102-14	Statement from senior decision-maker	▶ CEO Message
102-15	Key impacts, risks, and opportunities	▶ CEO Message ▶ Risk Management ▶ Annual / Quarterly Financial Report
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	▶ About the Advantest Group ▶ Advantest's CSR
102-17	Mechanisms for advice and concerns about ethics	▶ Compliance
4. Governance		
102-18	Governance structure	▶ Corporate Governance
102-19	Delegating authority	▶ Advantest's CSR
102-20	Executive-level responsibility for economic, environmental, and social topics	▶ Advantest's CSR
102-21	Consulting stakeholders on economic, environmental, and social topics	▶ Advantest's CSR
102-22	Composition of the highest governance body and its committees	▶ Corporate Governance
102-23	Chair of the highest governance body	▶ Corporate Governance
102-24	Nominating and selecting the highest governance body	▶ Corporate Governance
102-25	Conflicts of interest	—
102-26	Role of highest governance body in setting purpose, values, and strategy	▶ Advantest's CSR
102-27	Collective knowledge of highest governance body	—
102-28	Evaluating the highest governance body's performance	▶ Corporate Governance
102-29	Identifying and managing economic, environmental, and social impacts	▶ Corporate Governance ▶ Risk Management
102-30	Effectiveness of risk management processes	▶ Risk Management
102-31	Review of economic, environmental, and social topics	—
102-32	Highest governance body's role in sustainability reporting	▶ Materiality for the Advantest Group

GRI Items	GRI Index	Page to Refer
102-33	Communicating critical concerns	▶ Corporate Governance ▶ Compliance ▶ Risk Management ▶ Advantest's CSR
102-34	Nature and total number of critical concerns	—
102-35	Remuneration policies	▶ Corporate Governance ▶ Annual / Quarterly Financial Report
102-36	Process for determining remuneration	▶ Corporate Governance ▶ Annual / Quarterly Financial Report
102-37	Stakeholders' involvement in remuneration	—
102-38	Annual total compensation ratio	—
102-39	Percentage increase in annual total compensation ratio	—
5. Stakeholder engagement		
102-40	List of stakeholder groups	▶ Communication with Stakeholders
102-41	Collective bargaining agreements	▶ Respecting and Protecting Human Rights ▶ Annual / Quarterly Financial Report
102-42	Identifying and selecting stakeholders	▶ Communication with Stakeholders
102-43	Approach to stakeholder engagement	▶ Communication with Stakeholders ▶ Supporting Product Safety and Quality
102-44	Key topics and concerns raised	—
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	▶ Editorial Note ▶ Annual / Quarterly Financial Report
102-46	Defining report content and topic Boundaries	—
102-47	List of material topics	▶ Materiality for the Advantest Group ▶ Management Approach (Economy) ▶ Management Approach (Environment) ▶ Management Approach (Society)
102-48	Restatements of information	—
102-49	Changes in reporting	—
102-50	Reporting period	▶ Editorial Note
102-51	Date of most recent report	▶ Editorial Note
102-52	Reporting cycle	▶ Editorial Note
102-53	Contact point for questions regarding the report	▶ Editorial Note
102-54	Claims of reporting in accordance with the GRI Standards	▶ Editorial Note
102-55	GRI content index	▶ Editorial Note
102-56	External assurance	—

200: Economic

GRI Items	GRI Index	Page to Refer
201: Economic Performance		
201-1	Direct economic value generated and distributed	▶ Annual / Quarterly Financial Report
201-2	Financial implications and other risks and opportunities due to climate change	▶ Risk Management ▶ Environmental Action Plan ▶ Green Products ▶ Environmental Accounting Results ▶ Annual / Quarterly Financial Report
201-3	Defined benefit plan obligations and other retirement plans	▶ Human Resources Development, Fair Evaluation and Treatment
201-4	Financial assistance received from government	—
202: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
202-2	Proportion of senior management hired from the local community	▶ Employment and Diversity
203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	—

GRI Items	GRI Index	Page to Refer
203-2	Significant indirect economic impacts	–
204: Procurement Practices		
204-1	Proportion of spending on local suppliers	–
205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	▶ Procurement Practices
205-2	Communication and training about anti-corruption policies and procedures	▶ Membership of Civil Society
205-3	Confirmed incidents of corruption and actions taken	▶ Membership of Civil Society
206: Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	▶ Membership of Civil Society

300: Environmental

GRI Items	GRI Index	Page to Refer
301: Materials		
301-1	Materials used by weight or volume	▶ Environmental Related Data
301-2	Recycled input materials used	▶ Resource Recycling
301-3	Reclaimed products and their packaging materials	▶ Product Recycling
302: Energy		
302-1	Energy consumption within the organization	▶ Environmental Related Data
302-2	Energy consumption outside of the organization	–
302-3	Energy intensity	–
302-4	Reduction of energy consumption	▶ Environmental Action Plan ▶ Mitigation of Climate Change ▶ Environmental Related Data
302-5	Reductions in energy requirements of products and services	▶ Environmental Action Plan ▶ Green Products ▶ Mitigation of Climate Change
303: Water		
303-1	Water withdrawal by source	▶ Resource Recycling ▶ Environmental Related Data
303-2	Water sources significantly affected by withdrawal of water	▶ Resource Recycling
303-3	Water recycled and reused	–
304: Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	▶ Biotope
304-2	Significant impacts of activities, products, and services on biodiversity	–
304-3	Habitats protected or restored	▶ Biotope
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	–
305: Emissions		
305-1	Direct (Scope 1) GHG emissions	▶ Mitigation of Climate Change ▶ Environmental Related Data
305-2	Energy indirect (Scope 2) GHG emissions	▶ Mitigation of Climate Change ▶ Environmental Related Data
305-3	Other indirect (Scope 3) GHG emissions	▶ Mitigation of Climate Change
305-4	GHG emissions intensity	▶ Mitigation of Climate Change
305-5	Reduction of GHG emissions	▶ Mitigation of Climate Change ▶ Environmental Related Data
305-6	Emissions of ozone-depleting substances (ODS)	–
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	▶ Environmental Related Data
306: Effluents and Waste		

GRI Items	GRI Index	Page to Refer
306-1	Water discharge by quality and destination	▶ Resource Recycling ▶ Environmental Related Data
306-2	Waste by type and disposal method	▶ Resource Recycling ▶ Environmental Related Data
306-3	Significant spills	▶ Environmental Management ▶ Environmental Communication / Environmental Contribution Activities
306-4	Transport of hazardous waste	▶ Environmental Related Data
306-5	Water bodies affected by water discharges and/or runoff	▶ Resource Recycling
307: Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	▶ Environmental Management ▶ Environmental Communication / Environmental Contribution Activities
308: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	▶ Procurement Practices
308-2	Negative environmental impacts in the supply chain and actions taken	▶ Procurement Practices

400: Social

GRI Items	GRI Index	Page to Refer
401: Employment		
401-1	New employee hires and employee turnover	▶ Employment and Diversity
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	▶ Supporting Diverse Working Styles ▶ Human Resources Development, Fair Evaluation and Treatment
401-3	Parental leave	▶ Supporting Diverse Working Styles
402: Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	–
403: Occupational Health and Safety		
403-1	Workers representation in formal joint management-worker health and safety committees	▶ Respecting and Protecting Human Rights
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	▶ Occupational Health and Safety
403-3	Workers with high incidence or high risk of diseases related to their occupation	–
403-4	Health and safety topics covered in formal agreements with trade unions	▶ Respecting and Protecting Human Rights
404: Training and Education		
404-1	Average hours of training per year per employee	▶ Human Resources Development, Fair Evaluation and Treatment
404-2	Programs for upgrading employee skills and transition assistance programs	▶ Supporting Diverse Working Styles ▶ Human Resources Development, Fair Evaluation and Treatment
404-3	Percentage of employees receiving regular performance and career development reviews	▶ Human Resources Development, Fair Evaluation and Treatment
405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	▶ Employment and Diversity ▶ About the Advantest Group
405-2	Ratio of basic salary and remuneration of women to men	–
406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	▶ Procurement Practices ▶ Compliance ▶ Respecting and Protecting Human Rights
407: Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	▶ Respecting and Protecting Human Rights
408: Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	▶ Procurement Practices ▶ Procurement Policy
409: Forced or Compulsory Labor		

GRI Items	GRI Index	Page to Refer
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	▶ Procurement Practices ▶ Procurement Policy
410: Security Practices		
410-1	Security personnel trained in human rights policies or procedures	–
411: Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	–
412: Human Rights Assessment		
412-1	Operations that have been subject to human rights reviews or impact assessments	▶ Procurement Practices
412-2	Employee training on human rights policies or procedures	▶ Respecting and Protecting Human Rights
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	▶ Procurement Practices ▶ Procurement Policy
413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	▶ Membership of Civil Society
413-2	Operations with significant actual and potential negative impacts on local communities	–
414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	▶ Procurement Practices ▶ Procurement Policy
414-2	Negative social impacts in the supply chain and actions taken	▶ Procurement Practices ▶ Procurement Policy
415: Public Policy		
415-1	Political contributions	–
416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	▶ Supporting Product Safety and Quality
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	▶ Supporting Product Safety and Quality
417: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	▶ Green Products ▶ Environmental Risk and Chemical Substance Management ▶ Supporting Product Safety and Quality
417-2	Incidents of non-compliance concerning product and service information and labeling	–
417-3	Incidents of non-compliance concerning marketing communications	–
418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	–
419: Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	▶ Supporting Product Safety and Quality