FOR IMMEDIATE RELEASE

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ADVANTEST CORPORATION
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Revisions of Capital Policy and Shareholder Return Policy

Tokyo –May 21, 2021 – Advantest Corporation hereby announces the Board of Directors resolution on changes in capital policy and shareholder return policy as shown below.

1. Reasons for the change in capital policy and shareholder return policy

The Company revised cash flow forecast and appropriate capital structure to be conforming with second mid-term management plan for the fiscal years from 2021 to 2023. Under the premise of stable business environment, the Company changed the following policies to amplify corporate values, accompanying enhancement of shareholder returns and formation of flexible corporate strategy.

2. Changes in capital policy and shareholder return policy

After	Based on the premise that a sustainable level of business development and mid-to-long term enhancement of corporate value is fundamental to the creation of shareholder value, the Company practices management that is conscious of capital efficiency, financial soundness, and shareholder returns. The Company has set the capital policy to prioritize business investment for growth such as R&D, facility enhancements, and M&A, while being flexible in utilization of liabilities (debt) from the viewpoint of balance sheet management that considers both capital efficiency and capital cost. In addition, the Company ensures an appropriate capital structure with maintaining financial soundness in order to strengthen the Company's business position and enhance its corporate value. The shareholder return that is in congruence with second mid-term management plan for the three years starting from April 1, 2021, under the premise of stable business environment, is set to make stable and continuous dividend with a minimum amount of ¥50 per share for a semi-annual and ¥100 per share for annual. In addition to dividends, the Company set the target to achieve total annual return ratio (*) of 50% or more, including share buybacks. However, there is a possibility that the Company may not be able to disburse shareholder returns due to the occurrence of investment growth opportunities that require more funds than expected and the deterioration of business performance for the changes in the market environment. (*) Total return ratio: (Dividend + share repurchase)/consolidated net income
Before	Based on the premise that a sustainable level of business development and mid-to-long term enhancement of corporate value is fundamental to the creation of shareholder value, the Company practices management that is conscious of both capital cost and financial soundness. With respect to the distribution of surplus, the Company makes dividend payouts based on semi-annual business performance with a target semi-annual payout ratio of 30%. (continued on the next page)

	Retained earnings are devoted to business investments for growth such as M&A, R&D, facility enhancements, with an aim to strengthen the Company's business position and enhance its corporate value. If residuals are retained for a long time, the company will consider flexibly reviewing its dividend payout ratio and improving total shareholder returns by, for instance, repurchasing stock, taking into consideration our projected growth investments.

2. Effective date

New policy will take effect from fiscal year 2021 (ending March 31, 2022).

Furthermore, the interim and year-end dividends for the fiscal year ending March 31, 2022 are undecided.

End