

# Advantest Products: Providing Technology Support

Advantest supports the technologies that form the foundations of our society—information, communications, and semiconductors—in the fields of test and measurement. We are a one-stop supplier of semiconductor testers and all devices relating to semiconductors test, including peripheral devices.

## Products supporting LCD televisions

Testing with the T6373 LCD driver test system and M7522 dynamic test handler

Separating defective components

LCD driver IC chip

**A defective LCD driver chip will prevent the television picture from displaying correctly**

IC chips called “LCD drivers” play a crucial role in the video display of LCD televisions. Advantest checks the operation and performance of these IC chips thoroughly using leading-edge LCD driver test systems.

## Products supporting car safety

Testing with the T2000 (GS mainframe) flexible test system

Separating defective components

MCU (Micro Controller Unit)

**A defective MCU will inhibit safe driving**

Testing with the T7723 advanced mixed signal test system

Separating defective components

Mixed Signal IC (IC to control motors on hybrid cars)

**A defective mixed-signal IC will reduce fuel efficiency**

Advantest’s test technologies help ensure that cars run safely and smoothly. We ensure the reliability of safety-related electronic devices, including devices that electronically control engine combustion, and antilock brake systems (ABS).

# on the Leading Edge

## Advantest technologies all around you

From mobile phones, to personal computers, to televisions, electronics have become an essential part of our lives. We have come to take them for granted. Advantest products help to ensure that we can keep on taking them for granted.

## Products supporting mobile phones

Testing with the T2000 (LS mainframe) flexible test system and M4841 dynamic test handler

Separating defective components

Transceiver IC

Testing with the T5781 memory test system

Separating defective components

MCP (Multi Chip Package)

**A defective IC could cause problems with the LCD screen or prevent communication**

Mobile phones use many different devices, including flash memory, RFICs, and MCUs, to send and receive radio signals and to store address books, images, ringtones, and other data. Our testing technologies are essential to these little wonders of technology.

## Products supporting personal computers

Testing with the T2000 (LS mainframe) flexible test system

Separating defective components

CPU (Central Processing Unit)

Testing with the T5503 memory test system

Separating defective components

DRAM (Random Access Memory)

**A defective CPU or DRAM will prevent a computer from booting**

Computers are packed with semiconductor devices, and Advantest test systems help ensure their quality. We accurately measure whether computers are capable of fully performing according to their specifications, while keeping up with the rapid pace of progress in this field.

I feel that for Advantest, CSR means building trust by fulfilling our social responsibility through our day-to-day business operations. I believe that we can earn greater trust by reviewing our business activities objectively from the perspectives of our stakeholders, and using this review to continually improve in subsequent fiscal years.

# We are Committed to Earning the Trust of All Our Stakeholders

Representative Board Director  
President and CEO



## Our commitment to CSR

After soliciting suggestions nationwide, the Japan Kanji Aptitude Testing Foundation selected the Kanji character that means "fake" as the Kanji of the Year for 2007. The selection of the Kanji for "fake" is fitting given recent events in Japan, where one corporate scandal after another has been reported in the press. The opposite of "fake" is "sincere"; I believe that sincere and truthful actions create trust. I am convinced that in order to achieve continuous corporate growth, we must prove our social value, fulfilling our corporate social responsibility (CSR) and earning the trust and support of all our stakeholders. This means that we must not, through our corporate activities, do anything to lose the trust of our stakeholders, and that we

must be deeply committed to building an even more solid relationship of trust as we move into the future. We have therefore created a Code of Conduct that defines the rules Advantest employees and officers must adhere to. The Code of Conduct is distributed to all Group employees, and we strive to ensure that all employees understand and comply with these rules.

## CSR through business

The focus of CSR activities at Advantest is fulfilling our social responsibility through our business operations. Our mission statement is "Technology Support on the Leading Edge," and we believe that this mission translates to contributing to the

development of society through leading-edge measuring technologies. Our customers use our products to test and evaluate leading-edge semiconductors and electronic components, thus ensuring their reliability. High-quality semiconductors and electronic components tested using Advantest products are then supplied to manufacturers, where they help to enrich and improve the security of people's lives, and reduce environmental burdens through improved efficiency. We believe that in this way, we are able to play a role in the achievement of a sustainable society. Additionally, the trust that our customers and users place in Advantest products and services enables us to earn profits, which enables us to further contribute by returning profits to our shareholders and investors and by paying taxes. We remain committed to offering products and services that satisfy our customers in order to earn even greater trust.

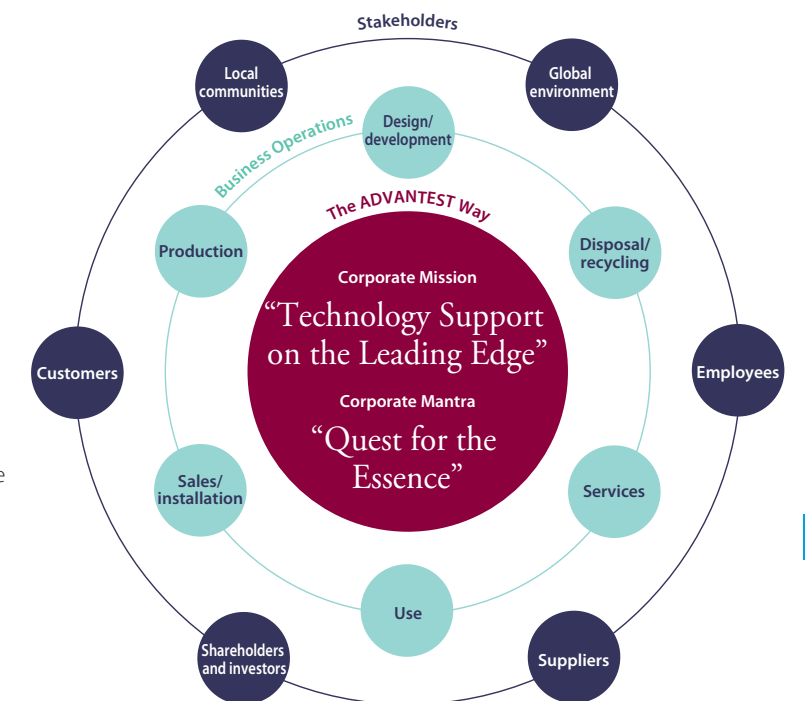
## Human resource development: CSR that values people

It goes without saying that people will play a critical role in the achievement of a sustainable society. Developing talented human resources, however, is no easy task. We have always worked toward this goal, training engineers through internal and external technical education and training, and passing on technical knowledge through the introduction of skill certification programs. We also recognize the urgent need to train semiconductor designers and manufacturing engineers in test, among other technologies essential to the semiconductor industry, of which we form a part. Committed to leveraging our store of skills and technologies to contribute to the development of human resources in this area, we have begun trial efforts by donating testing systems and other materials, and creating courses at the VLSI Design and Education Center (VDEC) at the University of Tokyo and the Kitakyushu Foundation for the Advancement of Industry, Science, and Technology (FAIS).

## Communication with stakeholders

A solid relationship of trust with stakeholders cannot be built overnight. Earning trust requires close communication, identifying stakeholders' expectations, and promoting mutual understanding so that we can communicate our thoughts and situation. Communication is sometimes conducted at special-purposed venues, but we also believe it requires a continual commitment in day-to-day operations, conversations, and correspondence. It is our hope that this report will assist in this overarching communication project. We welcome the feedback of our readers.

### Our relationships with our stakeholders



# CSR in Our Business Operations

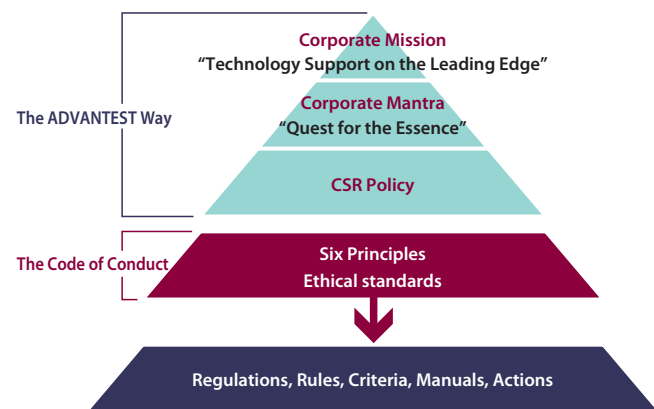
## The Advantest CSR roadmap

Achieving continuous corporate growth and improving our corporate value is the central goal of our CSR Policy. We aim to respect our stakeholders and contribute to the achievement of a sustainable society while maintaining harmony with society. As described in the CSR Policy below, we are committed to maintaining the trust and support of all our stakeholders through our day-to-day operations.

## Promoting CSR activities

The CSR Management Group was created to promote activities to establish the concept of CSR firmly in our daily operations. The Group has a full-time staff, and supervises a CSR working group. The CSR working group reviews the operations of each division from the perspective of our stakeholders, and tackles such challenges as how to incorporate them into a plan-do-check-act (PDCA) cycle.

Advantest Corporate Mission and Code of Conduct hierarchy



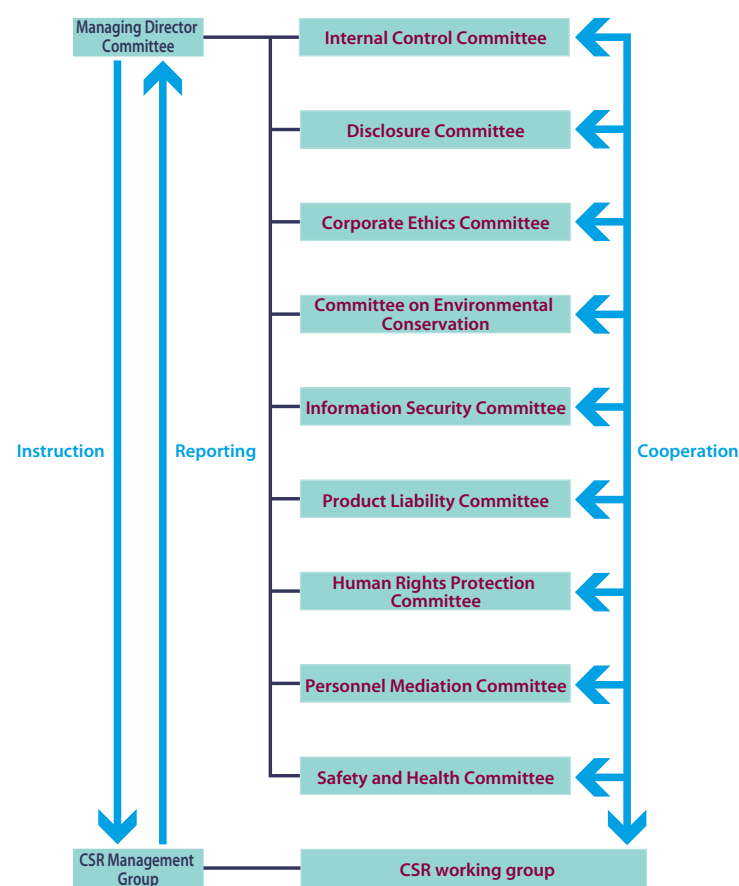
Corporate Social Responsibility (CSR) Policy

**In line with our Corporate Mission and Corporate Mantra, we at Advantest aim to achieve a sustainable level of business development while enhancing our corporate value.**

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.

- We work in harmony with society to preserve the environment and reduce our footprint.
- We strive to consistently deliver high-quality products and services to our customers.
- We appropriately return profits to our shareholders and disclose information appropriately to our investors.
- We are committed to cooperation with our suppliers in the interests of mutual prosperity.
- We treat our employees fairly, and constantly endeavor to improve their working environment.

System for promoting CSR at Advantest



## A Business Continuity Plan (BCP) for all our stakeholders

All companies face risks that have the potential to shut down their core businesses, including earthquakes, fires, large-scale system failures, and other accidents and disasters. Such shutdowns would not only damage a company's physical assets directly and cause loss of earnings during the shutdown, but would also be a major cause of loss of suppliers and customers, possibly forcing the company out of business. Additionally, a shutdown of one of our core businesses would not only harm us, but could cause a chain reaction, shutting down the operations of our suppliers and customers as well. In fiscal 2006, we began creating a plan to ensure that our business could continue in the event of one of these disasters or failures, judging that from the standpoint of our CSR, we are required to prevent our core businesses from shutting down in the event of an accident or disaster, and if a core business does shut down, we must restart it as soon as possible. We completed the drafting of our business continuity plan (BCP) in fiscal 2007, and are currently implementing this plan, including creating necessary hardware redundancy, creating written procedures, and providing education and training.

## Improving our information security by educating employees

We have created an information-security website for Advantest employees. This website serves as a central resource for information security rules and measures and other important data. Starting with the most urgent issues, we are currently implementing measures in a planned and flexible manner in line with our vision for information security at Advantest.

### Creating rules and ensuring that all employees are aware of these rules

We have revised our management guidelines to ensure more thorough management of confidential information in each division. We have also created guidelines and checklists for these measures, in order to enhance the security of our Internet and intranet websites. All employees are kept aware of these rules through our Information Security Website.

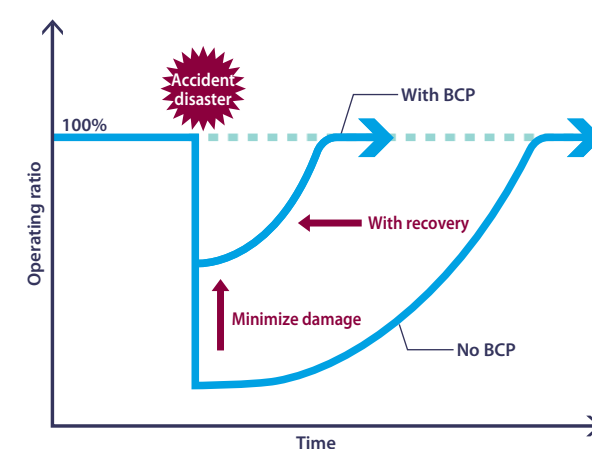
### Thorough implementation of rules, measures, and management

We conduct periodic inspections to ensure that internal rules such as newly created or revised regulations and guidelines are implemented thoroughly group-wide, and ensure that the required measures are carried out. In fiscal 2007, we inspected the status of information security measures at our overseas subsidiaries and the status of personal-information management by divisions handling customer information, focusing on information leaks, and strengthened these measures.

### Enhancing and improving our measures

We analyzed gaps in our current security measures, based on the implementation guidance for ISO 27001, in order to establish a plan-do-check-act (PDCA) cycle for security measures. In fiscal 2008, we will revise our information security measures based on the results of this analysis and create a medium-term plan.

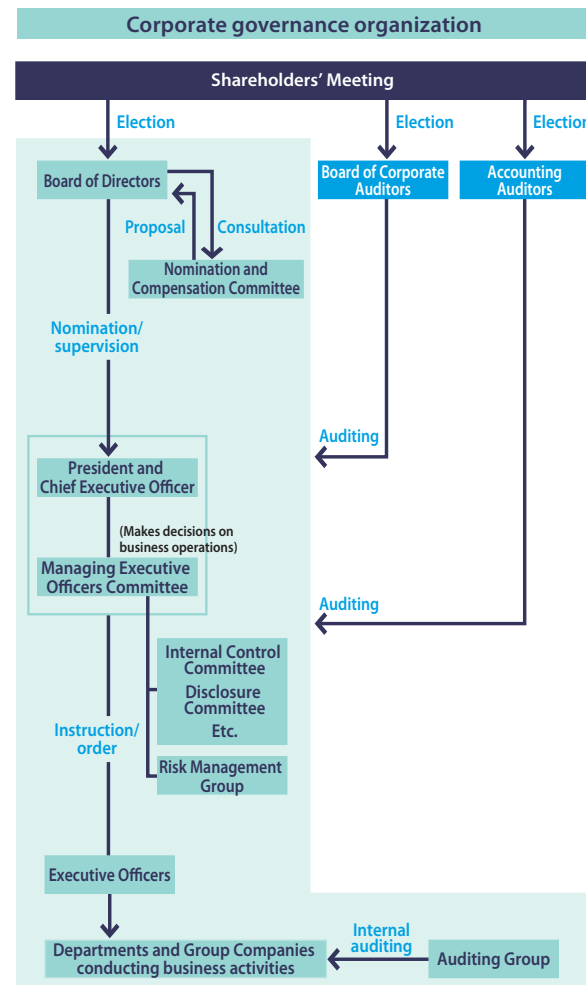
The concept of the business continuity plan



# Corporate Governance

## Our core approach to corporate governance

Based on our corporate mission of "Technology Support on the Leading Edge," we created the Advantest Code of Conduct and have worked to make our operations more transparent, achieve continuous growth, and increase our corporate value. The further promotion of these efforts underpins our corporate governance policy.



## Selecting the best person for the job: clear lines of authority, clear responsibilities

### Management organization

The global management environment is in the midst of dizzying change. In order to increase our corporate competitiveness in today's world, we must make rapid management decisions and execute them equally fast. There is also an emphasis on sound, highly transparent business operations in compliance with laws and regulations. In order to meet these challenges, it is vital that we draw clear lines of authority within our organization and set responsibilities in accordance with each management function, assigning them to the best people for each job.

Advantest employs a corporate audit system built around the Board of Directors and the Board of Corporate Auditors. We have also introduced an executive officer system in order to respond immediately to our rapidly changing management environment and enhance our corporate governance.

## The Board of Directors: managing, supervising, and delegating

### Board of Directors

The Board of Directors makes decisions concerning management policy, management strategy, and other critical matters for the Group as a whole. It delegates responsibility promptly and efficiently to the appropriate elements of the organization while monitoring and supervising the operation. Effective June 2006, we shortened the term of directors from two years to one, in order to clarify the management responsibilities of directors, and build a management structure capable of responding rapidly to changes in the management environment. The Board of Directors consists of nine directors, seven of whom are inside directors and two of whom are outside directors\*.

## Streamlining management by separating decision-making from executive operations.

### Executive officer system

Advantest has introduced an executive officer system in order to improve the efficiency of our management by separating decision-making from executive duties. Executive officers are selected by the Board of Directors as management executives dedicated to the performance of duties. Executive officers have the responsibility to rapidly and efficiently implement the management policies and strategies indicated by the Board of Directors. Executive officers serve for one year in order to improve management agility and create clearer accountability. There are currently 22 executive officers\*.

## An increased number of outside auditors for a more objective auditing system.

### Audit system

Each auditor audits the duties performed by the directors, executive officers and other organizational bodies in accordance with the audit policy and audit plan created by the Board of Corporate Auditors. The auditors do this by attending the meetings of the Board of Directors and other important meetings, and by investigating the state of business processes and assets. The Board of Corporate Auditors consists of four auditors (two of whom are full-time auditors), one of whom is an internal auditor, and three of whom are outside auditors\*. We have also created an Auditing Group for internal controls. The Auditing Group continually monitors the readiness and operations of the Advantest Group's internal controls, ascertaining any problems, making findings, and recommending improvements on a routine basis.

\* All personnel numbers are current as of April 1, 2008

## "The ADVANTEST Way & Code of Conduct" and Corporate Ethics Helpline.

We recently revised "The Advantest Code of Conduct" and republished it as "The ADVANTEST Way & Code of Conduct," with a new format. These revisions firmly establish "The ADVANTEST Way" as an umbrella term for our corporate mission, "Technology Support on the Leading Edge," which is the core policy of our business administration and executive operations; our corporate mantra, "Quest for the Essence"; and our CSR Policy of respect for stakeholders, maintaining harmony with society, and contributing to the achievement of a sustainable society. We have identified our Six Principles and Ethical Standards as principles and standards of conduct for our employees and officers, and have ensured thorough awareness of these by encoding them in the Code of Conduct. All officers and employees are required to sign a promise to comply with "The ADVANTEST Way & Code of Conduct" as proof that they have read and understood it. We are also committed to practical support for ethical business operations. We have set up a Corporate Ethics Helpline that everyone working at Advantest can use as needed, for consultations when they are unable to make decisions in day-to-day business operations, or if they have observed conduct inappropriate in light of the law or our Code of Conduct.

### Six Principles

1. Challenge with courage.
2. Increase communication with an open mind.
3. Enhance our own competence and use it to a maximum extent.
4. Provide our customers with satisfaction and a feeling of security.
5. Be aware of social responsibility and act in good faith.
6. Act with a global viewpoint.

(We will respect the cultures and customs of different countries, and conform to the laws and rules of each country.)

