

Reaction to Independent Review of CSR Report 2007

Below is a report of our activities in reaction to Hideto Kawakita's review of last year's CSR Report.

| "Areas where further effort is needed" identified in independent review | Initiatives for fiscal 2007 | Future efforts |
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| <p>1</p> <p>The Company should, as a policy, require its suppliers to cooperate in appropriately supporting the human rights of their employees, including safety and health and management of working hours, in addition to environmental compliance, and it should provide case studies, guidance, and other support.</p> | <p>We have long been committed to procuring environmentally friendly products in accordance with the Advantest Green Procurement Guidelines. In addition to this, in October 2007 we created the Advantest Procurement Policy, which includes prohibitions against child labor, forced labor, illegal employment, or discrimination, and the requirement for the creation of a working environment in compliance with legal regulations relevant to labor, and with consideration for the safety and health of our suppliers. We have notified our suppliers of this policy, and also taken measures to ensure complete awareness of this policy through supplier meetings. (See page 18 for details)</p> | <p>We will continue to speak with our suppliers to improve their understanding and execution of the Advantest Procurement Policy. We will also continue to support suppliers so that they can continuously work toward compliance, assessing and selecting suppliers by a survey to confirm whether the items stipulated by this policy are implemented in actual procurement.</p> |
| <p>2</p> <p>It should more actively develop job types that promote the employment of persons with disabilities, in order to meet the legally required employment ratio as soon as possible.</p> | <p>We have promoted the employment of persons with disabilities, and deepened cooperation with companies, schools, and institutions by accepting vocational trainees from nearby schools for the disabled, and also through membership on outside committees and lectures. As a result, as of end-March 2008 our employment ratio for persons with disabilities was 2.25%, achieving the legally required employment ratio. (See page 22 for details)</p> | <p>In the future, we will not stop at maintaining our employment ratio for persons with disabilities: we will contribute to society by further developing occupational fields for the disabled, and enhancing our collaboration with nearby schools for the disabled, companies, external organizations, and others.</p> |
| <p>3</p> <p>It should actively commit to the conservation of the forests upstream from its operating facilities, in order to ensure that they have a stable supply of water, a vital resource.</p> | <p>Both the Advantest Gunma Factory and the Gunma R&D Center (our main R&D facility) are located in the mid-basin of the Tonegawa river. Since fiscal 2007 we have been conducting forest conservation projects through employee volunteer activity at Yasuragi Forest in the town of Kusatsu, which is located in the upper reaches of the Tonegawa river basin. (See page 31 for details)</p> | <p>In fiscal 2008, we will continue our conservation activities in forests upstream of the areas where we have a physical presence.</p> |

Editors' Postscript

As with last fiscal year, the content of this fiscal year's report was written directly by the people in charge of each division of the Advantest Group and collated into this report by the CSR Management Group. We also utilized the lessons learned from last year, including the findings of Mr. Kawakita, and focused on our efforts to move forward in the current fiscal year, based on the items we were unable to achieve or required to improve. We have also begun to include descriptions of activities planned for the future. It is our sincere hope that this report can serve as a tool for effective communication with our stakeholders, and that it can be utilized for further action henceforth.

CSR Management Group

The following is based on my review of this report, and on interviews with people at Advantest in charge of compliance, information security, business continuity plans (BCP), the environment, human resources, procurement, customer satisfaction and other areas.

In my opinion, the Company is starting to conduct a broad range of CSR initiatives, including reduction of environmental impact and compliance, that appropriately fit within a PDCA management cycle.

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The IIHOE is an NPO established in 1994 with the purpose of achieving "the Democratic and Balanced Development for All Lives on the Earth." Although its main activity is supporting the management of civic groups and social welfare workers, it also supports the CSR of many major firms.
<http://blog.canpan.info/iihoe/> (Japanese only)

Strong points

- Advantest has reduced the CO₂ emissions of facilities in Japan by 10% overall and by 24% per unit sale from fiscal 1990 (p. 33, 37). I am confident that Advantest will expand and enhance such initiatives as actively studying advanced case studies from other companies in order to achieve a reduction in emissions in excess of growth in production and sales.
- The company created a target of introducing 2% natural energy starting in fiscal 2008 (p. 37). I rate this effort very highly.
- The company has improved the power efficiency of its products and reduced its use of packaging materials through environmentally friendly design and revisions to its system for delivering parts and materials (p. 35-36). I strongly expect that this initiative will be carried out company-wide.
- Employees have participated in tree thinning at the Yasuragi Forest in the town of Kusatsu to promote forest conservation efforts upstream of Advantest's operating facilities (p. 31). I strongly expect that the company will continue this participation with even more employees.
- The company is working actively to reduce overtime work hours at each workplace through the creation of a Configuration/Improvement Committee for labor hours and other conditions, and has succeeded at reducing overtime by 10% from the previous fiscal year (p. 23).
- Human rights, labor, and other conditions have been added to the new procurement policy, which evaluates efforts to reduce environmental impact with the Supplier Evaluation Checksheet (p. 18-19).
- Advantest achieved an employment ratio for persons with disabilities of 2.25%, and provided opportunities for vocational training to persons with disabilities (p. 22-23).
- The company clearly stated initiatives and results for fiscal 2007 and targets for fiscal 2008 in each section of the report. I strongly expect that it will add societal benefit assessments and mid-term quantitative indices.



The authors and members of the CSR working group held a debriefing session of their activities

Areas where there has been progress but where further efforts are required

- I rate very highly the fact that three new non-Japanese executive officers have been appointed in fiscal 2008. I also hope that with regard to the group's future overall human portfolio, just as Advantest's research and development structures and its production and sales system are based on long-term market forecasts, its human resource strategy will be based on long-term management plans to build hiring system and training curriculum capable of actively harnessing human diversity as a global corporation.

Areas where further effort is needed

- Advantest should also add human rights and labor to its Supplier Evaluation Checksheet in order to encourage CSR initiatives by its suppliers. It should additionally identify and share challenges and future actions, while creating a foundation on which its suppliers can build a system for internal audits, share case studies through topic-specific meetings, and the like.