

Global Operations

Establishment of Umbrella Organizations in North America, Europe, and Asia Ensures Full Localization

In each of our three main geographic markets — North America, Europe, and Asia — we have established a parent company to ensure that sales and customer support is conducted in accordance with the business practices unique to each region. Also, by keeping in close proximity with our customers, we are able to quickly pick up on new testing needs and provide them with just-in-time deliveries.



New ERP System Uses Real Time Information to Boost Productivity

In May 2000, we started up a new enterprise resource planning (ERP) system, which is helping to provide us with instant access to market data collected at every point in our global network. By giving us the ability to keep up with the

real time needs of each of our markets, we believe this new infrastructure will help to dramatically improve efficiency in every stage of our business process, everything from product design to manufacturing to distribution.

High Quality Services and Support to Customers around the Globe

As many of our customers are global corporations with branches spread throughout the world, it is vital that we be able to provide them with quality services and customer support no matter where they may request them. For example, to provide quicker deliveries and lower costs, we distribute production of our handlers and device interfaces to factories around the globe. And to make it easier for customers to contact us, we have provided them with numerous ways to reach us such as our customer information center and Web site.

In terms of technological improvements, starting from April 2001 we began including a remote diagnostic function within our test systems. In addition, our Customer Engineering Division has expanded their maintenance and repair service to operate 24-hours-a-day, 365-days-a-year, and is providing users with on-line access to records on previous trouble-shooting. Finally, our System Engineering Division has established an extranet Web site to provide users with technical information on Advantest test systems.

Marketing/R&D Alliances and Localized Strategies for Foreign Markets

Due to its size, Advantest considers North America to be a key market for future growth. We have thus been working to increase our presence there through collaborative partnerships, such as our marketing alliance with Tektronix in the US.

Over in Europe, we expect that investment in new technologies will help spur the continent back to steady growth and are working hard to boost our sales in this region. Part of our strategy for this market will be to leverage our R&D partnership with Rohde & Schwarz of Germany, an established leader in wireless communications.

By increasing our use of joint R&D, we expect to bring new products to market both faster and more efficiently.

We also have high hopes for Asia, which we believe should be a hotbed for future capital investment in wireless communications. To gain new customers, we are making sure to place sales managers with strong technical backgrounds in each of our Asia-based sales offices. And because of the growing trend for chip manufacturers to move their fabs to Asia, we are working to further strengthen our technical support structure in this region.