

(Translation)

This document has been translated from the Quarterly Securities Report for the six-month period ended September 30, 2022, pursuant to the Financial Instruments and Exchange act of Japan. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.

# **Quarterly Securities Report**

From July 1, 2022 to September 30, 2022  
(Second Quarter of the 81<sup>st</sup> term)

**Advantest Corporation**

## Table of Contents

Page

Cover

### Part I Information on the Company

#### Item1 Company Overview

1 Trends in Main Management Indicators.....	1
2 Description of Business.....	1

#### Item2 Business Overview

1 Risk Factors .....	2
2 Management’s Discussion and Analysis of Financial Condition, Operating Results and Cash Flows.....	2
3 Material Contracts .....	5

#### Item3 Status of the Company

1 Status of Shares	
(1) Total Number of Shares .....	6
(2) Status of Stock Acquisition Rights .....	6
(3) Status in the Exercise of Bonds with Share Options with Exercise Price Amendment.....	6
(4) Changes in the Total Number of Issued Shares and the Amount of Common Stock and Others..	6
(5) Major Shareholders .....	7
(6) Status of Voting Rights .....	9
2 Directors .....	9

#### Item4 Financial Information .....

##### 1 Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position .....	11
(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income .....	12
Condensed Quarterly Consolidated Statement of Profit or Loss .....	12
Condensed Quarterly Consolidated Statement of Comprehensive Income .....	14
(3) Condensed Quarterly Consolidated Statement of Changes in Equity .....	15
(4) Condensed Quarterly Consolidated Statement of Cash Flows .....	16

2 Others .....	31
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### Part II Information on the Guarantee Companies of the Company..... 32

Independent Auditor’s Quarterly Review Report

Confirmation Letter

## [Cover]

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[Company Name]	Kabushiki Kaisha Advantest
[Company Name in English]	ADVANTEST CORPORATION
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This is an English translation of the Quarterly Securities Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan.

In this report, Advantest Corporation is hereinafter referred to as the “Company” and together with its consolidated subsidiaries as “Advantest”.

“¥”, “yen” or (Y) means Japanese yen.

### **Cautionary Statement with Respect to Forward-Looking Statements**

This Quarterly Securities Report contains “forward-looking statements” that are based on Advantest’s current expectations, estimates and projections. These statements include, among other things, the discussion of Advantest’s business strategy, outlook and expectations as to market and business developments, production and capacity plans. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “project,” “should” and similar expressions. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause Advantest’s actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including:

- changes in demand for the products and services produced and offered by Advantest’s customers, including semiconductors, communications services and electronic goods;
- circumstances relating to Advantest’s investment in technology, including its ability to timely develop products that meet the changing needs of semiconductor manufacturers and communications network equipment and components makers and service providers;
- the environment in which Advantest purchases materials, components and supplies for the production of its products, including the availability of necessary materials, components and supplies during a significant expansion in the market in which Advantest operates; and
- changes in economic conditions, competitive environment, currency exchange rates or political stability in the major markets where Advantest produces, distributes or sells its products.

These risks, uncertainties and other factors also include those identified in “Risk Factors” and set forth elsewhere in Advantest’s most recent Annual Securities Report.

## Part I. Information on the Company

### Item 1. Company Overview

#### 1. Trends in Main Management Indicators

Business Term		The 80th	The 81st	The 80th
Accounting Period		Six months ended September 30, 2021	Six months ended September 30, 2022	Fiscal Year ended March 31, 2022
Net sales (Three months ended September 30)	Millions of Yen	187,990 (90,874)	274,806 (138,863)	416,901
Income before income taxes	Millions of Yen	47,260	95,247	116,343
Net income attributable to owners of the parent (Three months ended September 30)	Millions of Yen	35,246 (15,902)	71,161 (34,665)	87,301
Comprehensive income attributable to owners of the parent	Millions of Yen	38,072	87,492	107,286
Equity attributable to owners of the parent	Millions of Yen	286,129	342,407	294,621
Total assets	Millions of Yen	434,954	567,270	494,696
Basic earnings per share (Three months ended September 30)	Yen	179.52 (81.08)	375.50 (183.34)	449.56
Diluted earnings per share	Yen	178.60	374.10	447.26
Ratio of equity attributable to owners of the parent	%	65.8	60.4	59.6
Cash flows from operating activities	Millions of Yen	40,445	46,438	78,889
Cash flows from investing activities	Millions of Yen	(8,704)	(12,974)	(46,907)
Cash flows from financing activities	Millions of Yen	(34,464)	(42,076)	(68,736)
Cash and cash equivalents at the end of period	Millions of Yen	146,716	114,926	116,582

(Note) Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter referred to as the “IFRS”).

#### 2. Description of Business

There are no significant changes in the business operated by the Company and Advantest during the six months ended September 30, 2022. There are also no transfer changes in major affiliated companies.

## Item2. Business Overview

### 1. Risk Factors

There were no risks newly identified during the six months ended September 30, 2022.

There was no material change in risk factors which were described in the Annual Securities Report for the fiscal year ended March 31, 2022.

### 2. Management's Discussion and Analysis of Financial Condition, Operating Results and Cash Flows

#### (1) Overview of Business Results

Consolidated Financial Results of FY2022 Q2 (April 1, 2022 through September 30, 2022)

(in billion yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022	As compared to the corresponding period of the previous fiscal year increase (decrease)
Net sales	188.0	274.8	46.2%
Operating income	47.5	87.9	85.2%
Income before income taxes	47.3	95.2	2.0 times
Net income	35.2	71.2	2.0 times

During Advantest's six-month period ended September 30, 2022, the global economy experienced inflation due to higher resource prices driven by the situation in Ukraine, supply chain disruptions caused by lockdowns in China, and other factors. Mainly in Western countries, policymakers also raised interest rates to curb inflation. The growing strains afflicting the global economy have heightened uncertainty about the future, exacerbating fears of recession.

Amidst this uncertain global economic situation, the semiconductor market is also seeing a decline in demand for chips used in cornerstone consumer electronics products such as smartphones, personal computers and televisions, and suppliers of devices for these applications are adjusting their inventories and production equipment investment plans. However, while demand for semiconductors for consumer electronics is decelerating, the digitalization macrotrend remains firm, supporting demand for chips used in data centers and AI-related products. Also, the shortage of automotive and industrial semiconductors continued, making for a patchy demand picture overall during the period.

Advantest's customers generally sustained their capital investment at a high level, but shortages of materials and logistical dislocations affected a wide range of supply chains, and Advantest continued to have difficulties procuring needed parts. In response to the growing demand for semiconductor test equipment, Advantest worked to achieve sales targets by reinforcing capabilities for parts procurement and responding flexibly to fluctuations in demand.

As a result of the above, net sales were (Y) 274.8 billion (46.2% increase in comparison to the corresponding period of the previous fiscal year), operating income was (Y) 87.9 billion (85.2% increase in comparison to the corresponding period of the previous fiscal year), income before income taxes was (Y) 95.2 billion (2.0 times increase in comparison to the corresponding period of the previous fiscal year), and net income was (Y) 71.2 billion (2.0 times increase in comparison to the corresponding period of the previous fiscal year). All these figures reached record highs for the first half due to factors such as strong demand from customers, an increase in the sales ratio of highly profitable products and yen depreciation, which increased yen-denominated sales and profit. Average currency exchange rates in the first half of the current consolidated cumulative period were

1 USD to 130 JPY (110 JPY in the corresponding period of the previous fiscal year) and 1 EUR to 137 JPY (131 JPY in the corresponding period of the previous fiscal year). The percentage of net sales to overseas customers was 97.2% (96.4% in the corresponding period of the previous fiscal year).

Conditions of business segments are described below.

<Semiconductor and Component Test System Segment>

(in billion yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022	As compared to the corresponding period of the previous fiscal year increase (decrease)
Net sales	127.4	194.9	53.0%
Segment income (loss)	43.6	81.9	87.8%

In this segment, sales of SoC semiconductor test equipment for advanced process devices increased significantly amidst the further miniaturization and performance gains of HPC (High Performance Computing) devices and application processors. Sales of test equipment for mature process products such as automotive and industrial devices, which are in great demand, were also strong. Regarding memory semiconductor test equipment, although the memory semiconductor market softened to a certain degree, customers continued to invest mainly in high-performance memory semiconductor test equipment, supporting continued strong sales of our products.

As a result of the above, net sales were (Y) 194.9 billion (53.0% increase in comparison to the corresponding period in the previous fiscal year), and segment income was (Y) 81.9 billion (87.8% increase in comparison to the corresponding period in the previous fiscal year).

<Mechatronics System Segment>

(in billion yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022	As compared to the corresponding period of the previous fiscal year increase (decrease)
Net sales	20.9	28.2	34.4%
Segment income (loss)	3.0	7.1	2.4 times

In this segment, sales of device interface products and test handlers increased due to strong customer motivation to invest in semiconductor test equipment. In terms of profit, increased sales were the principal factor contributing to higher segment profitability.

As a result of the above, net sales were (Y) 28.2 billion (34.4% increase in comparison to the corresponding period in the previous fiscal year), and segment income was (Y) 7.1 billion (2.4 times increase in comparison to the corresponding period in the previous fiscal year).

<Services, Support and Others Segment>

(in billion yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022	As compared to the corresponding period of the previous fiscal year increase (decrease)
Net sales	39.7	51.8	30.4%
Segment income (loss)	7.7	7.7	0.5%

In this segment, sales of system-level test products grew significantly amidst strong data center investment and smartphone performance gains. In addition, as our installed base grew, sales of maintenance services continued at a high level. However, a less profitable sales mix held segment profits at the same level as in the corresponding period of the previous fiscal year.

As a result of the above, net sales were (Y) 51.8 billion (30.4% increase in comparison to the corresponding period in the previous fiscal year), and segment income was (Y) 7.7 billion (0.5% increase in comparison to the corresponding period in the previous fiscal year).

(2) Analysis of Financial Condition

Total assets at September 30, 2022 amounted to (Y) 567.3 billion, an increase of (Y) 72.6 billion compared to the fiscal year ended March 31, 2022. This was primarily attributable to increases of (Y) 38.2 billion in inventories, (Y) 19.1 billion in goodwill and intangible assets, and (Y) 7.1 billion in property, plant and equipment. The amount of total liabilities was (Y) 224.9 billion, an increase of (Y) 24.8 billion compared to the fiscal year ended March 31, 2022. This was primarily attributable to increases of (Y) 11.0 billion in trade and other payables, (Y) 5.7 billion in short-term and long-term borrowings, and (Y) 2.6 billion in deferred tax liabilities. Total equity was (Y) 342.4 billion. Ratio of equity attributable to owners of the parent was 60.4%, an increase of 0.8 percentage point from March 31, 2022.

(3) Overview of Cash Flows

Cash and cash equivalents held at September 30, 2022 were (Y) 114.9 billion, a decrease of (Y) 1.7 billion from March 31, 2022. Significant cash flows during the six-month period of this fiscal year and details are described below.

Net cash provided by operating activities was (Y) 46.4 billion (net cash inflow of (Y) 40.4 billion in the corresponding period of the previous fiscal year). This amount was primarily attributable to an increase of (Y) 34.5 billion in inventories, income tax paid of (Y) 25.4 billion and adjustments of non-cash items such as depreciation and amortization in addition to the income before income taxes of (Y) 95.2 billion.

Net cash used in investing activities was (Y) 13.0 billion (net cash outflow of (Y) 8.7 billion in the corresponding period of the previous fiscal year). This amount was primarily attributable to purchases of property, plant and equipment in the amount of (Y) 9.4 billion and acquisition of subsidiaries of (Y) 3.5 billion.

Net cash used in financing activities was (Y) 42.1 billion (net cash outflow of (Y) 34.5 billion in the corresponding period of the previous fiscal year). This amount was primarily attributable to purchase of treasury shares of (Y) 27.3 billion, and dividends paid of (Y) 13.3 billion.

(4) Business and Financial Issues to be Addressed

There were no material changes in issues to be addressed by Advantest for the six months ended September 30, 2022.

(5) Research and Development

Research and development expenses were ¥28.1 billion for the six months ended September 30, 2022.

There were no material changes in Advantest's research and development activities during the six months ended September 30, 2022.

(6) Management Policy and Management Indicators

Advantest announced the revision of second mid-term management plan (FY2021-FY2023) (MTP2) which was formulated in May 2021, based on the business performance achieved for the first year of MTP2, fiscal year 2021, and future business forecasts.

For details, please refer to "Advantest Announces Revision of 2nd Mid-Term Management Plan (FY2021-FY2023)" announced on July 28, 2022.

### 3. Material Contracts

The company has entered into an agreement for committed line of credit with a bank on September 1, 2022 as follows:

The maximum loan amount under this agreement	¥30.0 billion
Term of this agreement	Three years
Collateral	Not applicable



### Item3. Status of the Company

#### 1. Status of Shares

##### (1) Total Number of Shares

###### 1) Total Number of Shares

Class	Total number of shares authorized to be issued (shares)
Common shares	440,000,000
Total	440,000,000

###### 2) Total Number of Issued Shares

Class	Number of issued shares as of the end of the second quarter accounting period (shares) (September 30, 2022)	Number of issued shares as of the filing date (shares) (November 11, 2022)	Stock exchange on which the Company is listed	Description
Common shares	191,542,265	191,542,265	Tokyo Stock Exchange Prime Market	One unit of shares constitutes 100 shares
Total	191,542,265	191,542,265	—	—

(Note) Number of issued shares as of the filing date of this Quarterly Securities Report does not include the number of issued shares between November 1, 2022 and such filing date.

##### (2) Status of Stock Acquisition Rights

###### 1) Stock Acquisition Rights

Not Applicable.

###### 2) Other Status of Share Options

Not Applicable.

##### (3) Status in the Exercise of Bonds with Share Options with Exercise Price Amendment

Not Applicable.

##### (4) Changes in the Total Number of Issued Shares and the Amount of Common Stock and Others

Date	Changes in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Changes in common stock (Millions of Yen)	Balance of common stock (Millions of Yen)	Changes in legal capital reserve (Millions of Yen)	Balance of legal capital reserve (Millions of Yen)
September 9, 2022 (Note)	(8,000,000)	191,542,265	—	32,363	—	32,973

(Note) The decrease is due to the cancellation of treasury shares.

**(5) Major Shareholders**

As of September 30, 2022

Name	Address	Number of shares held (1000 shares)	Percentage of shares held to the total number of issued shares, less treasury shares(%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	63,040	33.72
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	26,769	14.31
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)	50 BANK STREET CANARY WHARF LONDON E14 5NT, UK (3-11-1, Nihonbashi, Chuo-ku, Tokyo)	3,417	1.82
HSBC HONGKONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)	1 QUEEN'S ROAD CENTRAL, HONG KONG (3-11-1, Nihonbashi, Chuo-ku, Tokyo)	3,392	1.81
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (2-15-1, Konan, Minato-ku, Tokyo)	3,193	1.70
JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (2-15-1, Konan, Minato-ku, Tokyo)	2,565	1.37
JPMorgan Securities Japan Co., Ltd.	2-7-3, Marunouchi, Chiyoda-ku, Tokyo	2,494	1.33
Goldman Sachs Japan Co., Ltd. BNYM	6-10-1, Roppongi, Minato-ku, Tokyo	1,981	1.05
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)	ONE LINCOLN STREET, BOSTON MA USA 02111 (3-11-1, Nihonbashi, Chuo-ku, Tokyo)	1,699	0.90
JP MORGAN CHASE BANK 385771 (Standing proxy: Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (2-15-1, Konan, Minato-ku, Tokyo)	1,414	0.75
Total	—	109,968	58.82

(Notes) 1. The number of shares held is rounded down to the nearest thousand shares.

2. According to the large shareholding report “change report” made available for public inspection on April 21, 2020, the following large shareholder is stated to jointly hold the following shares as of April 15, 2020, but the portion for which the Company cannot confirm the actual number of shares held by each shareholder is not included in the above table. The details of the report on large shareholding report “change report” are as follows.

Large Shareholder “Co-Owners”	Daiwa Asset Management Co. Ltd.
Number of shares held	12,269,000 shares
Shareholding ratio	6.15%

3. According to the large shareholding report “change report” made available for public inspection on September 7, 2021, the following large shareholders are stated to jointly hold the following shares as of September 1, 2021, but the portion for which the Company cannot confirm the actual number of shares held by each shareholder is not included in the above table. The details of the report on large shareholding report “change report” are as follows.

Large Shareholders “Co-Owners”	Sumitomo Mitsui Trust Asset Management Co., Ltd. and 1 other company
Number of shares held	19,558,500 shares
Shareholding ratio	9.80%

4. According to the large shareholding report “change report” made available for public inspection on December 8, 2021, the following large shareholders are stated to jointly hold the following shares as of December 2, 2021, but the portion for which the Company cannot confirm the actual number of shares held by each shareholder is not included in the above table. The details of the report on large shareholding report “change report” are as follows.

Large Shareholders “Co-Owners”	Nomura Securities Co., Ltd. and 1 other company
Number of shares held	26,618,620 shares
Shareholding ratio	13.34%

5. According to the large shareholding report “change report” made available for public inspection on May 19, 2022, the following large shareholders are stated to jointly hold the following shares as of May 13, 2022, but the portion for which the Company cannot confirm the actual number of shares held by each shareholder is not included in the above table. The details of the report on large shareholding report “change report” are as follows.

Large Shareholders “Co-Owners”	BlackRock Japan Co., Ltd. and 9 other companies
Number of shares held	15,459,133 shares
Shareholding ratio	7.75%

6. According to the large shareholding report “change report” made available for public inspection on September 20, 2022, the following large shareholders are stated to jointly hold the following shares as of September 12, 2022, but the portion for which the Company cannot confirm the actual number of shares held by each shareholder is not included in the above table. The details of the report on large shareholding report “change report” are as follows.

Large Shareholders “Co-Owners”	Mitsubishi UFJ Trust and Banking Corporation and 2 other companies
Number of shares held	13,904,714 shares
Shareholding ratio	7.26%

## (6) Status of Voting Rights

### 1) Issued Shares

As of September 30, 2022

Classification	Number of shares (shares)	Number of voting rights (units)	Description
Shares without voting rights	—	—	—
Shares with restricted voting rights (treasury shares)	—	—	—
Shares with restricted voting rights (others)	—	—	—
Shares with full voting rights (treasury shares)	Common shares 4,600,800	—	—
Shares with full voting rights (others)	Common shares 186,818,600	1,868,186	—
Less than one unit shares	Common shares 122,865	—	—
Total number of issued shares	191,542,265	—	—
Total voting rights held by all shareholders	—	1,868,186	—

(Note) In the column of “Shares with full voting rights (others),” there are 3,400 shares in the name of Japan Securities Depository Center (34 voting rights), 39,100 shares of the Company Shares owned by the BIP Trust (391 voting rights) and 123,200 shares of the Company Shares owned by the ESOP Trust (1,232 voting rights), in the column of “Less than one unit shares,” 46 shares in the name of Japan Securities Depository Center and 47 shares of the Company Shares owned by the ESOP Trust.

### 2) Treasury Shares

As of September 30, 2022

Shareholder	Address of shareholder	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total number of shares held (shares)	Percentage of shares held to the total number of issued shares (%)
Advantest Corporation	1-6-2 Marunouchi, Chiyoda-ku, Tokyo	4,600,800	—	4,600,800	2.40
Total	—	4,600,800	—	4,600,800	2.40

(Note) Other than the above, 39,100 shares of the Company Shares owned by the BIP Trust and 123,247 shares of the Company Shares owned by the ESOP Trust are treated as treasury shares in the financial statements.

## 2. Directors

Not applicable.

## **Item4. Financial Information**

### **1. Basis of Preparation of the Condensed Quarterly Consolidated Financial Statements**

The condensed quarterly consolidated financial statements of Advantest Corporation (the “Company”) and its subsidiaries are prepared in accordance with International Accounting Standards (“IAS”) No. 34, “Interim Financial Reporting”, pursuant to Article 93 of the “Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements” (the Ordinance of the Cabinet Office No. 64 of 2007, hereinafter “Ordinance on Quarterly Consolidated Financial Statements.”)

The condensed quarterly consolidated financial statements are rounded to the nearest million yen.

### **2. Audit Certification**

Pursuant to Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act of Japan, the condensed quarterly consolidated financial statements for the second quarter accounting period (from July 1, 2022 to September 30, 2022) and the second quarter cumulative period (from April 1, 2022 to September 30, 2022) were reviewed by Ernst & Young ShinNihon LLC.

# 1. Condensed Quarterly Consolidated Financial Statements

## (1) Condensed Quarterly Consolidated Statement of Financial Position

Millions of Yen

	Note	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>			
Current assets			
Cash and cash equivalents		116,582	114,926
Trade and other receivables		82,155	85,863
Inventories		95,013	133,217
Other current assets		11,007	15,783
Subtotal		<u>304,757</u>	<u>349,789</u>
Assets held for sale		188	—
Total current assets		<u>304,945</u>	<u>349,789</u>
Non-current assets			
Property, plant and equipment, net		51,392	58,458
Right-of-use assets		12,645	12,735
Goodwill and intangible assets, net	11	85,307	104,385
Other financial assets	10	14,565	14,998
Deferred tax assets		25,494	26,333
Other non-current assets		348	572
Total non-current assets		<u>189,751</u>	<u>217,481</u>
Total assets		<u><u>494,696</u></u>	<u><u>567,270</u></u>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Current liabilities			
Trade and other payables		70,352	81,368
Short-term borrowings		18,359	21,829
Income taxes payable		26,814	27,370
Provisions		6,536	7,715
Lease liabilities		2,918	3,149
Other financial liabilities	10	3,276	5,314
Other current liabilities		22,627	24,444
Total current liabilities		<u>150,882</u>	<u>171,189</u>
Non-current liabilities			
Long-term borrowings		12,239	14,481
Lease liabilities		9,947	9,798
Retirement benefit liabilities		22,341	21,920
Deferred tax liabilities		3,445	6,043
Other non-current liabilities		1,221	1,432
Total non-current liabilities		<u>49,193</u>	<u>53,674</u>
Total liabilities		<u>200,075</u>	<u>224,863</u>
<b>Equity</b>			
Share capital		32,363	32,363
Share premium		44,995	44,265
Treasury shares	6	(81,547)	(38,942)
Retained earnings		279,828	269,408
Other components of equity		18,982	35,313
Total equity attributable to owners of the parent		<u>294,621</u>	<u>342,407</u>
Total equity		<u>294,621</u>	<u>342,407</u>
Total liabilities and equity		<u><u>494,696</u></u>	<u><u>567,270</u></u>

**(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income**

**Condensed Quarterly Consolidated Statement of Profit or Loss**

Millions of Yen

	Note	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	5,8	187,990	274,806
Cost of sales		(83,237)	(116,046)
Gross profit		104,753	158,760
Selling, general and administrative expenses		(57,071)	(71,022)
Other income		344	366
Other expenses		(550)	(188)
Operating income	5	47,476	87,916
Financial income		33	7,917
Financial expenses		(249)	(586)
Income before income taxes		47,260	95,247
Income taxes		(12,014)	(24,086)
Net income		35,246	71,161
Net income attributable to:			
Owners of the parent		35,246	71,161
Earnings per share:			
	9	Yen	Yen
Basic		179.52	375.50
Diluted		178.60	374.10

Millions of Yen

	Note	Three months ended September 30, 2021	Three months ended September 30, 2022
Net sales	5	90,874	138,863
Cost of sales		(40,866)	(59,022)
Gross profit		50,008	79,841
Selling, general and administrative expenses		(28,801)	(36,998)
Other income		181	307
Other expenses		(37)	(17)
Operating income	5	21,351	43,133
Financial income		202	3,925
Financial expenses		(34)	(227)
Income before income taxes		21,519	46,831
Income taxes		(5,617)	(12,166)
Net income		15,902	34,665
Net income attributable to:			
Owners of the parent		15,902	34,665
Earnings per share:			
Basic	9	Yen 81.08	Yen 183.34
Diluted		80.72	182.77



## Condensed Quarterly Consolidated Statement of Comprehensive Income

Millions of Yen

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net income	35,246	71,161
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Net change in fair value measurements of equity instruments at fair value through other comprehensive income	1,985	(1,411)
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	841	17,742
Total other comprehensive income (loss)	2,826	16,331
Total comprehensive income for the period	38,072	87,492
Comprehensive income attributable to:		
Owners of the parent	38,072	87,492

Millions of Yen

	Three months ended September 30, 2021	Three months ended September 30, 2022
Net income	15,902	34,665
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Net change in fair value measurements of equity instruments at fair value through other comprehensive income	1,713	1,314
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	582	5,445
Total other comprehensive income (loss)	2,295	6,759
Total comprehensive income for the period	18,197	41,424
Comprehensive income attributable to:		
Owners of the parent	18,197	41,424

### (3) Condensed Quarterly Consolidated Statement of Changes in Equity

Six months ended September 30, 2021

Millions of Yen

	Note	Equity attributable to owners of the parent					Total	Total Equity
		Share capital	Share premium	Treasury shares	Retained earnings	Other components of equity		
Balance as of April 1, 2021		32,363	44,573	(15,001)	214,858	3,576	280,369	280,369
Net income					35,246		35,246	35,246
Other comprehensive income (loss), net of tax						2,826	2,826	2,826
Total comprehensive income for the period		—	—	—	35,246	2,826	38,072	38,072
Purchase of treasury shares	6		(1)	(17,760)			(17,761)	(17,761)
Disposal of treasury shares			(978)	1,963	(468)		517	517
Cancellation of treasury shares				66	(66)		—	—
Dividends	7				(15,715)		(15,715)	(15,715)
Share-based payments			642				642	642
Other					5		5	5
Total transactions with the owners		—	(337)	(15,731)	(16,244)	—	(32,312)	(32,312)
Balance as of September 30, 2021		32,363	44,236	(30,732)	233,860	6,402	286,129	286,129

Six months ended September 30, 2022

Millions of Yen

	Note	Equity attributable to owners of the parent					Total	Total Equity
		Share capital	Share premium	Treasury shares	Retained earnings	Other components of equity		
Balance as of April 1, 2022		32,363	44,995	(81,547)	279,828	18,982	294,621	294,621
Net income					71,161		71,161	71,161
Other comprehensive income (loss), net of tax						16,331	16,331	16,331
Total comprehensive income for the period		—	—	—	71,161	16,331	87,492	87,492
Purchase of treasury shares	6		(2)	(27,273)			(27,275)	(27,275)
Disposal of treasury shares			(1,542)	1,599	(8)		49	49
Cancellation of treasury shares	6			68,279	(68,279)		—	—
Dividends	7				(13,294)		(13,294)	(13,294)
Share-based payments			814				814	814
Total transactions with the owners		—	(730)	42,605	(81,581)	—	(39,706)	(39,706)
Balance as of September 30, 2022		32,363	44,265	(38,942)	269,408	35,313	342,407	342,407

**(4) Condensed Quarterly Consolidated Statement of Cash Flows**

Millions of Yen

	Note	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities:			
Income before income taxes		47,260	95,247
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:			
Depreciation and amortization		6,951	9,903
Changes in assets and liabilities:			
Trade and other receivables		1,668	2,382
Inventories		(11,382)	(34,460)
Trade and other payables		(2,564)	8,046
Warranty provisions		520	1,138
Advance receipts		5,456	567
Retirement benefit liabilities		(984)	(907)
Other		1,989	(10,036)
Subtotal		48,914	71,880
Interest and dividends received		35	88
Interest paid		(72)	(117)
Income taxes paid		(8,432)	(25,413)
Net cash provided by (used in) operating activities		40,445	46,438
Cash flows from investing activities:			
Proceeds from sale of debt instruments		124	—
Purchases of equity instruments		(881)	—
Purchases of property, plant and equipment		(7,461)	(9,416)
Purchases of intangible assets		(343)	(363)
Acquisition of subsidiaries	11	—	(3,502)
Other		(143)	307
Net cash provided by (used in) investing activities		(8,704)	(12,974)
Cash flows from financing activities:			
Proceeds from disposal of treasury shares		506	15
Purchases of treasury shares	6	(18,006)	(27,276)
Dividends paid	7	(15,701)	(13,281)
Payments for lease liabilities		(1,263)	(1,530)
Other		—	(4)
Net cash provided by (used in) financing activities		(34,464)	(42,076)
Net effect of exchange rate changes on cash and cash equivalents		275	6,956
Net change in cash and cash equivalents		(2,448)	(1,656)
Cash and cash equivalents at the beginning of period		149,164	116,582
Cash and cash equivalents at the end of period		146,716	114,926

## **Notes to the Condensed Quarterly Consolidated Financial Statements**

### **1. Reporting Entity**

Advantest Corporation is a public company located in Japan.

The Company's condensed quarterly consolidated financial statements consist of the Company and its subsidiaries (collectively, "Advantest").

Advantest manufactures and sells semiconductor and component test system products and mechatronics-related products such as test handlers and device interfaces. Advantest also engages in research and development activities and provides maintenance and support services associated with these products.

### **2. Basis of Preparation**

#### **(1) Compliance with IFRS**

As the Company meets the requirements of a "Specified Companies applying Designated IFRS" pursuant to Article 1-2 of the "Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements", Advantest prepares the condensed quarterly consolidated financial statements in accordance with IAS 34 under Article 93 of the same ordinance.

As the condensed quarterly consolidated financial statements do not contain all the information required in annual consolidated financial statements, they should be read in combination with the consolidated financial statements for the fiscal year ended March 31, 2022.

The condensed quarterly consolidated financial statements were approved on November 11, 2022 by Yoshiaki Yoshida, Representative Director, President and CEO and Atsushi Fujita, Chief Financial Officer of the Company.

#### **(2) Basis of Measurement**

The condensed quarterly consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments measured at their fair values.

#### **(3) Functional Currency and Presentation Currency**

The condensed quarterly consolidated financial statements are presented in Japanese Yen, which is the Company's functional currency.

### **3. Significant Accounting Policies**

The condensed quarterly consolidated financial statements are prepared based on the same accounting policies as those applied in the Advantest's consolidated financial statements for the fiscal year ended March 31, 2022.

### **4. Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the condensed quarterly consolidated financial statements requires Advantest to make judgments, accounting estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on the best judgment of management in light of historical experience and various factors deemed to be reasonable according to the situation. The global epidemic of the new coronavirus (COVID-19) is not expected to have a material impact on Advantest's estimates and assumptions. Given their nature, however, actual results may differ from those estimates and assumptions. There is no material change from the estimates and assumptions used for the fiscal year ended March 31, 2022.

The estimates and underlying assumptions are continuously reviewed. The effects of a change in these estimates and assumptions are recognized in the period of the change and subsequent periods.

## **5. Segment Information**

### **(1) Overview of Reporting Segments**

Advantest manufactures and sells semiconductor and component test system products and mechatronics-related products such as test handlers and device interfaces. Advantest also engages in research and development activities and provides maintenance and support services associated with these products. Advantest's organizational structure consists of three reportable operating segments, which are the design, manufacturing, and sale of semiconductor and component test systems, mechatronics systems and services, support and others. These reportable operating segments are determined based on the nature of the products and the markets. Segment information is prepared on the same basis that management reviews financial information for operational decision making purposes.

The semiconductor and component test system segment provides customers with test system products for the semiconductor industry and the electronic parts industry. Product lines provided in the semiconductor and component test system segment include test systems for SoC semiconductor devices and test systems for memory semiconductor devices.

The mechatronics system segment provides product lines such as test handlers, mechatronic-applied products, for handling semiconductor devices, device interfaces that serve as interfaces with the devices that are measured and operations related to nano-technology products.

The services, support and others segment consists of comprehensive customer solutions provided in connection with the above segments, test solutions of system level testing for such as semiconductor and modules, support services, sales of consumables, sales of used products, equipment lease business and others.

### **(2) Information of Reporting Segments**

Accounting treatment applied to operating segments is the same as in the note "3. Significant Accounting Policies."

Advantest uses the operating income (loss) before share-based compensation expense for management's analysis of operating segment results.

Share-based compensation expense represents expenses for stock options, performance-based stock remuneration expense and restricted stock compensation expense.

Segment income (loss) is presented on the basis of operating income (loss) before share-based compensation expense.

Inter-segment sales are based on market prices.

Six months ended September 30, 2021

Millions of Yen

	Semiconductor and Component Test System Business	Mechatronics System Business	Services, Support and Others	Elimination and Corporate	Consolidated
Net sales					
Net sales to unaffiliated customers	127,312	20,944	39,734	—	187,990
Inter-segment sales	48	—	—	(48)	—
Total	127,360	20,944	39,734	(48)	187,990
Segment income (loss) (operating income (loss) before share-based compensation expense)	43,596	2,997	7,698	(6,062)	48,229
Adjustment:					
Share-based compensation expense	—	—	—	—	(753)
Operating income	—	—	—	—	47,476
Financial income	—	—	—	—	33
Financial expenses	—	—	—	—	(249)
Income before income taxes	—	—	—	—	47,260

Six months ended September 30, 2022

Millions of Yen

	Semiconductor and Component Test System Business	Mechatronics System Business	Services, Support and Others	Elimination and Corporate	Consolidated
Net sales					
Net sales to unaffiliated customers	194,849	28,153	51,804	—	274,806
Inter-segment sales	20	—	—	(20)	—
Total	194,869	28,153	51,804	(20)	274,806
Segment income (loss) (operating income (loss) before share-based compensation expense)	81,882	7,062	7,737	(8,030)	88,651
Adjustment:					
Share-based compensation expense	—	—	—	—	(735)
Operating income	—	—	—	—	87,916
Financial income	—	—	—	—	7,917
Financial expenses	—	—	—	—	(586)
Income before income taxes	—	—	—	—	95,247

Three months ended September 30, 2021

Millions of Yen

	Semiconductor and Component Test System Business	Mechatronics System Business	Services, Support and Others	Elimination and Corporate	Consolidated
Net sales					
Net sales to unaffiliated customers	60,014	9,481	21,379	—	90,874
Inter-segment sales	28	—	—	(28)	—
Total	60,042	9,481	21,379	(28)	90,874
Segment income (loss) (operating income (loss) before share-based compensation expense)	19,202	999	4,453	(2,877)	21,777
Adjustment: Share-based compensation expense	—	—	—	—	(426)
Operating income	—	—	—	—	21,351
Financial income	—	—	—	—	202
Financial expenses	—	—	—	—	(34)
Income before income taxes	—	—	—	—	21,519

Three months ended September 30, 2022

Millions of Yen

	Semiconductor and Component Test System Business	Mechatronics System Business	Services, Support and Others	Elimination and Corporate	Consolidated
Net sales					
Net sales to unaffiliated customers	98,787	12,727	27,349	—	138,863
Inter-segment sales	—	—	—	—	—
Total	98,787	12,727	27,349	—	138,863
Segment income (loss) (operating income (loss) before share-based compensation expense)	41,148	2,511	3,878	(4,022)	43,515
Adjustment: Share-based compensation expense	—	—	—	—	(382)
Operating income	—	—	—	—	43,133
Financial income	—	—	—	—	3,925
Financial expenses	—	—	—	—	(227)
Income before income taxes	—	—	—	—	46,831

(Note) Adjustments to segment income (loss) in Corporate principally represent corporate general and administrative expenses and research and development expenses related to fundamental research activities that are not allocated to operating segments.

## 6. Equity and Other Equity Items

Six months ended September 30, 2021

(Share repurchase)

Advantest resolved to acquire its own shares at the Board of Directors' meeting held on July 28, 2021. The status of share repurchase for the six months ended September 30, 2021 is as follows:

1. Type of shares acquired  
The Company's common shares
2. Total number of shares acquired  
1,803,100 shares
3. Total cost of acquisition  
17,753,624,000 yen
4. Method of acquisition  
Purchased on the Tokyo Stock Exchange

(Reference) Details of the resolution of the Board of Directors' meeting held on July 28, 2021

1. Type of shares to be acquired  
The Company's common shares
2. Total number of shares to be acquired  
Up to 10 million shares (Equivalent to 5.1% of outstanding shares excluding treasury shares)
3. Total cost of acquisition  
Up to 70 billion yen
4. Method of acquisition  
Purchase on the Tokyo Stock Exchange
5. Period of acquisition  
From August 2, 2021 to March 24, 2022



Six months ended September 30, 2022

(Share repurchase)

Advantest resolved to acquire its own shares at the Board of Directors' meeting held on July 28, 2022. The status of share repurchase for the six months ended September 30, 2022 is as follows:

1. Type of shares acquired  
The Company's common shares
2. Total number of shares acquired  
3,445,000 shares
3. Total cost of acquisition  
27,270,826,995 yen
4. Method of acquisition  
Purchased on the Tokyo Stock Exchange

(Reference) Details of the resolution of the Board of Directors' meeting held on July 28, 2022

1. Type of shares to be acquired  
The Company's common shares
2. Total number of shares to be acquired  
Up to 10 million shares (Equivalent to 5.3% of outstanding shares excluding treasury shares)
3. Total cost of acquisition  
Up to 50 billion yen
4. Method of acquisition  
Purchase on the Tokyo Stock Exchange
5. Period of acquisition  
From August 1, 2022 to December 23, 2022

(Cancellation of treasury shares)

Advantest resolved to cancel a portion of its own treasury shares in accordance with the provisions of Article 178 of the Companies Act, at the Board of Directors' meeting held on July 28, 2022 and executed as follows:

1. Type of shares cancelled  
The Company's common shares
2. Total number of shares cancelled  
8,000,000 shares (Equivalent to 4.01% of outstanding shares as of June 30, 2022)
3. Date of cancellation  
September 9, 2022
4. Total number of shares outstanding after the cancellation  
191,542,265 shares

## 7. Dividends

### (1) Dividends Paid

Six months ended September 30, 2021

Resolution	Class of shares	Amount of dividend (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting held on May 21, 2021	Common shares	15,770	80	March 31, 2021	June 3, 2021

(Note) Dividend of (Y) 56 million to the Company shares for the BIP Trust and the ESOP Trust is included in the amount of dividend which was resolved at the Board of Directors' meeting held on May 21, 2021.

Six months ended September 30, 2022

Resolution	Class of shares	Amount of dividend (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting held on May 20, 2022	Common shares	13,323	70	March 31, 2022	June 3, 2022

(Note) Dividend of (Y) 29 million to the Company shares for the BIP Trust and the ESOP Trust is included in the amount of dividend which was resolved at the Board of Directors' meeting held on May 20, 2022.

### (2) Dividends Whose Record Date is in the Second Quarter but Whose Effective Date is in the Following Quarter

Resolution	Class of shares	Amount of dividend (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting held on October 27, 2022	Common shares	12,151	65	September 30, 2022	December 1, 2022

(Note) Dividend of (Y) 10 million to the Company shares for the BIP Trust and the ESOP Trust is included in the above amount of dividend.

## 8. Revenue

Advantest sells test system products of semiconductor and mechatronics-related products such as test handlers that handling semiconductor devices. When control of such products is transferred to customers, the performance obligation is satisfied and revenue is recognized.

Additionally, Advantest has performance obligation towards customers on the service contracts. Revenue from such service contracts is recognized over the contract term on the straight-line basis. Net sales disaggregated by region and segment were as follows:

Six months ended September 30, 2021

Millions of Yen

	Semiconductor and Component Test System Business	Mechatronics System Business	Services, Support and Others	Elimination and Corporate	Consolidated
Main regions					
Japan	3,645	879	2,205	(48)	6,681
Americas	3,426	533	4,141	—	8,100
Europe	3,802	452	1,170	—	5,424
Asia	116,487	19,080	32,218	—	167,785
Total	127,360	20,944	39,734	(48)	187,990

Six months ended September 30, 2022

Millions of Yen

	Semiconductor and Component Test System Business	Mechatronics System Business	Services, Support and Others	Elimination and Corporate	Consolidated
Main regions					
Japan	4,818	733	2,289	(20)	7,820
Americas	8,015	2,477	8,990	—	19,482
Europe	4,880	496	1,751	—	7,127
Asia	177,156	24,447	38,774	—	240,377
Total	194,869	28,153	51,804	(20)	274,806

The breakdown of semiconductor and component test system business was as follows:

Six months ended September 30, 2021

Millions of Yen

	SoC	Memory	Total
Semiconductor and Component Test System Business	98,393	28,967	127,360

Six months ended September 30, 2022

Millions of Yen

	SoC	Memory	Total
Semiconductor and Component Test System Business	158,546	36,323	194,869

### 9. Earnings per Share

The basis of calculation of basic earnings per share and diluted earnings per share were as follows:

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net income attributable to owners of the parent (Millions of Yen)	35,246	71,161
Net income not attributable to owners of the parent (Millions of Yen)	—	—
Net income to calculate basic earnings per share (Millions of Yen)	35,246	71,161
Net income adjustment (Millions of Yen)	—	—
Net income to calculate diluted earnings per share (Millions of Yen)	35,246	71,161
Weighted average number of common shares—basic	196,337,662	189,508,469
Dilutive effect of stock options	606,226	336,076
Dilutive effect of performance-based stock remuneration	394,848	292,259
Dilutive effect of restricted stock compensation	6,016	80,323
Weighted average number of common shares—diluted	197,344,752	190,217,127
Basic earnings per share (Yen)	179.52	375.50
Diluted earnings per share (Yen)	178.60	374.10
Financial instruments not included in the calculation of diluted earnings per share because they have anti-dilutive effect	—	—

	Three months ended September 30, 2021	Three months ended September 30, 2022
Net income attributable to owners of the parent (Millions of Yen)	15,902	34,665
Net income not attributable to owners of the parent (Millions of Yen)	—	—
Net income to calculate basic earnings per share (Millions of Yen)	15,902	34,665
Net income adjustment (Millions of Yen)	—	—
Net income to calculate diluted earnings per share (Millions of Yen)	15,902	34,665
Weighted average number of common shares—basic	196,126,953	189,078,158
Dilutive effect of stock options	581,393	318,462
Dilutive effect of performance-based stock remuneration	278,686	160,632
Dilutive effect of restricted stock compensation	12,031	107,654
Weighted average number of common shares—diluted	196,999,063	189,664,906
Basic earnings per share (Yen)	81.08	183.34
Diluted earnings per share (Yen)	80.72	182.77
Financial instruments not included in the calculation of diluted earnings per share because they have anti-dilutive effect	—	Certain financial instruments related to share-based compensation

## 10. Financial Instruments

### (1) Carrying Amounts and Fair Value of Financial Instruments

#### (Borrowings)

Short-term borrowings are settled on a short-term basis, and their fair values approximate their carrying amounts. The fair value of long-term borrowings with floating rates is assumed to be quite similar to the carrying amounts, because it reflects market interest rates in a short period of time and the Advantest's credit status is not significantly different after the execution.

#### (Other)

Financial instruments other than above are settled mainly on a short-term basis, and their fair values approximate their carrying amounts.

### (2) Fair Value Hierarchy of Financial Instruments

Financial instruments measured at fair value on a recurring basis after the initial recognition are classified into three levels of the fair value hierarchy based on the measurement inputs' observability and materiality as follows:

Level 1: Fair value measured at quoted prices for identical assets or liabilities in active markets

Level 2: Fair value measured by direct or indirect observable inputs other than Level 1

Level 3: Fair value measured by significant unobservable inputs

When several inputs are used for a fair value measurement, the level is determined based on the input with the lowest level in the fair value measurement as a whole.

The transfers between levels in the fair value hierarchy are deemed at the beginning of each quarter period.

There were no transfers of financial instruments between levels during the year ended March 31, 2022 and the six months ended September 30, 2022.

The financial assets and financial liabilities measured at fair value on a recurring basis were classified by hierarchy as follows:

As of March 31, 2022

Millions of Yen

	Level 1	Level 2	Level 3	Total
Financial assets that are measured at fair value through other comprehensive income <sup>(Note 1)</sup>				
Equity instruments	11,547	—	1,082	12,629
Total financial assets	11,547	—	1,082	12,629
Financial liabilities that are measured at fair value through profit or loss				
Derivatives	—	33	—	33
Contingent consideration <sup>(Note 2)</sup>	—	—	259	259
Total financial liabilities	—	33	259	292

As of September 30, 2022

Millions of Yen

	Level 1	Level 2	Level 3	Total
Financial assets that are measured at fair value through other comprehensive income <sup>(Note 1)</sup>				
Equity instruments	11,871	—	1,207	13,078
Total financial assets	11,871	—	1,207	13,078
Financial liabilities that are measured at fair value through profit or loss				
Derivatives	—	66	—	66
Contingent consideration <sup>(Note 2)</sup>	—	—	599	599
Total financial liabilities	—	66	599	665

(Note) 1. Advantest holds equity instruments to accomplish expansion of revenue base by maintaining and enforcing relationships with investees. These equity instruments are designated as financial assets measured at fair value through other comprehensive income (“FVTOCI”).

(Note) 2. The contingent consideration represents an earn-out payment of up to USD35 million based on certain performance milestones. The fair value of the contingent consideration was calculated considering the future sales forecast and the probability of its achievement.

The movement of financial assets categorized within Level 3 of the fair value hierarchy was as follows:

Millions of Yen

	Six months ended September 30, 2021	Six months ended September 30, 2022
Balance at beginning of period	1,123	1,082
Gains or losses		
Other comprehensive income <sup>(Note)</sup>	18	88
Purchase	881	—
Sales	(125)	—
Others	1	37
Balance at end of period	1,898	1,207

(Note) Gains or losses recognized in other comprehensive income are presented in net change in fair value measurements of equity instruments at FVTOCI of the condensed quarterly consolidated statement of comprehensive income.

The movement of financial liabilities categorized within Level 3 of the fair value hierarchy was as follows:

Millions of Yen

	Six months ended September 30, 2021	Six months ended September 30, 2022
Balance at beginning of period	2,642	259
Changes in fair value <sup>(Note)</sup>	—	263
Others	29	77
Balance at end of period	2,671	599

(Note) If applicable, changes in fair value are included in financial expenses of the condensed quarterly consolidated statement of profit or loss.

## **11. Business Combinations**

Six months ended September 30, 2021

Not applicable

Six months ended September 30, 2022

(Business Combination through Acquisition)

### **(1) Overview of Acquired Business**

Name of Company: Collaudi Elettronici Automatizzati S.r.l.

Business Description of acquired company:

development and production of test equipment for power semiconductors

Voting rights ratio after acquisition of shares: 100%

### **(2) Overview of Business Combination**

Advantest Europe GmbH, the Company's European subsidiary, acquired all outstanding shares of Italy-based company, Collaudi Elettronici Automatizzati S.r.l. ("CREA") on August 10, 2022, and CREA became a wholly owned subsidiary of Advantest Europe GmbH.

CREA is a major supplier of power semiconductor test equipment. Its products are used to test all kinds of power devices, and are utilized by global semiconductor companies around the world. CREA has many years of extensive experience in the development and production of test equipment for power semiconductors, including the latest SiC /GaN semiconductors. This acquisition will enable Advantest to provide broader test and measurement solutions to a wider range of customers in high-growth sectors.

### **(3) Acquisition Date**

August 10, 2022

### **(4) Legal Form of Business Combination**

Acquisition of shares

### **(5) Acquisition-related Expense**

Acquisition-related expense of ¥232 million is included in Selling, general and administrative expenses in the condensed quarterly consolidated statement of profit or loss for the six months ended September 30, 2022.



**(6) Fair Value of Assets Acquired, Liabilities Assumed and Consideration Paid as of the Acquisition Date**

The fair value of the assets acquired, liabilities assumed and consideration paid as of the acquisition date were provisional as of September 30, 2022 because the purchase price allocation had not been completed. The provisional amount was calculated based on currently available information.

Millions of Yen

	Fair value
Current assets	1,474
Non-current assets	424
Total assets	1,898
Current Liabilities	737
Non-current liabilities	142
Total liabilities	879
Goodwill	3,165
Total	4,184
Fair value of consideration paid	
Cash and cash equivalents	3,632
Accounts payable	552
Total	4,184

Goodwill generated from this business combination was attributable to the Semiconductor and Component Test System Business segment and was not deductible for tax purposes. Goodwill primarily represented a synergy effect with existing businesses and the excess earning power expected from the acquisition.

**(7) Acquisition of subsidiary**

Millions of Yen

	Amount
Consideration paid	3,632
Cash and cash equivalents of the acquired subsidiary	(130)
Acquisition of subsidiary	3,502

## (8) Impact on the Business Performance

Disclosure of profit and loss information from the acquisition date and pro forma profit and loss information assuming the business combination was conducted at the beginning of the fiscal year ending March 31, 2023 (unaudited information), was omitted because of its immateriality for the condensed quarterly consolidated statement of profit or loss.

(Revision of the Provisional Amount on Business Combination through Acquisition)

Advantest America, Inc., the Company's U.S. subsidiary, acquired all outstanding shares of U.S. company, R&D Altanova, Inc. ("R&D Altanova") on November 17, 2021, and R&D Altanova became a wholly owned subsidiary of Advantest America, Inc.

The fair value of the assets acquired, liabilities assumed and consideration paid as of the acquisition date were provisional as of March 31, 2022, but they were revised because the purchase price allocation was completed during the first quarter of the fiscal year ending March 31, 2023.

Millions of Yen

	Provisional fair value	Revision	Revised fair value
Assets acquired			
Cash and cash equivalents	1,407	—	1,407
Trade and other receivables	1,847	—	1,847
Inventories	930	—	930
Other current assets	262	—	262
Property, plant and equipment, net	1,325	—	1,325
Right-of-use-assets	643	—	643
Intangible assets, net	366	8,145	8,511
Other non-current assets	127	—	127
Total assets	6,907	8,145	15,052
Liabilities assumed			
Trade and other payables	635	—	635
Other current liabilities	644	—	644
Long-term borrowings	4,472	—	4,472
Lease liabilities	526	—	526
Deferred tax liabilities	223	1,809	2,032
Other non-current liabilities	168	—	168
Total liabilities	6,668	1,809	8,477
Goodwill	25,282	(6,336)	18,946
Total	25,521	—	25,521
Fair value of consideration paid			
Cash and cash equivalents	25,521	—	25,521

(Notes) 1. Other non-current assets include deferred tax assets and others. Other current liabilities include income taxes payable and others. Other non-current liabilities include retirement benefit liabilities and others.

2. The total contract amount of trade and other receivables is the same as the fair value, and there are no items that are expected to be uncollectible.

## 2. Others

The board of directors resolved on October 27, 2022 to pay the interim dividend of 65 yen per share (Total amount of 12,151 million yen) to shareholders listed or recorded in the shareholder list as of September 30, 2022.

**PartII. Information on the Guarantee Companies of the Company**

Not applicable.

**English Translation**  
**Independent Auditor's Quarterly Review Report**

November 11, 2022

The Board of Directors  
Advantest Corporation

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Toshiyuki Matsumoto  
Designated Engagement Partner  
Certified Public Accountant

Minoru Ota  
Designated Engagement Partner  
Certified Public Accountant

Hiroyuki Nakada  
Designated Engagement Partner  
Certified Public Accountant

**Auditor's Conclusion**

Pursuant to Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act, we have reviewed the accompanying condensed quarterly consolidated financial statements of Advantest Corporation and its subsidiaries (the Group), which comprise the condensed quarterly consolidated statement of financial position as of September 30, 2022, and the condensed quarterly consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods ended September 30, 2022, and the condensed quarterly consolidated statements of changes in equity and cash flows for the six-month period ended September 30, 2022, and notes to the condensed quarterly consolidated financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2022 and its consolidated financial performance for the three-month and six-month periods ended September 30, 2022, and its consolidated cash flows for the six-month period ended September 30, 2022 in accordance with *International Accounting Standard 34, Interim Financial Reporting*, as provided for in Article 93 of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements.

**Basis for Auditor's Conclusion**

We conducted our review in accordance with review standards for quarterly financial statements generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Review of the Condensed Quarterly Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the condensed quarterly consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained provides a basis for our conclusion.

**Responsibilities of Management, the Audit and Supervisory Committee for the Condensed Quarterly Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these condensed quarterly consolidated financial statements in accordance with *International Accounting Standard 34, Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of condensed quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by *paragraph 4 of International Accounting Standard 1, Presentation of Financial Statements*, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Review of the Condensed Quarterly Consolidated Financial Statements**

Our responsibility is to express a conclusion on these condensed quarterly consolidated financial statements based on our review.

As part of a review in accordance with review standards for quarterly financial statements generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters and apply analytical and other quarterly review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude based on the evidence obtained whether anything has come to our attention that causes us to believe that the condensed quarterly consolidated financial statements are not presented fairly in accordance with *paragraph 4 of International Accounting Standard 1, Presentation of Financial Statements* should we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's quarterly review report to the related disclosures in the condensed quarterly consolidated financial statements or, if such disclosures are inadequate, to modify our conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor's quarterly review report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that causes us to believe that the overall presentation and disclosure of the condensed quarterly consolidated financial statements are not in accordance with *International Accounting Standard 34, Interim Financial Reporting*, or that the overall presentation, structure and content of the condensed quarterly consolidated financial statements, including the disclosures, do not represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain evidence regarding the financial information of the entities or business activities within the Group to express a conclusion on the condensed quarterly consolidated financial statements. We are responsible for the direction, supervision and performance of the quarterly review. We remain solely responsible for our conclusion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the review and significant review findings.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our review of the condensed quarterly consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### *Notes to the Readers of Independent Auditor's Quarterly Review Report:*

This is an English translation of the Independent Auditor's Quarterly Review Report as required by Financial Instruments and Exchange Act for the conveniences of the reader.

[Cover]

[Document Filed]	Confirmation Letter
[Applicable Law]	Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed to]	Director, Kanto Local Finance Bureau
[Filing Date]	November 11, 2022
[Company Name]	Kabushiki Kaisha Advantest
[Company Name in English]	ADVANTEST CORPORATION
[Title and Name of Representative]	Yoshiaki Yoshida, Representative Director, President and CEO
[Title and Name of CFO]	Atsushi Fujita, Director, Senior Executive Officer Executive Vice President, Corporate Administration Group
[Address of Registered Office]	1-6-2, Marunouchi, Chiyoda-ku, Tokyo
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi, Kabuto-cho, Chuo-ku, Tokyo)

## **1. Matters Related to Adequacy of Statements Contained in the Quarterly Securities Report**

Yoshiaki Yoshida, Representative Director, President and CEO and Atsushi Fujita, Chief Financial Officer of Advantest Corporation, confirmed that statements contained in the Quarterly Securities Report for the second quarter of the 81st Business Term (from July 1, 2022 to September 30, 2022) were adequate under the Financial Instruments and Exchange Act.

## **2. Special Notes**

None.