



ADVANTEST[®]

FY2021
(Period Ended March 31st, 2022)

Financial Briefing

April 27th, 2022
Advantest Corporation

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NOTE

Accounting Standards

– Our results and outlook, described in this presentation, have been prepared in accordance with IFRS.

Cautionary Statement with Respect to Forward-Looking Statements

– This presentation 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.

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```
...mirror_object = ...
operation == "MIRROR_X":
    mirror_mod.use_x = True
    mirror_mod.use_y = False
    mirror_mod.use_z = False
    operation == "MIRROR_Y":
    mirror_mod.use_x = False
    mirror_mod.use_y = True
    mirror_mod.use_z = False
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    mirror_mod.use_x = False
    mirror_mod.use_y = False
    mirror_mod.use_z = True

...selection at the end -add ...
obj.select= 1
obj.select= 1
context.scene.objects.active
    "Selected" + str(modifier)
mirror_ob.select = 0
```

Financial Results for FY2021

Atsushi Fujita

Director, Senior Executive Officer, CFO & CCO

(Chief Financial Officer & Chief Compliance Officer),

Executive Vice President, Corporate Administration Group

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FY21 Results Highlights

- Achieved record high orders, sales, operating income, and net income for the full year of FY21
- FY21 orders topped ¥700 billion amidst expanding semiconductor demand and higher device performance
- Gross profit margin improved due to increased ratio of high value-added testers in our sales mix
- ROE 30.4%

○ FY2021 Results

- In FY2021, we were able to achieve record high orders, sales, operating income, and net income. We are profoundly grateful to all our employees and stakeholders, including our valued business partners, who continue to support our growth.
- Against the backdrop of ongoing digitization, aggressive tester investment continued throughout the year, led by SoC semiconductor manufacturers, amidst data center investment growth, 5G smartphone functionality gains, and semiconductor performance gains such as further miniaturization.
- The long-term expansion of semiconductor demand and the trends driving higher performance continue. On the other hand, due to the shortage of a wide range of materials and parts such as semiconductors, our product lead times have lengthened. This has pulled forward the timing of customer orders. As a result, orders doubled from the previous year to ¥700 billion.
- In terms of sales, gross profit margin also improved from the previous fiscal year due to the increased ratio of high value-added testers for high-performance semiconductors in our sales mix.
- Our efforts to increase profits, strengthen shareholder returns and improve capital efficiency raised ROE to 30.4%.

FY21 Summary of Results

	(¥B)				
	FY20	FY21			
	Results	Forecast as of Jan. 2022	Results	vs. FY20	
				(Δ)	(%)
Orders	330.6	650.0	700.3	+369.7	2.1x
Sales	312.8	410.0	416.9	+104.1	+33.3%
Operating Income	70.7	115.0	114.7	+44.0	+62.2%
Operating Margin	22.6%	28.0%	27.5%	+4.9pts	
Income Before Tax	69.6	115.0	116.3	+46.7	+67.1%
Net Income	69.8	86.3	87.3	+17.5	+25.1%
Net Income Margin	22.3%	21.0%	20.9%	-1.4pts	
Backlog	108.8	351.2	394.7	+285.8	3.6x
Exchange Rate	1 US\$	¥106	¥112	¥112	¥6 Depreciation
	1 Euro	¥123	¥131	¥130	¥7 Depreciation
Dividend Per Share	¥118	-	¥120*1	+¥2	
Share Repurchase	13.1	-	70.0	+56.9	
Total Shareholder Return Ratio*2	52%	-	107%	+55pts	

*1: The year-end dividends for FY21 will be formally resolved at the Board of Directors' meeting held on May 20, 2022

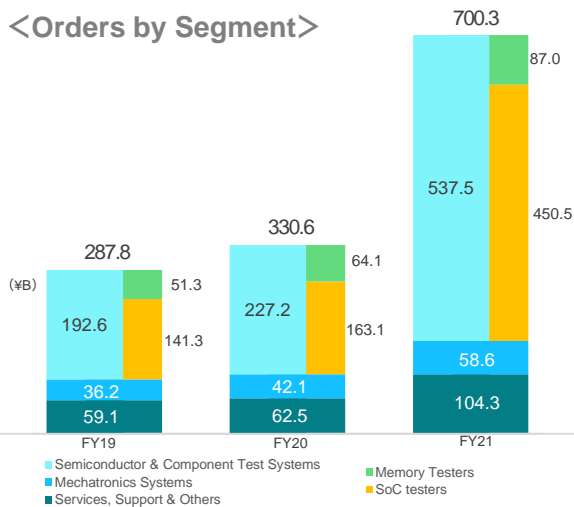
*2: Total shareholder return ratio = (Total dividends + Total share repurchases) ÷ Net Income

○ FY2021 Summary of Results

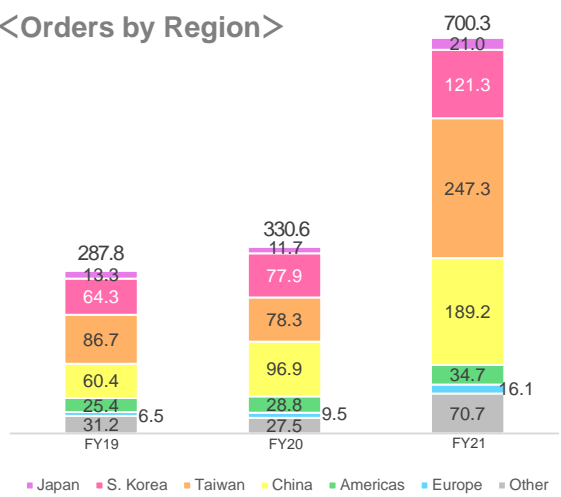
- FY2021 results are as seen in this slide.
 - Orders ¥700.3 billion
 - Sales ¥416.9 billion
 - Operating Income ¥114.7 billion
 - Net Income ¥87.3 billion
- Due to the significant increase in orders, backlog was ¥394.7 billion.
- Year-on-year net income growth slowed because of the use of a loss carryforward accounting adjustment in Japan and the recording of deferred tax assets in the previous fiscal year.
- Combining our year-end dividend forecast of ¥70 and the interim dividend of ¥50 already paid out, our annual dividend forecast is ¥120. Our total shareholder return ratio for FY21 was 107%.

FY21 Orders by Segment / Region

<Orders by Segment>



<Orders by Region>



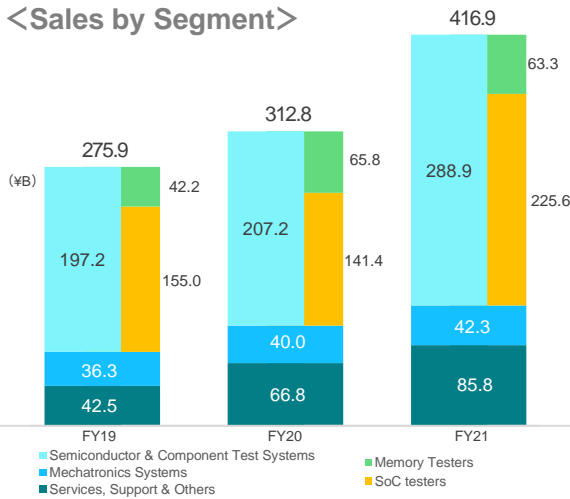
Note: Intersegment transactions have been eliminated from totals

○ FY2021 Orders by Segment / Region

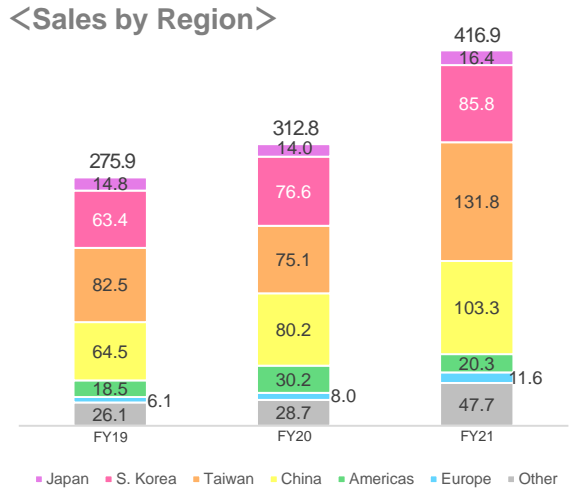
- Annual orders by business and region
- In FY2021, orders across all businesses increased YoY.
- High-end SoC semiconductors such as application processors (APU) and high performance computing (HPC) devices underwent further miniaturization and performance gains, while semiconductor shortages spurred investments in supply capacity, leading orders for SoC testers to increase significantly.
- By region, orders increased in all regions, especially Taiwan, China, and South Korea. Taiwan was the single largest source of orders.

FY21 Sales by Segment / Region

<Sales by Segment>



<Sales by Region>



Note: Intersegment transactions have been eliminated from totals

○ FY2021 Sales by Segment / Region

- Annual sales
- Due to the shortage of semiconductors, we were compelled to extend product lead times, but sales of SoC testers nevertheless increased, mainly for high-end SoC devices.
- By region, Taiwan was the largest source of sales as well as orders.

FY21 4Q Summary of Results

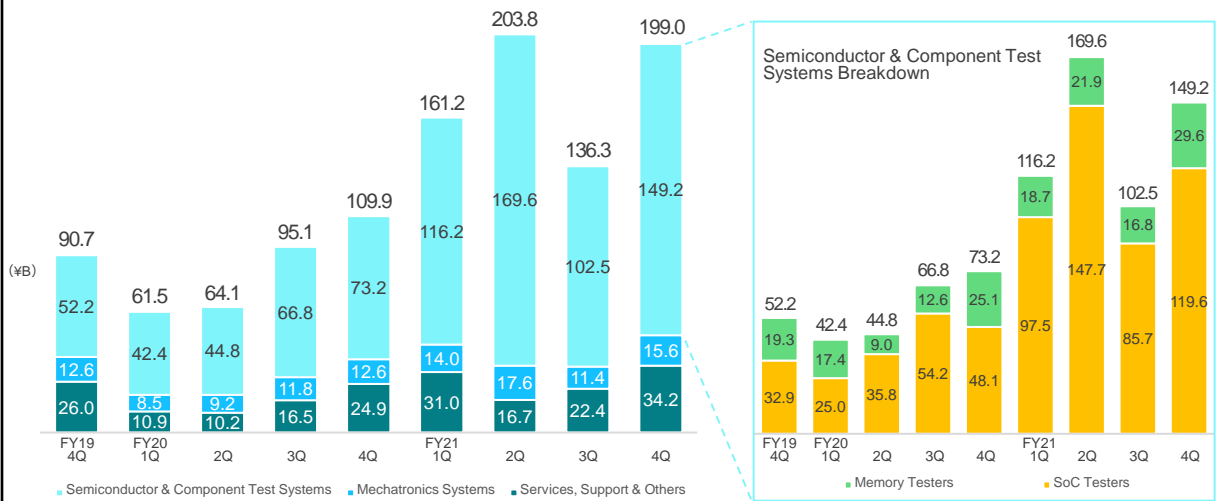
	FY20				FY21				(¥B)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	QoQ		YoY	
									(Δ)	(%)	(Δ)	(%)
Orders	61.5	64.1	95.1	109.9	161.2	203.8	136.3	199.0	+62.7	+46.0%	+89.0	+81.0%
Sales	66.7	77.4	78.1	90.6	97.1	90.9	112.1	116.8	+4.8	+4.2%	+26.2	+28.9%
Gross Profit	38.0	41.6	40.2	48.5	54.7	50.1	64.8	66.3	+1.5	+2.2%	+17.8	+36.8%
Gross Margin	56.9%	53.9%	51.5%	53.5%	56.4%	55.0%	57.9%	56.7%	-1.2pts		+3.2pts	
Operating Income	13.5	17.4	15.3	24.5	26.1	21.4	33.5	33.7	+0.1	+0.4%	+9.1	+37.2%
Operating Margin	20.2%	22.6%	19.5%	27.1%	26.9%	23.5%	29.9%	28.8%	-1.1pts		+1.7pts	
Income Before Tax	12.9	16.4	13.9	26.4	25.7	21.6	34.0	35.0	+0.9	+2.7%	+8.6	+32.4%
Net Income	10.6	13.9	12.0	33.3	19.3	15.9	25.7	26.4	+0.8	+3.0%	-6.9	-20.6%
Net Income Margin	15.8%	18.0%	15.4%	36.7%	19.9%	17.5%	22.9%	22.6%	-0.3pts		-14.1pts	
Backlog*	85.7	72.5	89.5	108.8	172.9	285.8	312.5	394.7	+82.2	+26.3%	+285.8	3.6x
Exchange Rate	1 US\$	¥108	¥107	¥105	¥104	¥109	¥110	¥112	¥115	¥3 Depreciation		¥11 Depreciation
	1 Euro	¥118	¥123	¥124	¥127	¥131	¥131	¥130	¥130	-		¥3 Depreciation

* FY21 3Q backlog includes ¥2.4 billion of backlog added through our acquisition of R&D Altanova

○ FY2021 4Q Summary of Results

- In the fourth quarter of FY21, sales, operating income, and profit before income taxes reached their highest levels since Advantest began quarterly disclosure.
- Each item will be explained in detail on the following pages.

Quarterly Orders by Segment



Note: Intersegment transactions have been eliminated from totals

○ FY2021 4Q Orders by Segment

- As the shortage of semiconductors affects a wide range of supply chains, our product delivery times continue to lengthen. Customers are also becoming more likely to order testers based on long-term plans.

○ Semiconductor & Component Test Systems

- ¥149.2 billion +45.5% QoQ
- Orders for SoC testers increased by ¥33.9 billion to ¥119.6 billion. Orders increased significantly due to more types of devices, mainly HPC-related, being manufactured with advanced processes.
- Orders for Memory testers increased by ¥12.8 billion to ¥29.6 billion. DRAM orders grew especially strongly, primarily for wafer test.

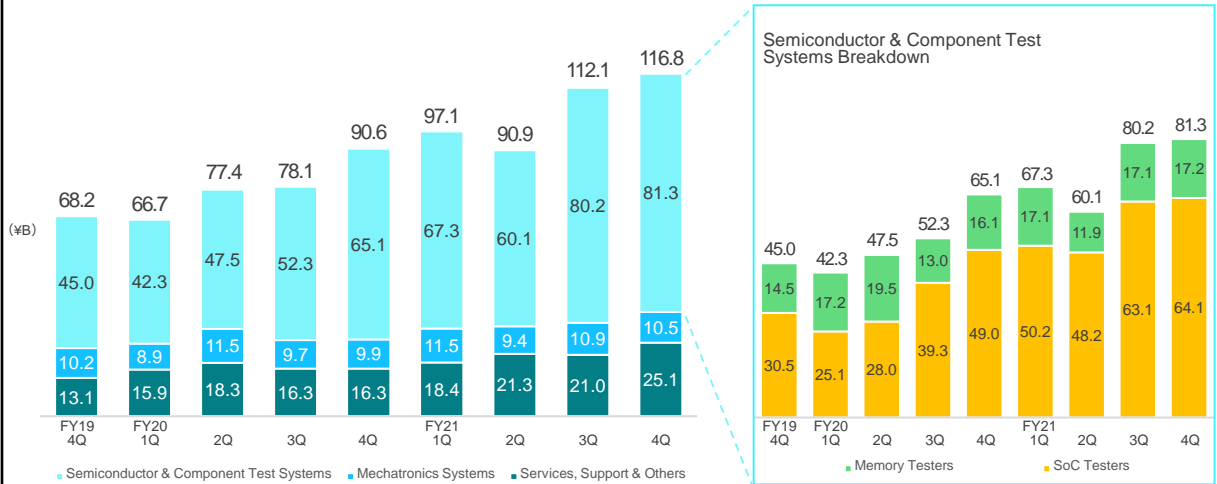
○ Mechatronics Systems

- ¥15.6 billion +37.5% QoQ
- Orders in this segment also increased due to the strong correlation of device interfaces and test handlers with our tester business.

○ Services, Support & Others

- ¥34.2 billion +52.3% QoQ
- In addition to a significant increase in system level test (SLT) related orders, annual maintenance contract renewals increased, with seasonality as one of the factors.

Quarterly Sales by Segment



Note: Intersegment transactions have been eliminated from totals

○ FY2021 4Q Sales by Segment

- Although the parts shortage is still ongoing, our efforts to procure needed parts enabled us to record higher sales than initially forecast.

○ Semiconductor & Component Test Systems

- ¥81.3 billion Flat QoQ
- Sales breakdown: SoC testers ¥ 64.1 billion, memory testers ¥17.2 billion.

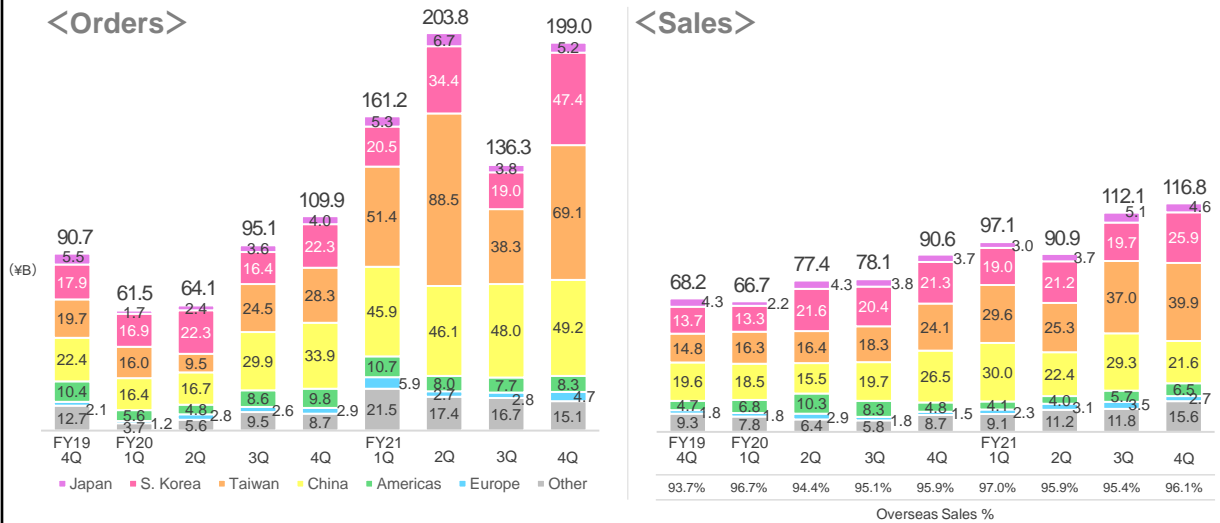
○ Mechatronics Systems

- ¥10.5 billion, a slight decrease from the previous quarter

○ Services, Support & Others

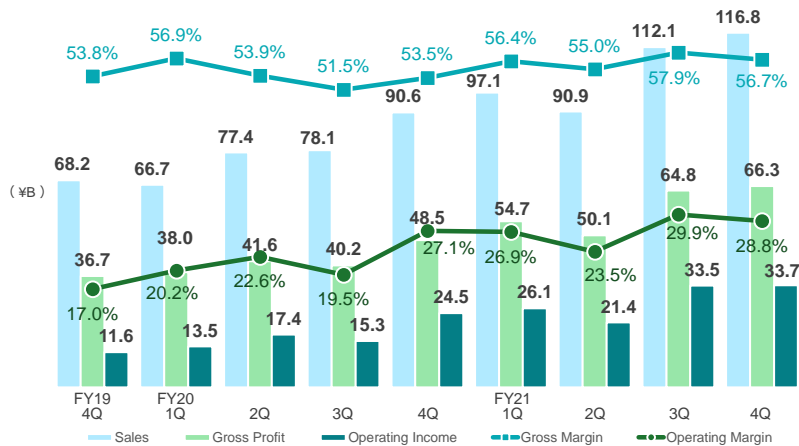
- ¥25.1 billion +20.1% QoQ
- SLT-related sales grew.

Quarterly Orders / Sales by Region



- FY2021 4Q Orders / Sales by Region
 - Taiwan
 - Orders increased significantly, mostly for SoC testers that utilize advanced processes, primarily related to HPC.
 - South Korea
 - In addition to the increase in orders for memory testers, smartphone-related orders for SoC testers also increased.
- FY2021 4Q Sales by Region
 - With some variation by region, sales expanded across the board.

Sales / Gross Profit / Operating Income



	(¥B)	
	FY20	FY21
Sales	312.8	416.9
Gross Profit	168.3	235.9
Gross Margin	53.8%	56.6%
SG&A*	97.6	121.2
Operating Income	70.7	114.7
Operating Margin	22.6%	27.5%

○ FY2021 4Q Sales / Gross Profit / Operating Income

- Gross margin 56.7%
- Gross profit margin stayed high, although it was slightly lower than in 3Q.
- SG&A (including total other income and expenses) ¥32.6 billion
- Operating income ¥33.7 billion
- Operating margin 28.8%

○ FY2021 Full Year Operating Income

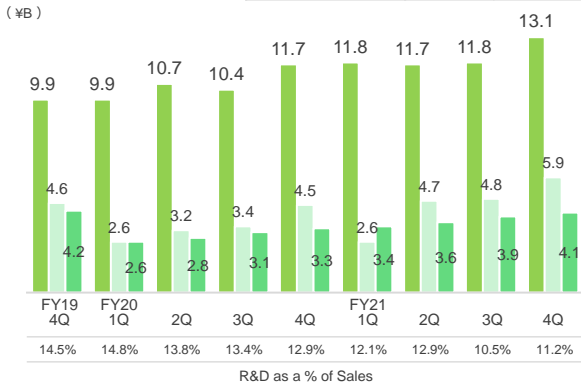
- Operating Income +62.2% YoY ¥114.7 billion
- Increased sales of high-end SoC semiconductor testers for smartphone and data center-related devices improved our product mix and boosted gross profit margin.
- Operating income also increased significantly.

Investments / Cash Flow

<Investments>

- R&D Expenses
- Capital Expenditure
- Depreciation & Amortization

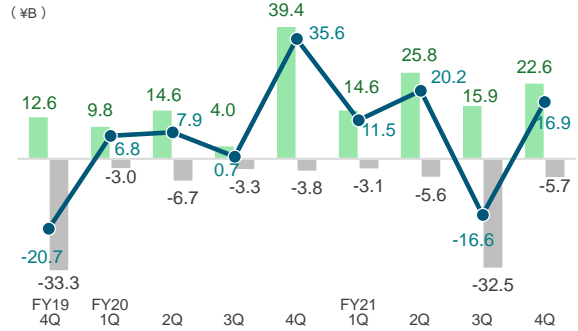
	FY20	FY21
R&D Expenses	42.7	48.4
R&D as a % of Sales	13.6%	11.6%
CapEx	13.7	18.0
D&A	11.8	15.0



<Cash flow>

- Cash flows from operating activities
- Cash flows from investing activities
- Free cash flows

	FY20	FY21
Cash flows from operating activities	67.8	78.9
Cash flows from investing activities	-16.8	-46.9
Free cash flows*	51.0	32.0



* Free Cash Flows = Cash flows from operating activities + Cash flows from investing activities

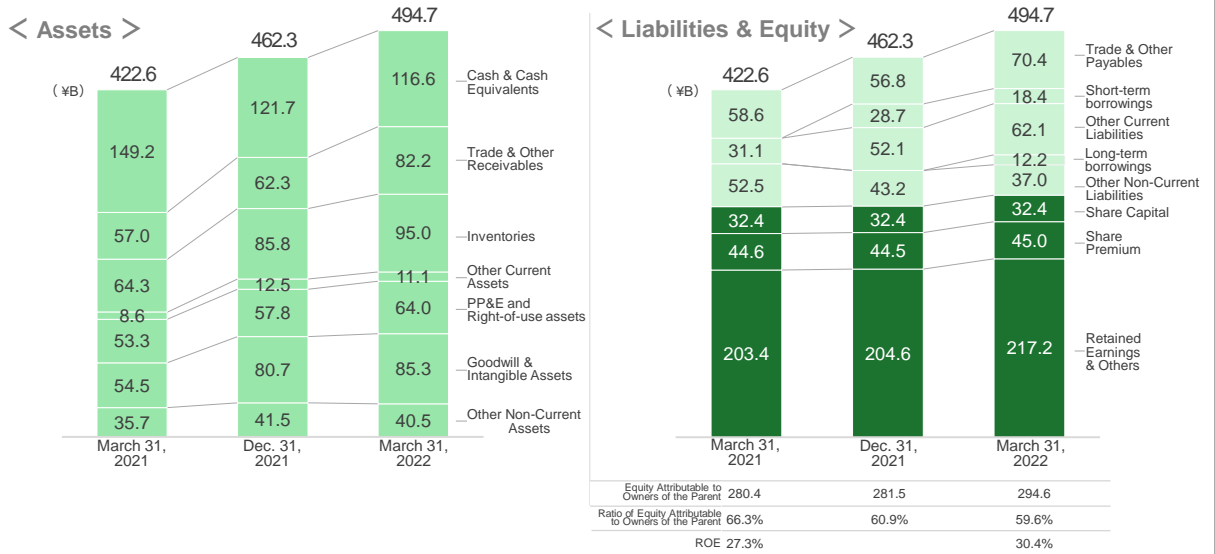
○ FY2021 4Q R&D Expenses/CapEx/D&A

- R&D Expenses ¥13.1 billion
- R&D to sales ratio 11.2%
- CapEx ¥5.9 billion
- We began investment in expansion of our US production capabilities in 2Q, and made further investments in 4Q.
- Depreciation and Amortization ¥4.1 billion

○ FY2021 4Q Cash Flow

- Free cash flow ¥16.9 billion

Financial Position



○ Balance Sheet for Period Ending March 31st, 2022

- Total Assets ¥494.7 billion
- Cash & Cash Equivalents ¥116.6 billion
- Goodwill & Intangible Assets ¥85.3 billion
- Equity Attributable to Owners of the Parent ¥294.6 billion
- Ratio of Equity Attributable to Owners of the Parent 59.6%
- In FY21, we acquired a total of 7.17 million shares of treasury stock for ¥70 billion, while raising approximately ¥30 billion of funds needed to expand our business scale and business domains from external sources. We will continue to work on BS management, while optimally balancing growth investment with capital efficiency.



Second Mid-Term Business Plan Progress Report & FY2022 Outlook

Yoshiaki Yoshida
Representative Director, President and CEO

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Results of 1st Year of 2nd Mid-Term Management Plan

	MTP1 Results Avg. of FY18-20	Targets of MTP2 Avg. of FY21-23	FY21 Results
Sales	¥290.4B	¥350-380B	¥416.9B
Operating Margin	22.3%	23-25%	27.5%
Net Income	¥60.1B	¥62-70B	¥87.3B
ROE	29.1%	20% or more	30.4%
EPS	¥309	¥320-370	¥450

<Growth Investment>

	FY21-23 Investment Targets	FY21 Results
Strategic Investments e.g. M&A	¥100B	¥29B
Capital Expenditure	¥40B	¥18B

<Shareholder Returns>

	FY21-23 (estimate)	FY21 Results
Shareholder Returns (Dividend + Share buybacks)	¥150B or more	¥93B

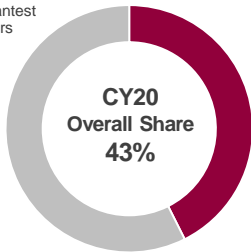
○ Results of 1st Year of 2nd Mid-Term Management Plan

- Results for the first year of our second mid-term management plan got off to a good start, exceeding target figures on all management metrics set as averages for the period of the plan.
- In addition to the expansion of test demand related to smartphones and HPC, where we have an advantage, the measures to strengthen our customer base that we have been steadily working on for some time, as well as our product strategy, have successfully increased our presence in the automotive, industrial, and consumer sectors. As a result, we were able to increase sales across a wide range of applications.
- In addition, our SLT division, which is being strengthened through M&A, has steadily expanded and contributed to improved business performance.
- As a result, we have already achieved the sales target of ¥400 billion set forth in our Grand Design, which we initially aimed to achieve in FY2027. The trends described in our Grand Design and the major trends in our business environment continue unchanged, and we will continue to pursue strategies to boost our performance, but this milestone will be a chance for us to further increase corporate value.
- Regarding our second mid-term management plan, we will review our financial model based on FY2021 results and our FY2022 outlook. We will disclose the outcome of this review as soon as possible.

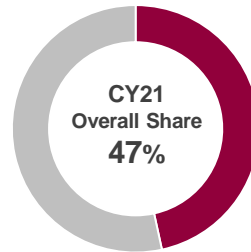
Market Share Report

Market Size **Approx. \$4.2B** $\xrightarrow{+32\% \text{ YoY}}$ **Approx. \$5.6B**

■ Advantest
■ Others



$\xrightarrow{+4\text{pts YoY}}$



	Market Size	Advantest Share
SoC Testers	Approx. \$3.0B	38%
Memory Testers	Approx. \$1.2B	56%

	Market Size	Advantest Share
SoC Testers	Approx. \$4.3B	45%
Memory Testers	Approx. \$1.3B	51%

Source: Advantest

○ Market Share Report

- The 2021 tester market grew by more than 30% YoY on a calendar year basis, a higher growth rate than the 25% logged in 2020. Market research firms estimate that the SoC tester market was worth about US \$4.3 billion, and the memory tester market reached US \$1.3 billion, totaling about US \$5.6 billion, much higher than expected at the beginning of the year.
- Advantest's market share was about 47%, an increase of about 4 points from the previous year amidst market expansion. At this time, it appears we may be the leading company in terms of market share, with about 45% of the SoC tester market and about 51% of the memory tester market.

Semiconductor Tester Market Trends: April 2022 Outlook

CY21 Actual

- SoC tester market: Higher demand for automotive, industrial, and consumer devices, as well as performance gains and rising production volumes of high-end SoCs, drove an increase of approximately 43% YoY
- Memory tester market: The scale of the memory tester market is also growing due to improvements in device density, speed, and performance

CY22 Estimate

- SoC tester market: In addition to steady growth centered on leading-edge products such as HPC* devices, we also expect automotive, industrial, and consumer-related semiconductors to make further gains
- Memory tester market: Memory device performance gains including greater density, faster speed, and higher bandwidth will continue to drive growth of test demand

Source: Advantest

	CY20 Actual	CY21 Actual	CY22 Estimate
SoC Tester Market	Approx. \$3.0B	Approx. \$4.3B (January estimate: Approx. \$4.1B)	Approx. \$4.2-5.0B (January estimate: Approx. \$4.5B - 5.0B)
Memory Tester Market	Approx. \$1.2B	Approx. \$1.3B (January estimate: Approx. \$1.3B)	Approx. \$1.3-1.4B (January estimate: Approx. \$1.4B - 1.5B)

* HPC: High Performance Computing

○ Semiconductor Tester Market Trends

- In 2022, the tester market is expected to grow even further from its already enlarged scale. We have lowered the bottom end of our range forecast versus our forecast of three months ago, incorporating the supply risk scenario for the entire industry adumbrated by the increasingly difficult parts procurement environment.
- In the SoC tester market, we expect further growth in demand for automotive, industrial, and consumer applications, centered on high performance semiconductors and increased production of HPC-related devices, where the adoption of advanced processes is spreading.
- In the memory tester market, numeric market scale growth seems to be decelerating, but this is influenced by exchange rate fluctuations, and in reality, we have not changed our view that higher performance memory will promote tester market expansion.
- From 2023, we have little visibility into the tester market due to the many dynamic factors in play. However, amidst social demands for energy efficiency improvement, semiconductor integration in the HPC-related sector is making new progress through miniaturization and adoption of advanced packages. More sophisticated and more highly integrated test solutions are required, and this is expected to spur expansion of the test market in the long run.

Review of disclosure items

- Review of disclosure items:

FY21 4Q is our last disclosure in which orders and backlog information will be announced.

- Reasons for review:

- ✓ Due to longer product lead times, recent order trends are less comparable to past figures.
- ✓ Since orders are now fluctuating dramatically in the short term, they do not reflect our mid/long-term business growth trends, and are less material for corporate value evaluation.

Instead of disclosing orders, we will work to deepen our dialogue with the stock market by enhancing information that is material for medium- to long-term corporate value evaluation, such as our business environment and growth strategies.

- Review of disclosure items

- FY21 4Q is our last disclosure in which orders and backlog information will be announced.
- For many years, we have disclosed orders as a leading indicator of business performance, but our latest order figures no longer offer such useful comparatives with the past, so there is a concern that if we continue to disclose order figures as hitherto, it will wind up misleading market participants.
- In light of these changes in the environment, we would like to enhance our explanations of our business environment and growth strategies on a longer-term timeline, and deepen dialogue so that everyone in the stock market can appropriately evaluate our corporate value.

FY22 Forecast

(¥B)

	FY21 Results	FY22 Forecast	FY22 vs. FY21	
			(Δ)	(%)
Sales*1	416.9	510.0	+93.1	+22.3%
Operating Income	114.7	150.0	+35.3	+30.7%
Operating Margin	27.5%	29.4%	+1.9pts	
Income Before Tax	116.3	150.0	+33.7	+28.9%
Net Income	87.3	112.5	+25.2	+28.9%
Net Income Margin	20.9%	22.1%	+1.2pts	
R&D Expenses	48.4	60.0	+11.6	+24.0%
CapEx	18.0	27.0	+9.0	+50.0%
D&A	15.0	16.8	+1.8	+12.0%
Exchange Rate*2	1 US\$	¥112	¥120	¥8 Depreciation
	1 Euro	¥130	¥135	¥5 Depreciation

*1: Intersegment transactions have been eliminated from totals

*2: Our latest forecast for the impact of exchange rate fluctuations on FY22 operating income is plus ¥1.3 billion per 1 yen of JPY depreciation vs USD, and minus ¥0.2 billion per 1 yen of JPY depreciation vs Euro

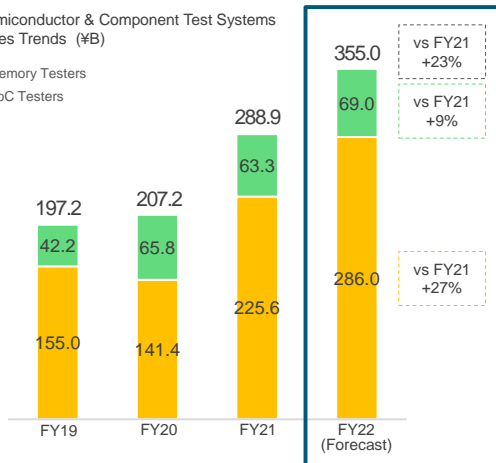
○ FY2022 Forecast

- Advantest's forecast for FY22 calls for sales of ¥510.0 billion, operating income of ¥150.0 billion, income before taxes of ¥150.0 billion, and net income of ¥112.5 billion.
- Gross profit margin for the full year is expected to be approximately 58%.
- Our FY22 earnings forecast incorporates a certain level of parts shortages and rising procurement costs, but we anticipate that the shortages will ease in 2H. We will do our utmost to secure needed parts, aiming to set new sales and profit records for the third consecutive year.
- However, this is undeniably an environment in which geopolitical risks and changes in the global economy may occur out of the blue, on top of the difficult procurement situation. We expect that FY22 will be a year when our risk responsiveness is further put to the test.
- This forecast assumes exchange rates of 1 USD to 120 JPY and 1 euro to 135 JPY.

FY22 Outlook by Segment

Semiconductor & Component Test Systems Sales Trends (¥B)

■ Memory Testers
■ SoC Testers



Semiconductor & Component Test Systems

< SoC Testers >

– As the trend toward further miniaturization extends test times, FY22 is expected to also see increases in the number and production volumes of HPC devices that utilize advanced processes, stimulating additional demand for testers

Applications	FY19	FY20	FY21	FY22*2
Computing / Comms	70%	55%	60%	70%
Automotive / Industrial / Consumer / DDIC*1	30%	45%	40%	30%

Numbers are rounded to the nearest 5%

< Memory Testers >

– Tester demand is steadily expanding due to demand for greater device densities resulting from progress in DRAM miniaturization, demand for higher-speed DRAM / wider bandwidths, etc.

Applications	FY19	FY20	FY21	FY22*2
DRAM	70%	60%	60%	60%
NVM	30%	40%	40%	40%

Numbers are rounded to the nearest 5%

*1 DDIC : Display Driver IC

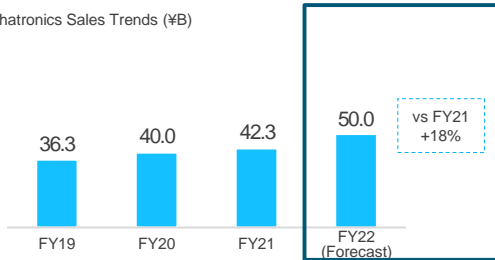
*2 FY22 figures are forecasts

○ FY2022 Semiconductor & Component Test Systems Outlook

- As shown on the right side of the slide, we have started to disclose full-year sales by application at this time.
- Our full-year FY22 SoC tester sales forecast is ¥286 billion.
- Regarding advanced SoC semiconductors, the adoption of advanced processes will spread further in CY22. It is expected that tester demand will continue to increase throughout the year due to increasing semiconductor complexity and manufacturing difficulty. For the past 10 years, smartphone APUs have been the mainstay of tester demand, but HPC devices are expected to take over in CY22.
- In the automotive, industrial, and consumer sectors, customer utilization ratios will stay high, supporting tester demand at a level equivalent to FY21.
- Our full-year FY22 memory tester sales forecast is ¥69 billion.
- Changes in memory technology such as miniaturization, greater densities, and higher speeds / bandwidths will support tester demand.
- NAND and DDR4 / 5 demand is expected to remain stable in response to the strong demand for HPC devices for data centers. Above all, we expect to increase sales of DRAM testers, which are one of our strengths.

FY22 Outlook by Segment

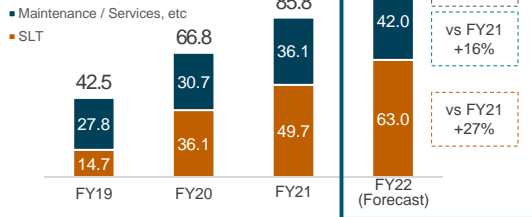
Mechatronics Sales Trends (¥B)



Mechatronics Systems

- Demand for high-level device interface products is expected to rise in line with tester demand
- With the spread of EUV lithography, sales of nanotechnology products should also trend favorably

Services, Support, & Others Sales Trends (¥B)



Services, Support, & Others

- We expect our system level test business to grow steadily. Recurring business revenues, a target of our growth investments in recent years, are also expected to grow
- Demand for maintenance services is increasing amidst steady growth in our installed base and high customer utilization ratios

○ FY2022 Mechatronics / Services, Support, & Others Business Outlook

- Our full-year FY22 mechatronics-related sales forecast is ¥50 billion. We expect sales of nanotechnology products to increase due to continued high-level demand for device interface products, which are strongly correlated with our tester business, and the increasing adoption of EUV lithography.
- Our full-year FY22 Services, Support, and Others sales forecast is ¥105 billion. In addition to the steady growth of our system level test business and increasing recurring business revenues, which have been strengthened by our M&A, we anticipate a steady increase in demand in our service and maintenance business.
- Regarding our system level test business, we have begun to disclose full-year sales at this time.

Key Measures for FY22

- Measures to ensure stable product supply in response to the industry's prolonged parts procurement difficulties will be our top priority.
- We will push forward the frontiers of test technology in collaboration with customers involved with leading-edge semiconductor technology R&D.
- We will strengthen our business foundation by enhancing our human resources and increasing CapEx from a medium- to long-term perspective to further expand our business.
- We will reinforce our data analytics initiatives to enable further growth amid the progress of digital transformation.
- In addition to semiconductor test processes, SLT demand is also growing steadily. We will not only expand test platform sales, but also reinforce our recurring business, including consumables.
- We will continue to promote climate measures and other ESG initiatives.
- We will respond flexibly to changes in our business environment amid the considerable uncertainties stemming from geopolitical risks, rising inflation, and other factors.

○ Key Measures for FY2022

- I would like to conclude by touching on our key measures for FY22.
- The difficulty of procuring parts, especially semiconductors, continues. Implementing measures to ensure a stable supply of our products will be our top priority.
- The semiconductor tester market is expected to keep growing in CY22. Our R&D and sales activities prioritize the continued provision of leading-edge test solutions. We will collaborate with customers who are involved with the development of leading-edge semiconductor technology to push forward the frontiers of test technology.
- Moreover, the tester market is expected to expand further in the medium to long term. We are aware of the need to further improve our business execution capabilities. We plan to boldly implement measures including up-front investments in talented human resources, facility expansion, and other areas.
- In particular, we will reinforce our data analytics business to enable further growth amidst the digital transformation of our business environment.
- Increased circuit integration and greater manufacturing difficulty are increasing device reliability requirements. In addition to demand for semiconductor test, the move to adopt system-level testing is also gaining momentum. This means that the demand for high-precision consumables will increase throughout the testing process. We will promote investments to expand recurring business.
- We will also work to further enhance our ESG-related initiatives, including the acquisition of SBTi certification, which we launched as part of our response to climate change in the previous fiscal year. Please see our online press releases for details of our FY21 achievements in the ESG arena.
- Finally, we will respond flexibly to changes in our business environment amid the considerable uncertainties stemming from geopolitical risks, logistics disruptions, and inflation, among other factors.
- Thank you for your attention.