



ADVANTEST®

FY2021 3Q
(Three months ended December 31st, 2021)
Financial Briefing

January 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.

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- 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_mod.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
operation == "MIRROR_Z":
    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 ...
obj.select = 0
 bpy.context.selected_obj
```

Financial Results for FY2021 3Q

Atsushi Fujita

Director, Senior Executive Officer, CFO & CCO (Chief Financial Officer & Chief Compliance Officer), Executive Vice President, Corporate Administration Group

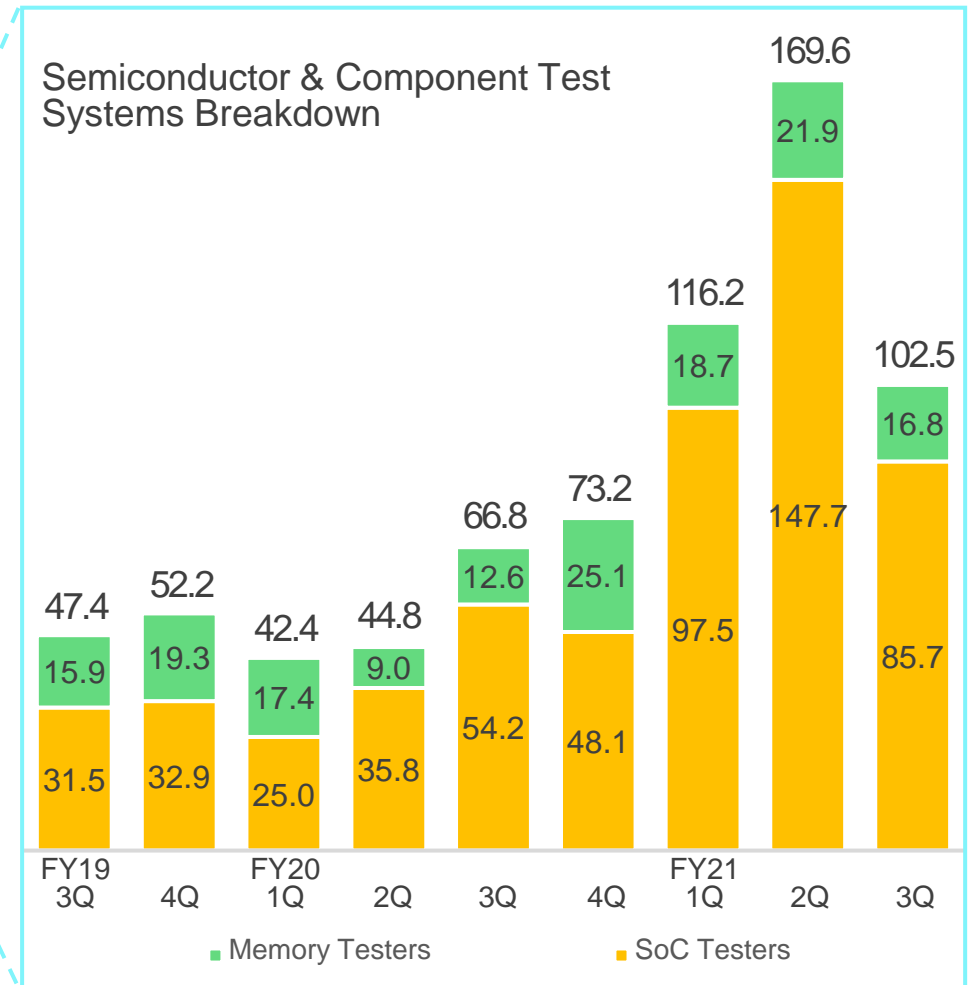
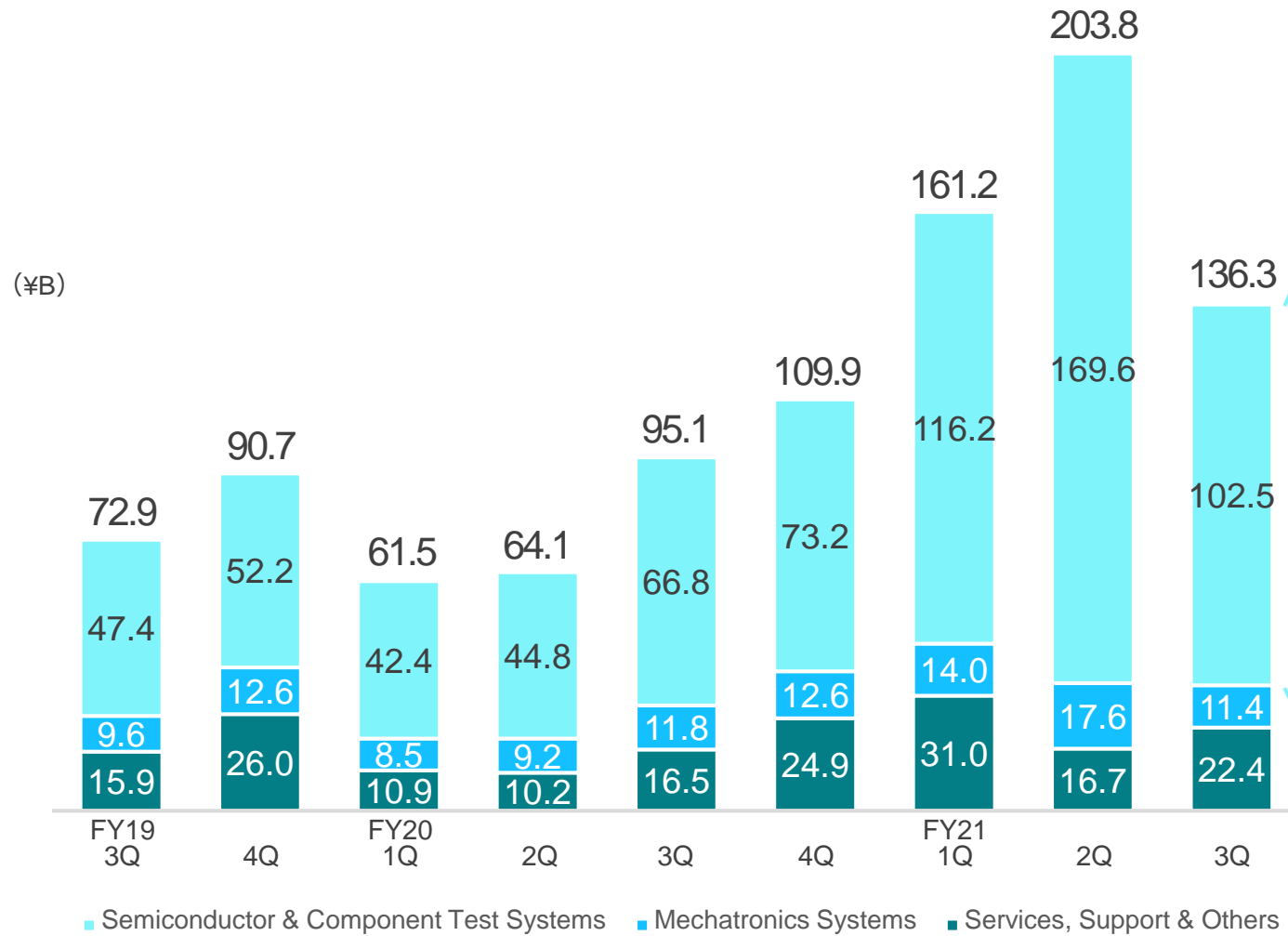
FY21 3Q Summary of Results

(¥B)

	FY20				FY21						
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	QoQ		YoY	
								(Δ)	(%)	(Δ)	(%)
Orders	61.5	64.1	95.1	109.9	161.2	203.8	136.3	-67.5	-33.1%	+41.3	+43.4%
Sales	66.7	77.4	78.1	90.6	97.1	90.9	112.1	+21.2	+23.3%	+34.0	+43.6%
Gross Profit	38.0	41.6	40.2	48.5	54.7	50.1	64.8	+14.8	+29.7%	+24.7	+61.4%
Gross Margin	56.9%	53.9%	51.5%	53.5%	56.4%	55.0%	57.9%	+2.9pts		+6.4pts	
Operating Income	13.5	17.4	15.3	24.5	26.1	21.4	33.5	+12.2	+57.2%	+18.3	+2.2x
Operating Margin	20.2%	22.6%	19.5%	27.1%	26.9%	23.5%	29.9%	+6.4pts		+10.4pts	
Income Before Tax	12.9	16.4	13.9	26.4	25.7	21.6	34.0	+12.6	+58.3%	+20.2	+2.5x
Net Income	10.6	13.9	12.0	33.3	19.3	15.9	25.7	+9.7	+61.3%	+13.6	+2.1x
Net Income Margin	15.8%	18.0%	15.4%	36.7%	19.9%	17.5%	22.9%	+5.4pts		+7.5pts	
Backlog*1	85.7	72.5	89.5	108.8	172.9	285.8	312.5	+26.7	+9.3%	+223.0	+3.5x
Exchange Rate	1 US\$	¥108	¥107	¥105	¥104	¥109	¥110	¥112	¥2 Depreciation		¥7 Depreciation
	1 Euro	¥118	¥123	¥124	¥127	¥131	¥131	¥130	¥1 Appreciation		¥6 Depreciation

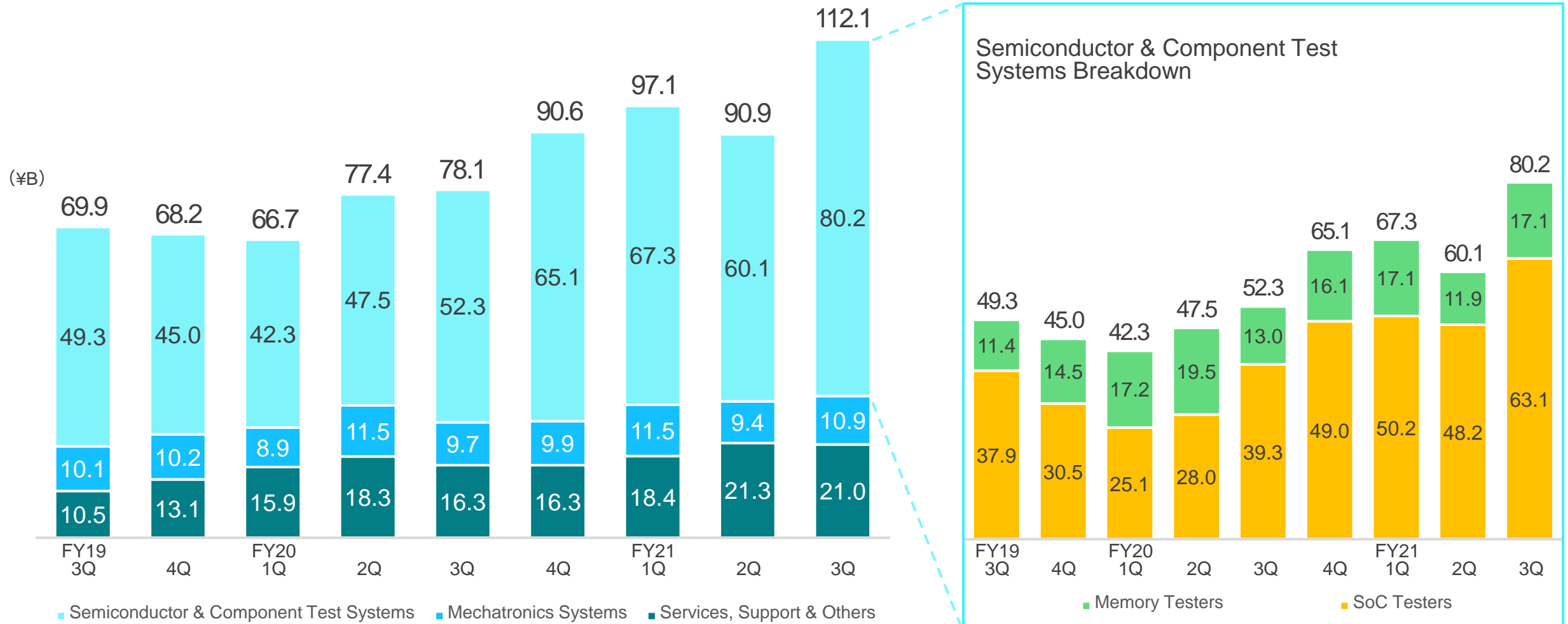
*1: FY21 3Q backlog includes ¥2.4 billion of backlog added through our acquisition of R&D Altanova.

Quarterly Orders by Segment



Note: Intersegment transactions have been eliminated from totals

Quarterly Sales by Segment

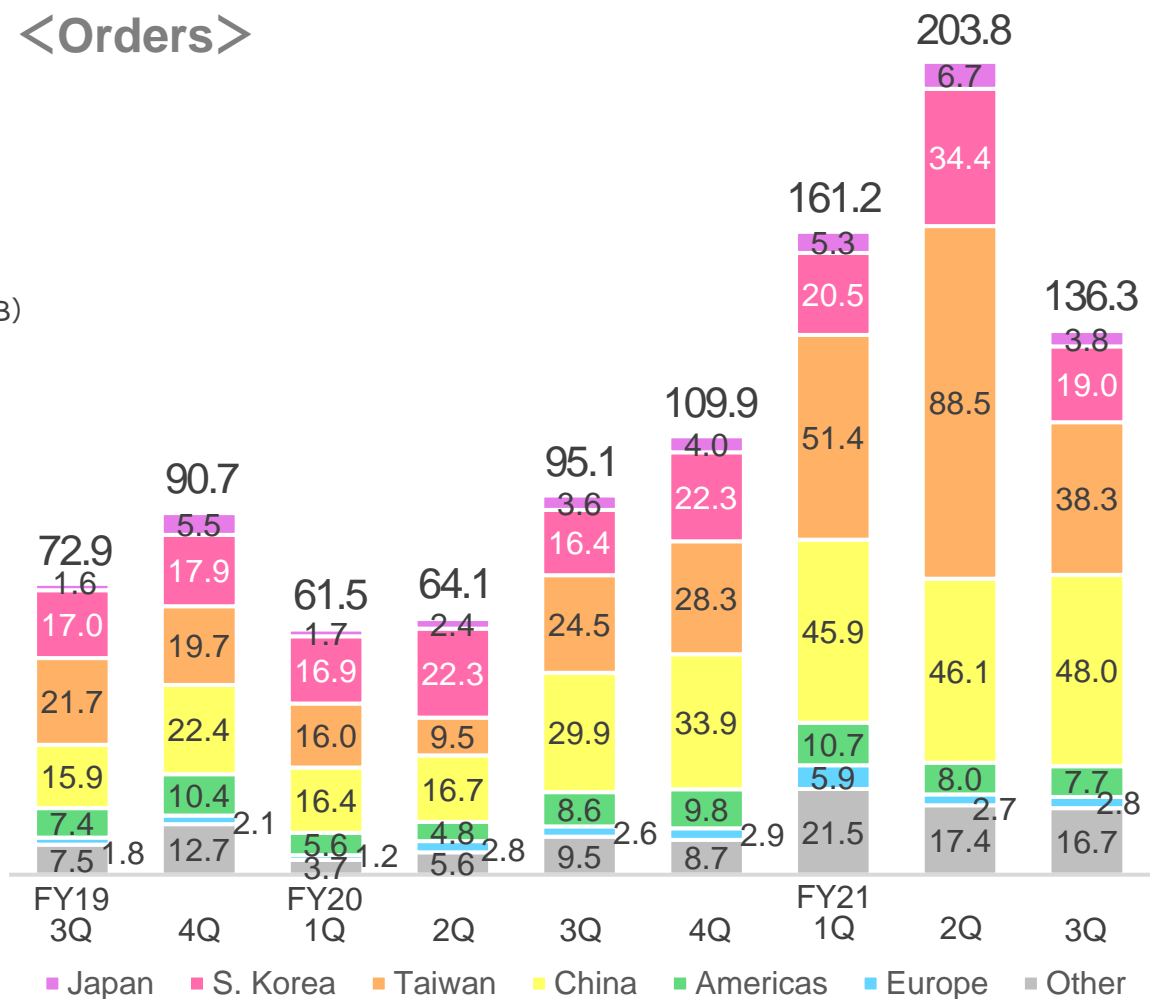


Note: Intersegment transactions have been eliminated from totals

Quarterly Orders / Sales by Region

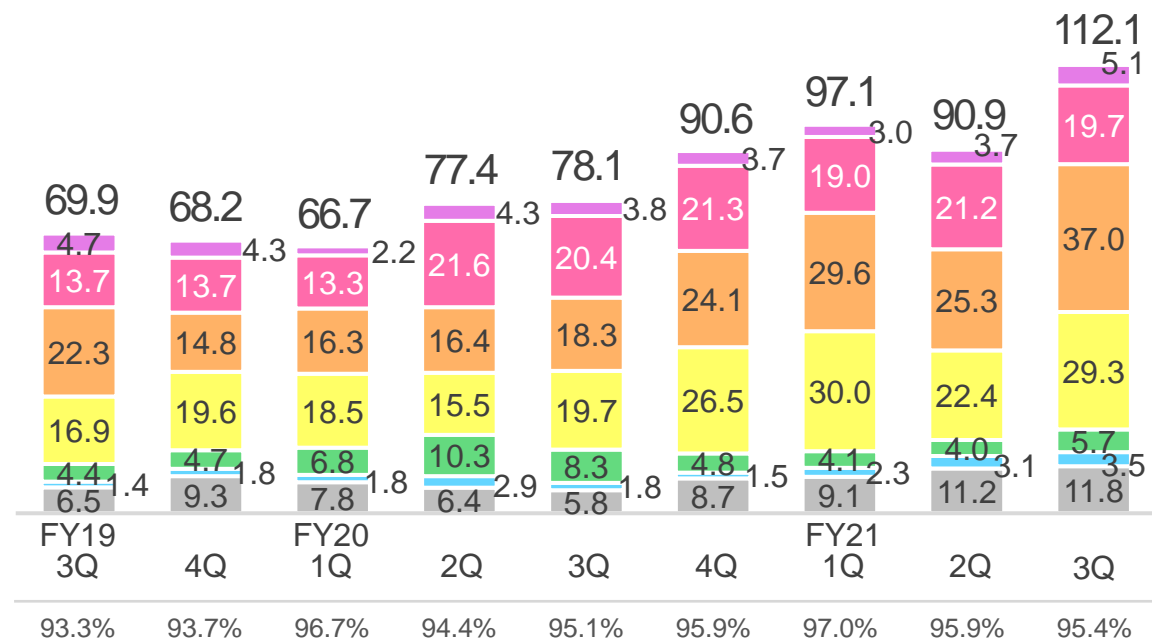
<Orders>

(¥B)



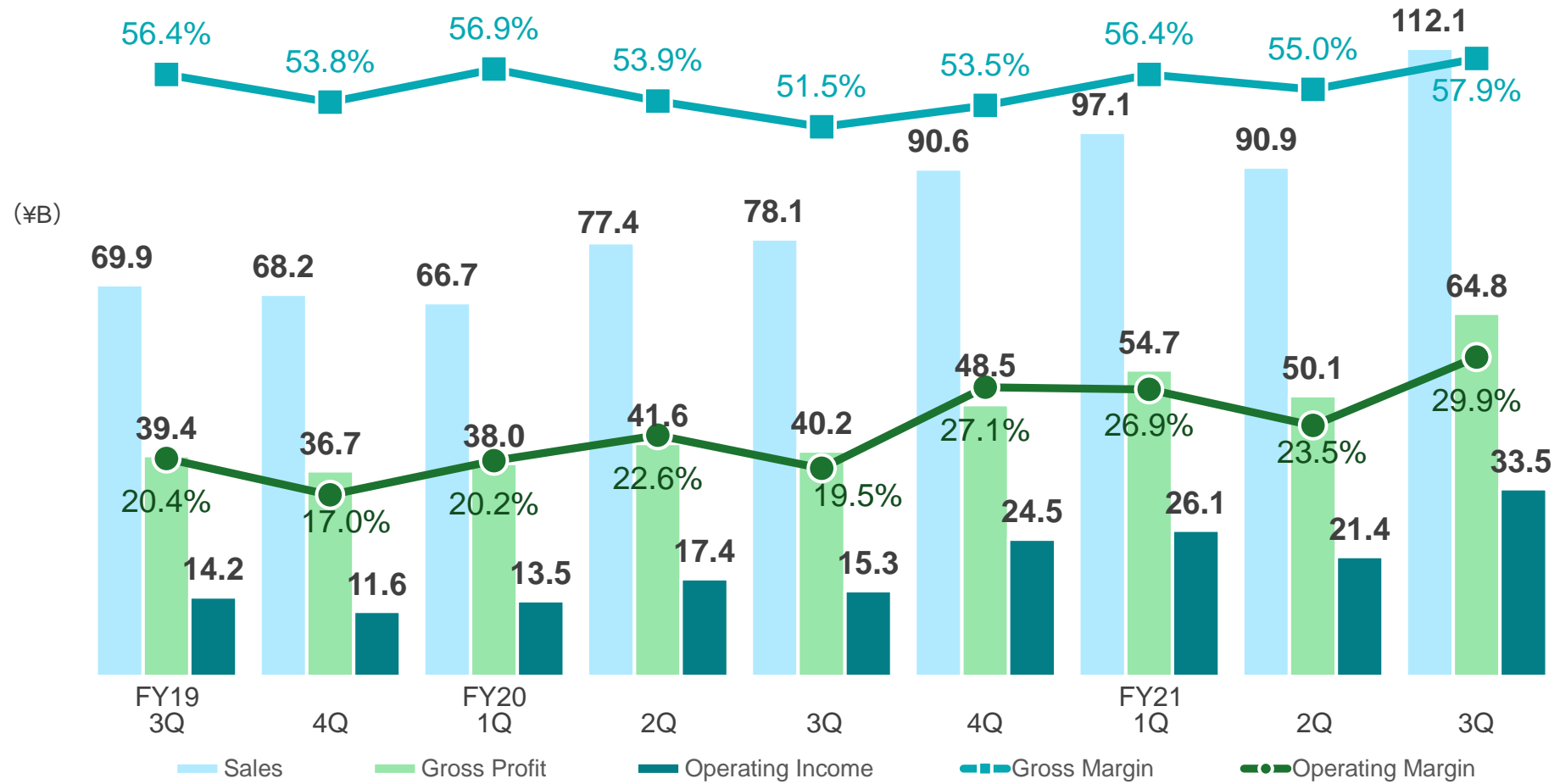
Region: the location of customers' facilities to which products were shipped

<Sales>



Overseas Sales %

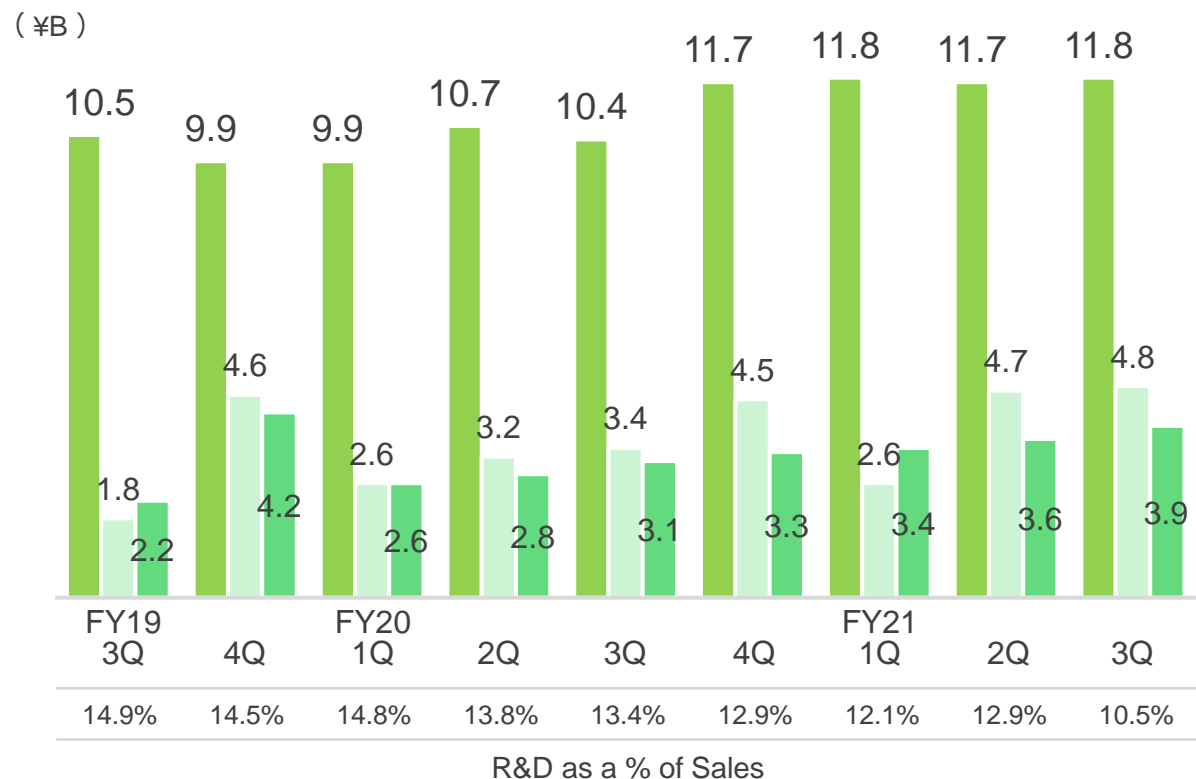
Sales / Gross Profit / Operating Income



Investments / Cash Flow

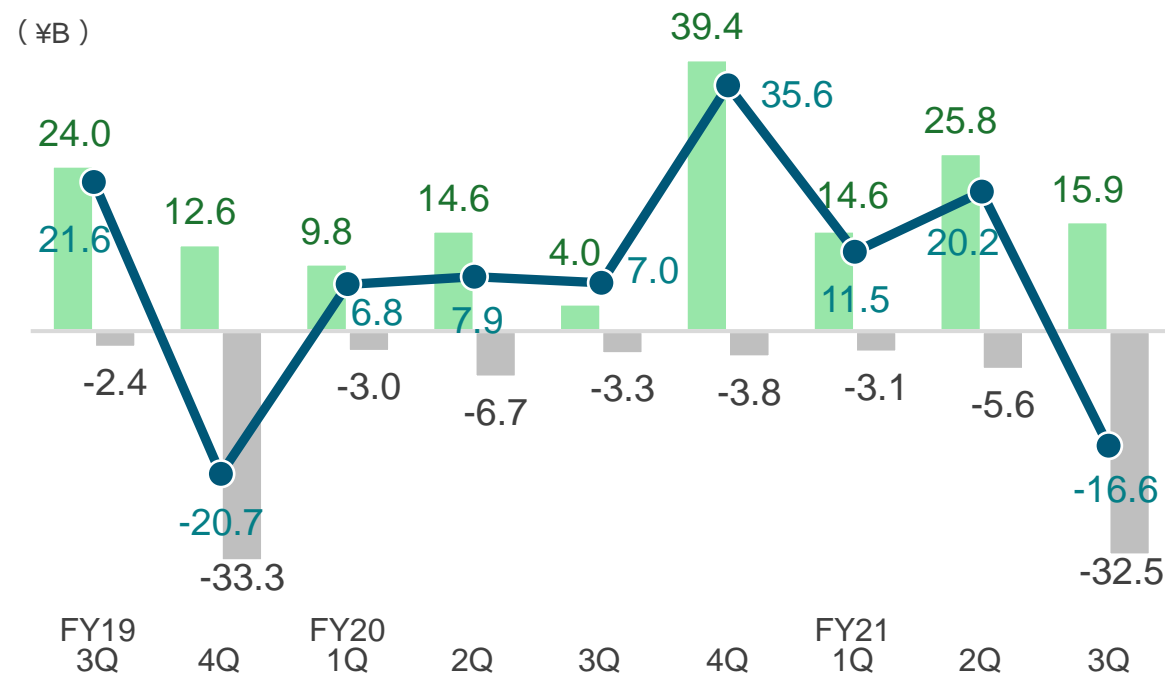
<Investments>

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



<Cash flow>

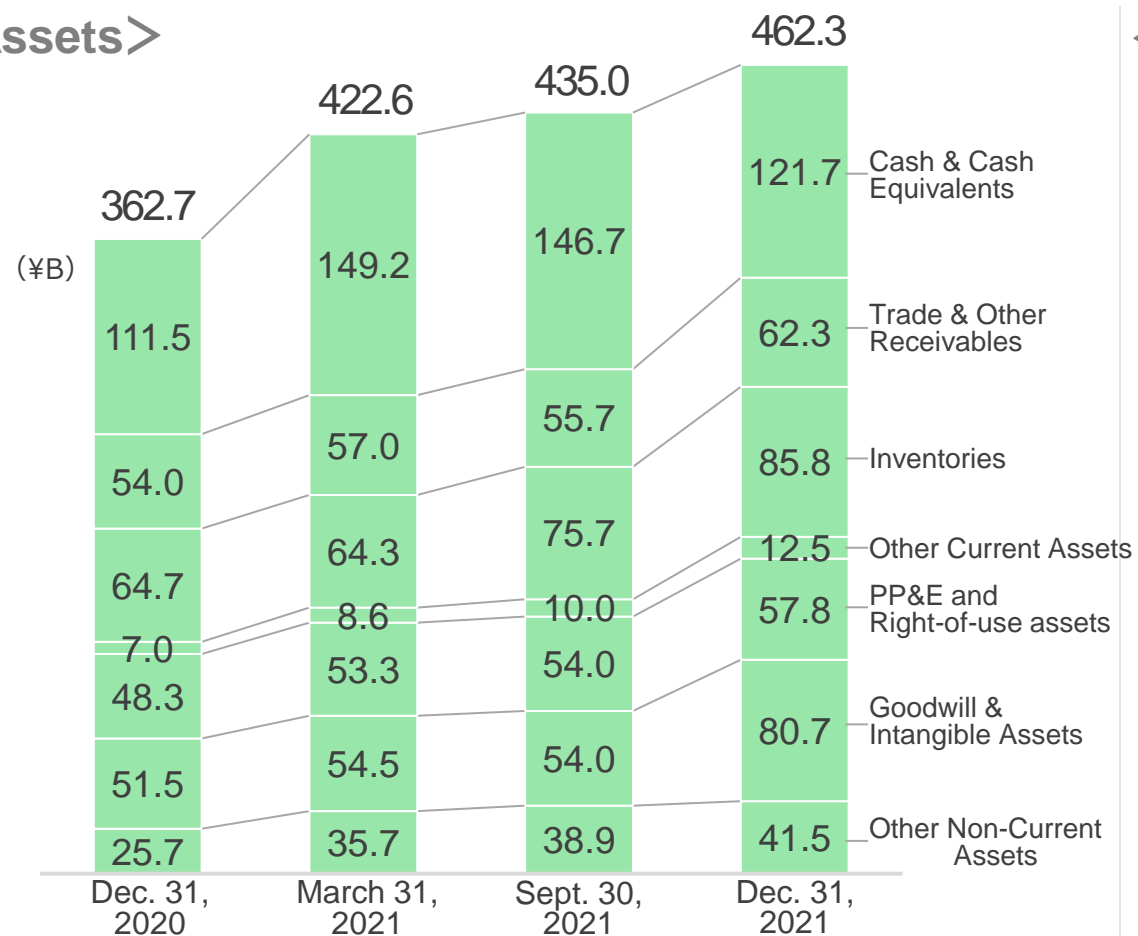
- Cash flows from operating activities
- Cash flows from investing activities
- Free cash flows



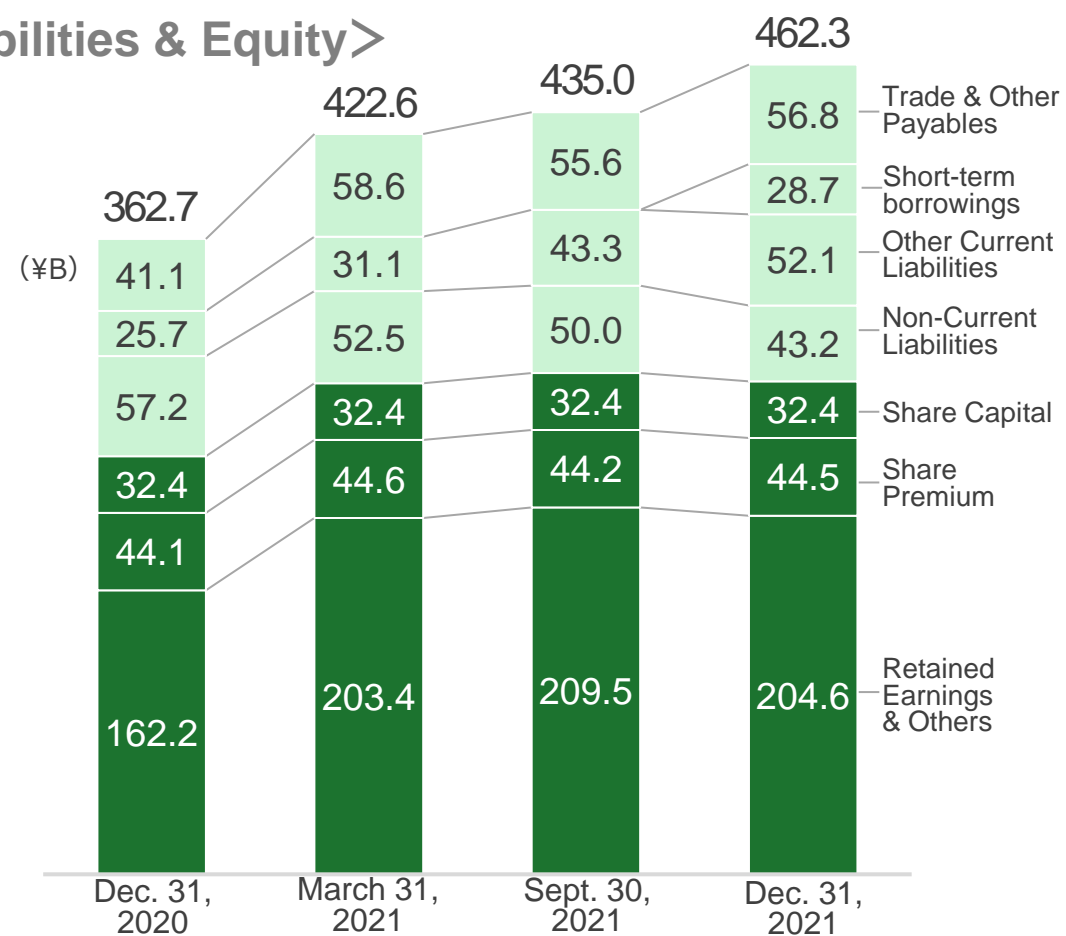
*Free Cash Flows = Cash flows from operating activities + Cash flows from investing activities

Financial Position

<Assets>



<Liabilities & Equity>



Equity Attributable to Owners of the Parent	238.7	280.4	286.1	281.5
Ratio of Equity Attributable to Owners of the Parent	65.8%	66.3%	65.8%	60.9%

FY2021 Outlook

Yoshiaki Yoshida
Representative Director, President and CEO

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Semiconductor Tester Market Trends: January 2022 Outlook

CY21 Actual (Provisional)

- SoC tester market: Expanded approximately 40% YoY due to higher performance and increased production of high-end SoCs, and increased demand for automotive, industrial, and consumer devices
- Memory tester market: Although growth fell short of October 2021 estimates, the market did grow due to greater memory device density and the kick-off of DDR5 DRAM investment

CY22 Estimate

- SoC tester market: In addition to steady growth centered on leading-edge products such as HPC devices, we expect automotive, industrial, and consumer-related semiconductors to make further gains in 2022
- Memory tester market: Memory device performance gains including greater density, faster speed, and higher bandwidth will continue to drive growth of test demand

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

Source: Advantest

FY21 Forecast

(¥B)

	FY20	FY21						vs. New Full-Year Forecast		
	Results	1Q Results	2Q Results	3Q Results	4Q Forecast	Full-Year Forecast	vs. FY20		FY21 Forecast as of Oct.	(Δ)
							(Δ)	(%)		
Orders	330.6	161.2	203.8	136.3	148.7	650.0	+319.4	+96.6%	565.0	+85.0
Sales*1	312.8	97.1	90.9	112.1	109.9	410.0	+97.2	+31.1%	400.0	+10.0
Operating Income	70.7	26.1	21.4	33.5	34.0	115.0	+44.3	+62.6%	105.0	+10.0
Operating Margin	22.6%	26.9%	23.5%	29.9%	30.9%	28.0%	+5.4pts		26.3%	+1.7pts
Income Before Tax	69.6	25.7	21.6	34.0	33.7	115.0	+45.4	+65.2%	105.0	+10.0
Net Income	69.8	19.3	15.9	25.7	25.4	86.3	+16.5	+23.7%	78.8	+7.5
Net Income Margin	22.3%	19.9%	17.5%	22.9%	23.1%	21.0%	-1.3pts		19.7%	+1.3pts
Backlog*2	108.8	172.9	285.8	312.5	351.2	351.2	+242.4	+3.2x	273.8	+77.4
R&D Expenses	42.7	11.8	11.7	11.8	12.7	48.0	+5.3	+12.4%	48.0	-
Capex	13.7	2.6	4.7	4.8	11.9	24.0	+10.3	+75.2%	24.0	-
D&A	11.8	3.4	3.6	3.9	4.1	15.0	+3.2	+27.1%	14.5	+0.5
Exchange Rate*3	1 US\$	¥106	¥109	¥110	¥112	¥115	¥6 Depreciation		¥110	¥2 Depreciation
	1 Euro	¥123	¥131	¥131	¥130	¥130	¥8 Depreciation		¥133	¥2 Appreciation

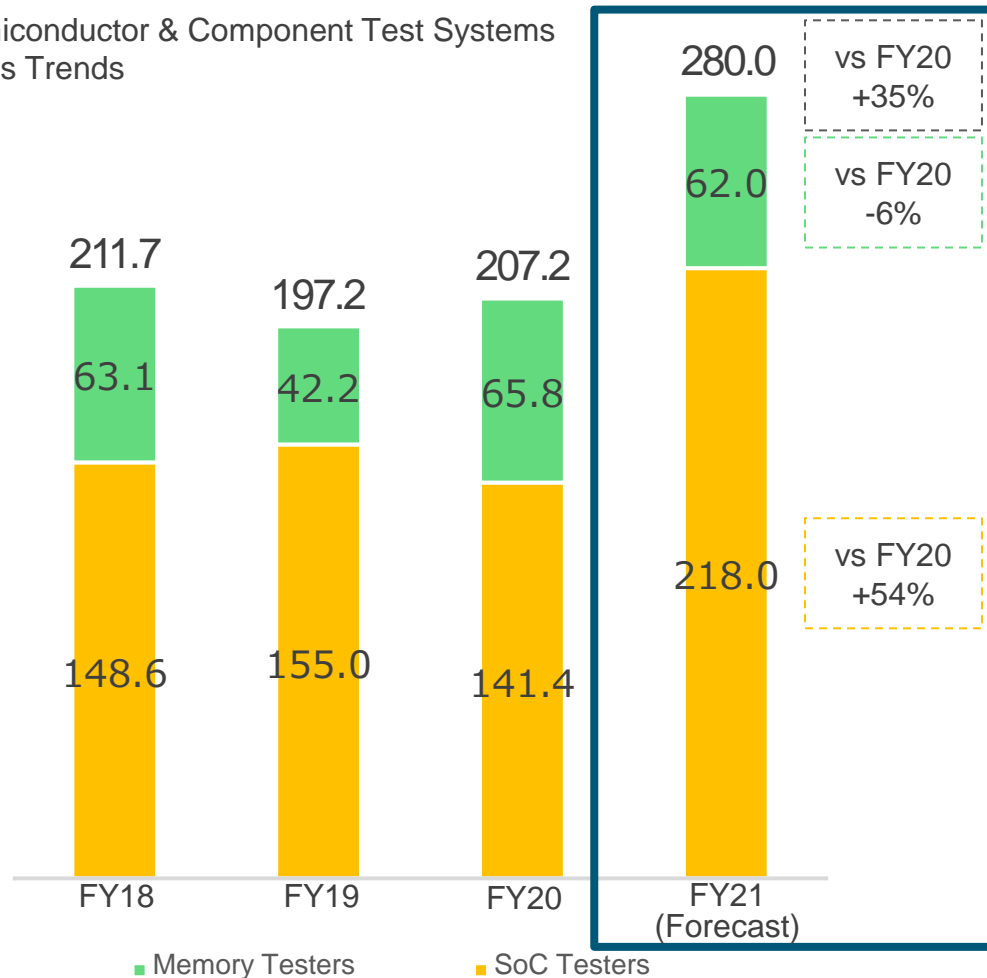
*1: Intersegment transactions have been eliminated from totals

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

*3: Our latest forecast for the impact of exchange rate fluctuations on FY21 operating income is plus ¥1,000 million per 1 yen of JPY depreciation vs USD, and minus ¥150 million per 1 yen of JPY depreciation vs the Euro

FY21 Outlook by Segment

Semiconductor & Component Test Systems
Sales Trends
(¥B)



Semiconductor & Component Test Systems

<SoC Testers> (+¥16.0B vs Oct. forecast)

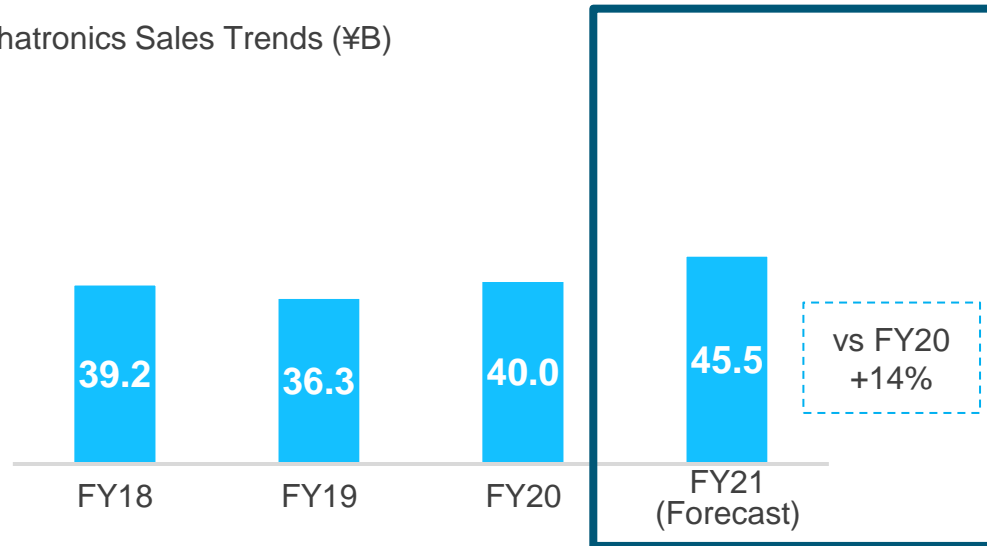
- Growth in demand for leading-edge SoCs such as APU and HPC devices will drive results in FY21
- Strong demand also continues in the automotive, industrial, and display sectors, among others

<Memory Testers> (-¥10.0B vs Oct. forecast)

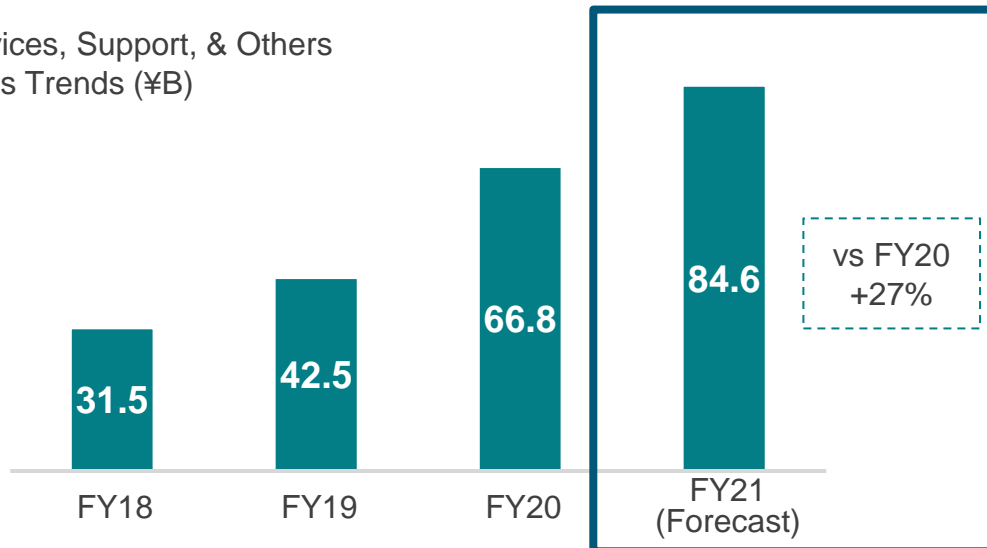
- Orders for high-speed DRAM and NVM testers have held firm amidst device density and speed gains
- We have lowered our full-year sales forecast following investment plan reviews by some customers

FY21 Outlook by Segment

Mechatronics Sales Trends (¥B)



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



Mechatronics Systems (-¥2.5B vs Oct. Forecast)

- Demand for device interfaces and test handlers is strong, correlated to strong tester demand
- We have revised our full-year sales forecast due to changes in some customers' investment plans

Services, Support, & Others (+¥6.6B vs Oct. Forecast)

- Our system-level test business has grown faster than expected in October 2021, as high-end SoC shipments increase and performance further improves
- Maintenance services are also strong, amidst steady growth in our installed base

Summary

- As the semiconductor market continues to grow, and semiconductor performance continues to improve, demand for test equipment also continues to increase.
- We aim to deliver another record-breaking year in FY21 by stabilizing parts procurement, thus improving our ability to keep up with strong customer appetite for investment.
- We are steadily implementing measures to strengthen our medium- to long-term business growth potential and resilience, and to promote diversification of our earnings base.
- As the scale of our business expands rapidly, we will strengthen our internal control system in order to reflect social changes for ESG initiatives, workstyle reforms, etc.
- We aim to achieve the targets of our mid-term management plan while being fully alert to the following risks:
 - ① Worsening issues with parts procurement due to supply chain bottlenecks and logistical difficulties
 - ② Decrease in demand due to slowdowns in the ongoing global economic recovery
 - ③ Potential impacts from US-China conflict and economic security policies on the semiconductor industry