

The background features a complex digital and technical aesthetic. It includes a grid of small white plus signs, various white hexagons of different sizes, and faint circuit board traces. On the right side, there is a large, detailed circular graphic that resembles a cross-section of a hard drive platters or a similar mechanical component, with concentric rings and intricate patterns. The overall color palette is light gray and white, with the text in a dark red/maroon color.

ADVANTEST®

FY2022 3Q
(Three months ended December 31st, 2022)
Financial Briefing

January 31st, 2023
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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Financial Results for FY2022 3Q

Atsushi Fujita

Director, Senior Executive Officer, CFO & CCO

(Chief Financial Officer & Chief Compliance Officer),

Executive Vice President, Corporate Administration Group

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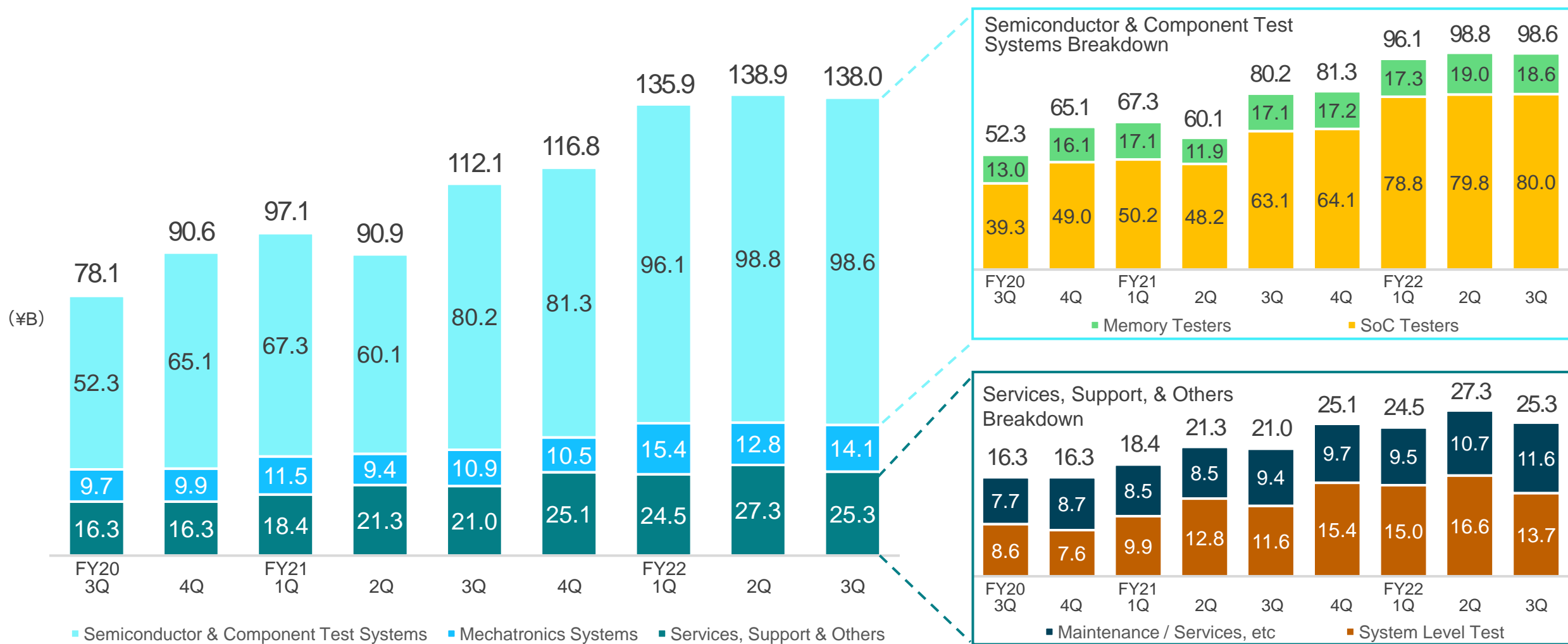
ADVANTEST[®]

FY22 3Q Summary of Results

(¥B)

	FY21				FY22							
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	QoQ		YoY		
								(Δ)	(%)	(Δ)	(%)	
Sales	97.1	90.9	112.1	116.8	135.9	138.9	138.0	-0.9	-0.6%	+25.9	+23.1%	
Gross Profit	54.7	50.1	64.8	66.3	78.9	79.9	81.6	+1.8	+2.2%	+16.8	+25.8%	
Gross Margin	56.4%	55.0%	57.9%	56.7%	58.1%	57.5%	59.1%	+1.6pts		+1.2pts		
Operating Income	26.1	21.4	33.5	33.7	44.8	43.1	41.2	-1.9	-4.4%	+7.7	+22.8%	
Operating Margin	26.9%	23.5%	29.9%	28.8%	32.9%	31.1%	29.9%	-1.2pts		0.0pts		
Income Before Tax	25.7	21.6	34.0	35.0	48.4	46.8	37.7	-9.2	-19.7%	+3.5	+10.4%	
Net Income	19.3	15.9	25.7	26.4	36.5	34.7	28.6	-6.0	-17.4%	+3.0	+11.7%	
Net Income Margin	19.9%	17.5%	22.9%	22.6%	26.8%	25.0%	20.8%	-4.2pts		-2.1pts		
Exchange Rate	1 US\$	¥109	¥110	¥112	¥115	¥124	¥135	¥144	¥9 Depreciation		¥32 Depreciation	
	1 Euro	¥131	¥131	¥130	¥130	¥134	¥139	¥144	¥5 Depreciation		¥14 Depreciation	

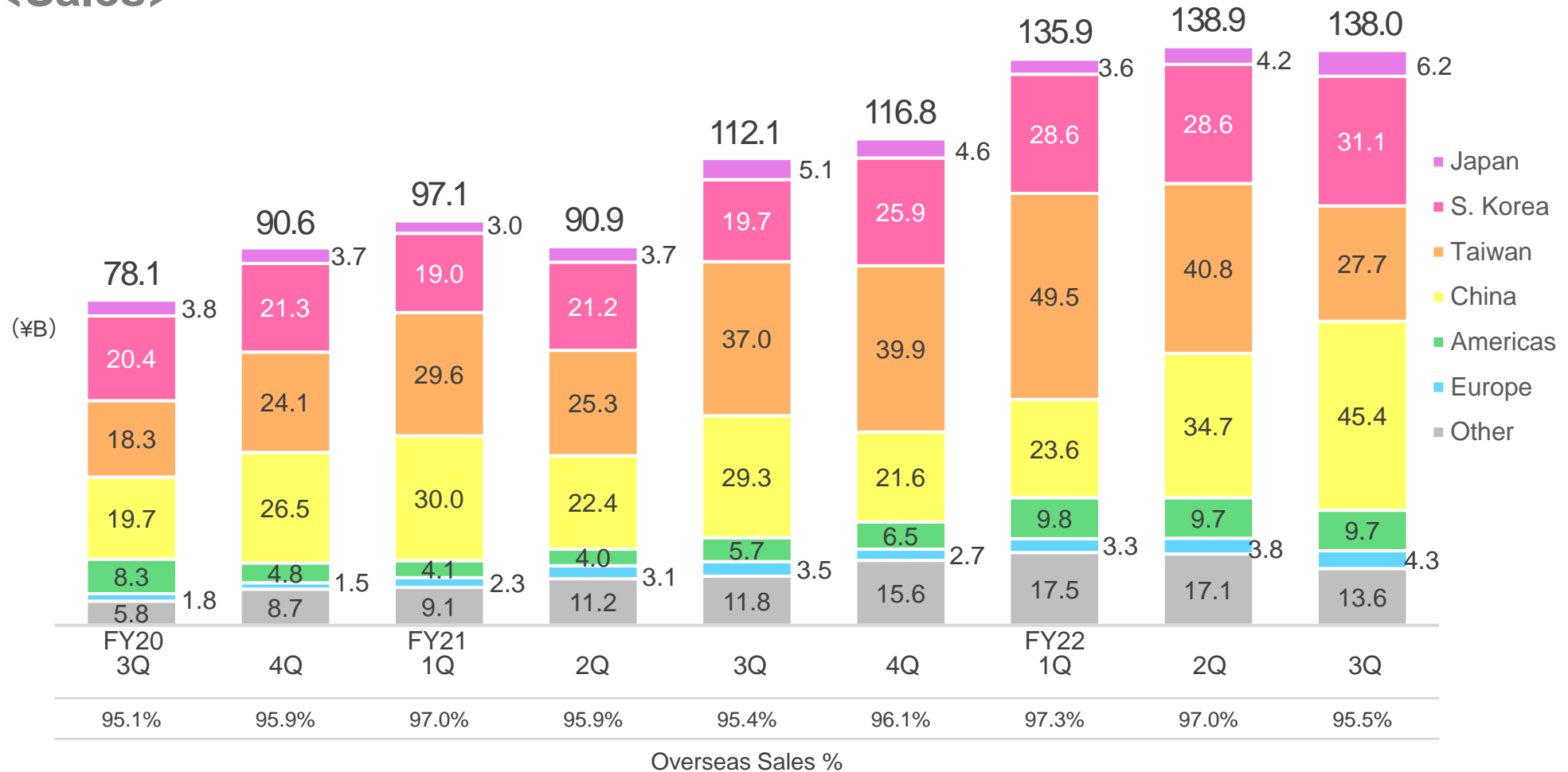
Quarterly Sales by Segment



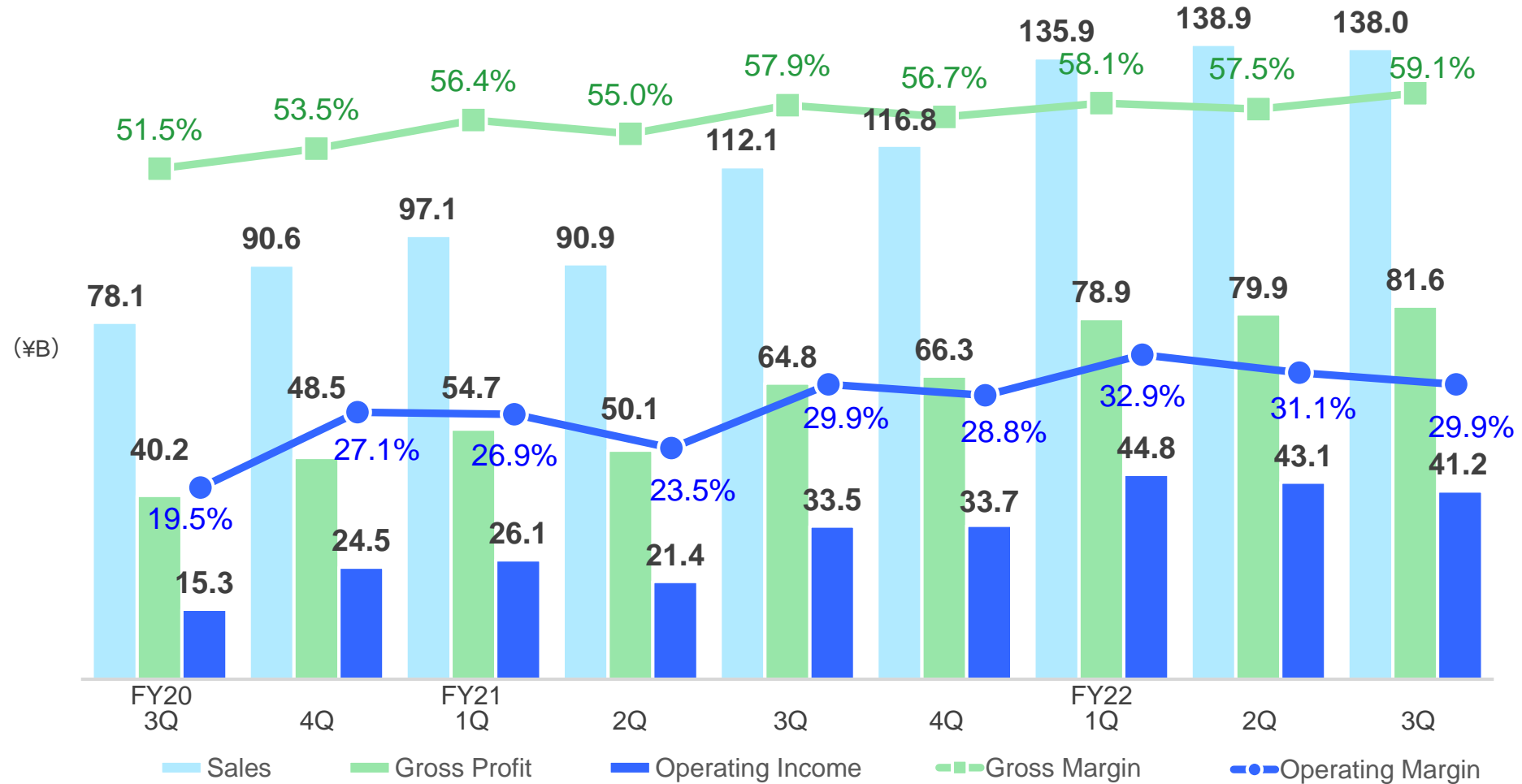
Note: Intersegment transactions have been eliminated from totals

Quarterly Sales by Region

<Sales>



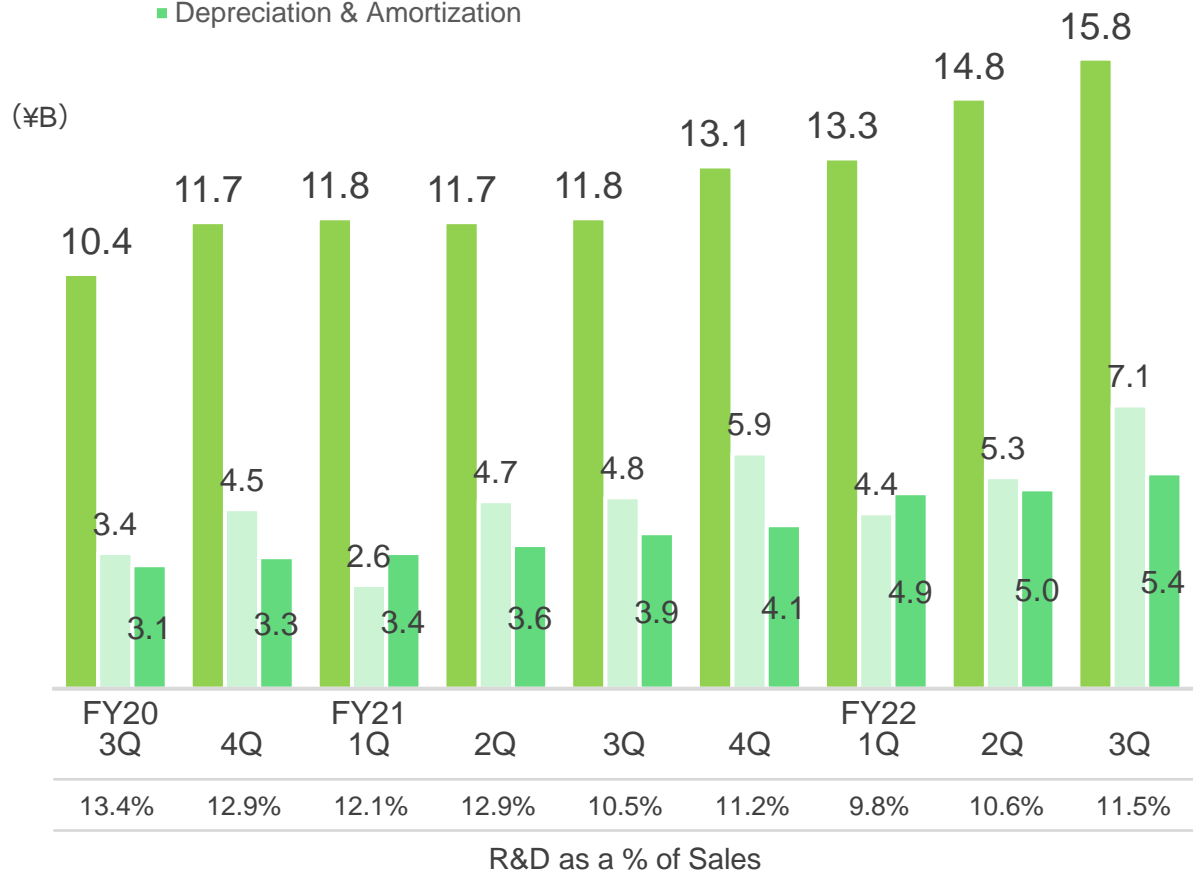
Sales / Gross Profit / Operating Income



Investments / Cash Flow

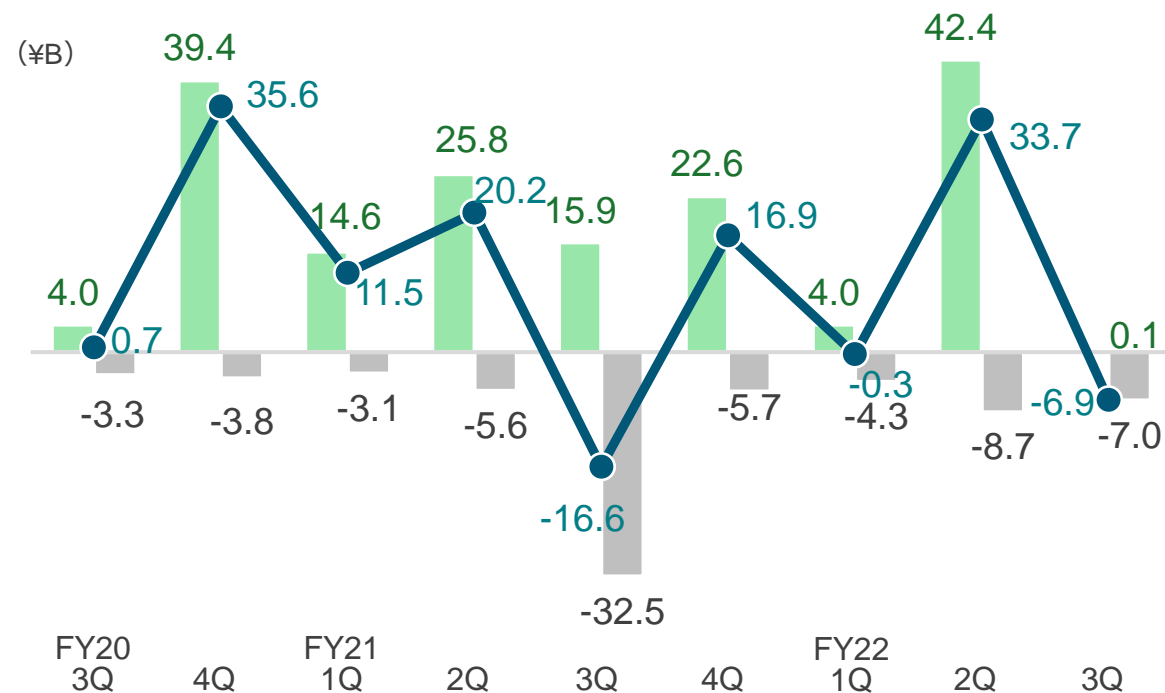
<Investments>

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



<Cash flow>

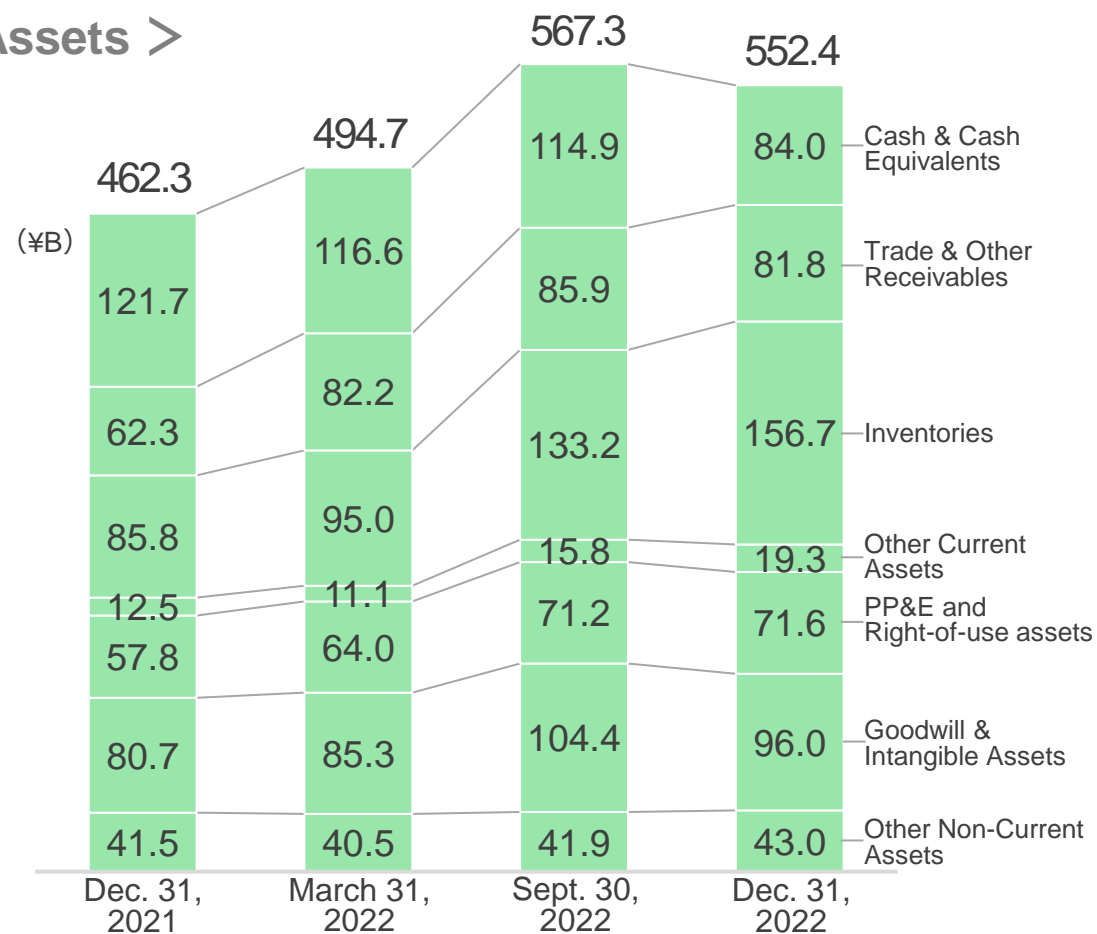
- Cash flows from operating activities
- Cash flows from investing activities
- Free cash flows



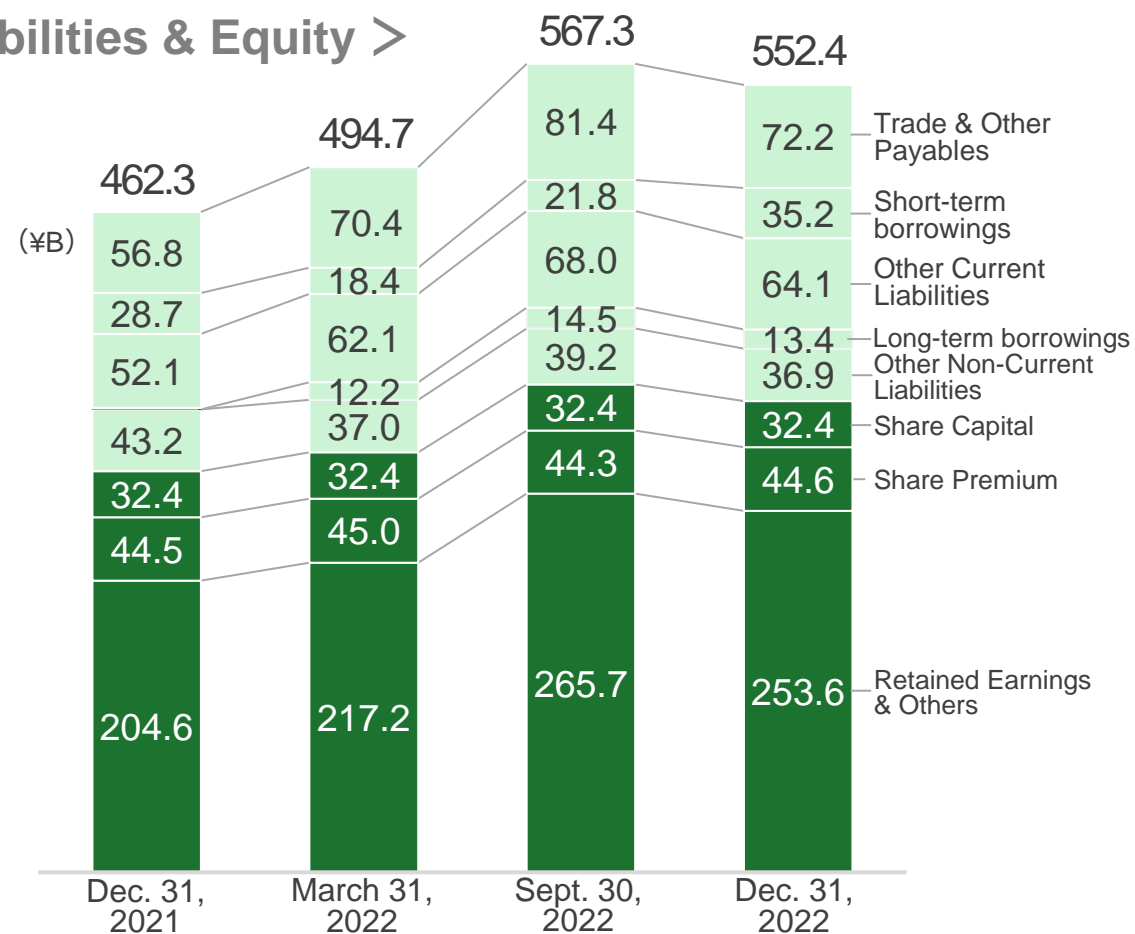
* Free Cash Flows = Cash flows from operating activities + Cash flows from investing activities

Financial Position

< Assets >



< Liabilities & Equity >



Equity Attributable to Owners of the Parent	281.5	294.6	342.4	330.6
Ratio of Equity Attributable to Owners of the Parent	60.9%	59.6%	60.4%	59.8%



FY2022 Outlook

Yoshiaki Yoshida
Representative Director, President and Group CEO

Business Environment / Semiconductor Tester Market Trends: Jan. 2023 Outlook

< Business Environment : Recessionary Fears Loom >

- Uncertainty about the future of the global economy is increasing due to ongoing inflation, interest rate hikes, and intensifying geopolitical risk factors such as the tightening of U.S. export restrictions on China.

< Semiconductor Market : A Patchy Picture of Sector-Specific Oversupply and Undersupply >

- In CY22, a decline in demand for chips used in cornerstone consumer electronics products spurred suppliers of devices for these applications to adjust their inventories and revise their capital expenditure plans. Overall, semiconductor market demand growth has been gradually decelerating.
- The mosaic of oversupply and undersupply is expected to continue in CY23. We anticipate that the extent of investment plan revisions will vary by application and customer.

< Semiconductor Tester Market : Risk of 2nd Straight YoY Decline in CY23 >

- Customers will continue to develop next-generation devices and make strategic investments. Our belief that high-performance semiconductors will drive sufficient increases in test volume to support tester demand remains unchanged. On the other hand, it is possible that demand will decline amidst market uncertainty.

	CY21 Actual	CY22 Actual (Prelim.)	CY23 Estimate
SoC Tester Market	Approx. \$4.3B	Approx. \$3.9B-4.1B (October estimate: approx. \$4.1B - 4.4B)	Approx. \$3.5B - 4.2B
Memory Tester Market	Approx. \$1.3B	Approx. \$1.2B-1.3B (October estimate: approx. \$1.2B - 1.3B)	Approx. \$0.9B - 1.2B

Source: Advantest

FY22 Forecast

(¥B)

	FY21	FY22							
	Results	1Q Results	2Q Results	3Q Results	4Q Forecast	Full-Year Forecast	vs. FY21		
		(Δ)	(%)						
Sales*1	416.9	135.9	138.9	138.0	137.2	550.0	+133.1	+31.9%	
Operating Income	114.7	44.8	43.1	41.2	40.9	170.0	+55.3	+48.2%	
Operating Margin	27.5%	32.9%	31.1%	29.9%	29.8%	30.9%	+3.4pts		
Income Before Tax	116.3	48.4	46.8	37.7	41.1	174.0	+57.7	+49.6%	
Net Income	87.3	36.5	34.7	28.6	30.2	130.0	+42.7	+48.9%	
Net Income Margin	20.9%	26.8%	25.0%	20.8%	22.0%	23.6%	+2.7pts		
R&D Expenses	48.4	13.3	14.8	15.8	16.1	60.0	+11.6	+24.0%	
CapEx	18.0	4.4	5.3	7.1	5.2	22.0	+4.0	+22.2%	
D&A	15.0	4.9	5.0	5.4	5.7	21.0	+6.0	+40.0%	
Exchange Rate*2	1 US\$	¥112	¥124	¥135	¥144	¥130	¥134	¥22 Depreciation	
	1 Euro	¥130	¥134	¥139	¥144	¥140	¥139	¥9 Depreciation	

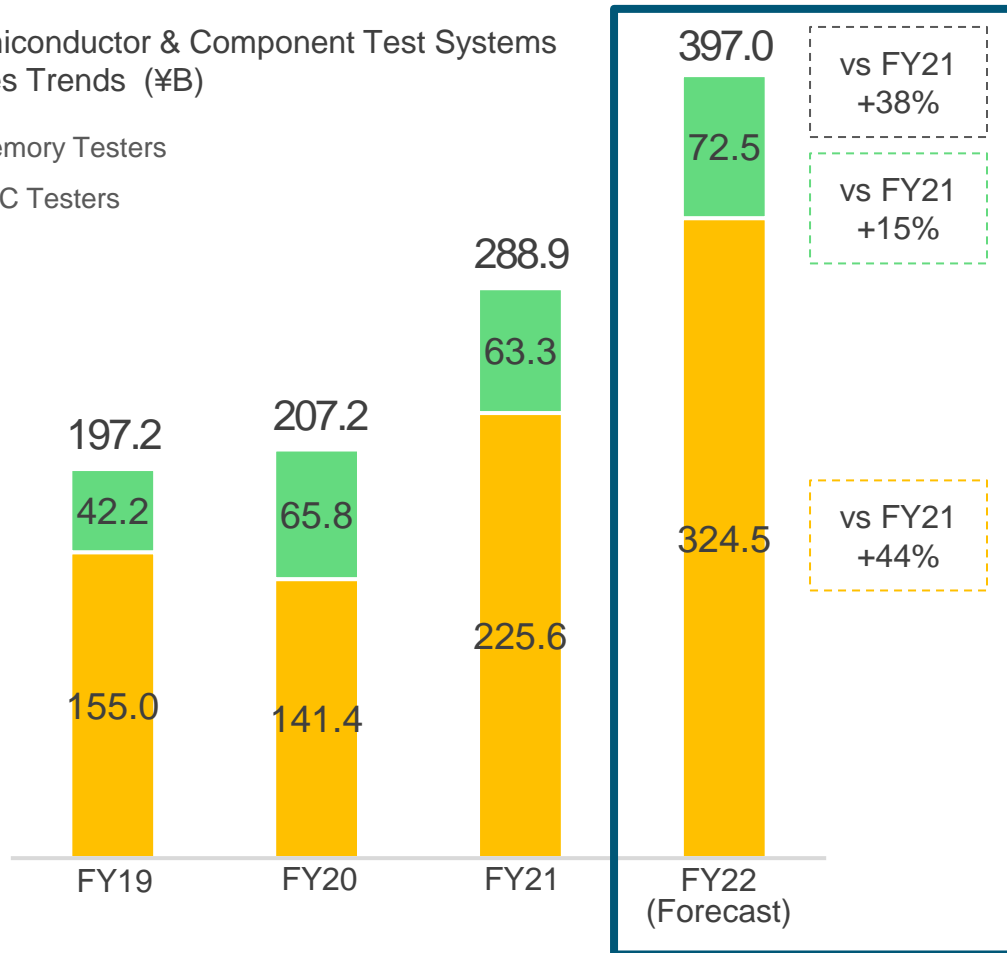
*1: Intersegment transactions have been eliminated from totals

*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

FY22 Outlook by Segment

Semiconductor & Component Test Systems Sales Trends (¥B)

- Memory Testers
- SoC Testers



Semiconductor & Component Test Systems

< SoC Testers > (+¥4.5B vs Oct. forecast)

- Although we expect the slowdown in smartphones and other consumer electronics to have a prolonged impact on tester demand, this will be offset by high demand from the automotive and industrial sectors.

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 > (+¥3.5B vs Oct. forecast)

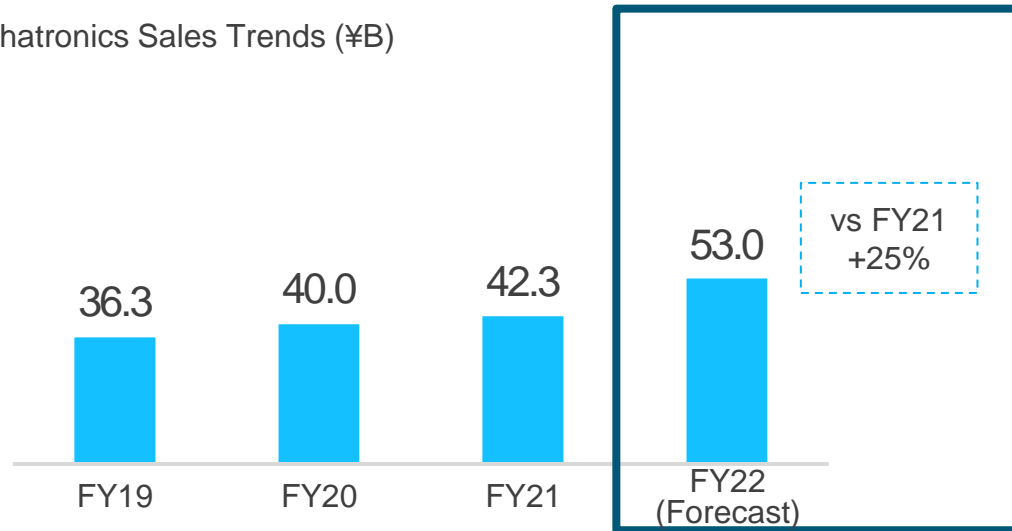
- We expect softer market conditions to have a certain impact on tester demand, but technology buys, mainly for high-end memory, will continue. Demand trends are estimated to be firm.

Applications	FY19	FY20	FY21	FY22*2
DRAM	70%	60%	60%	60%
Non-Volatile Memory	30%	40%	40%	40%

Numbers are rounded to the nearest 5%

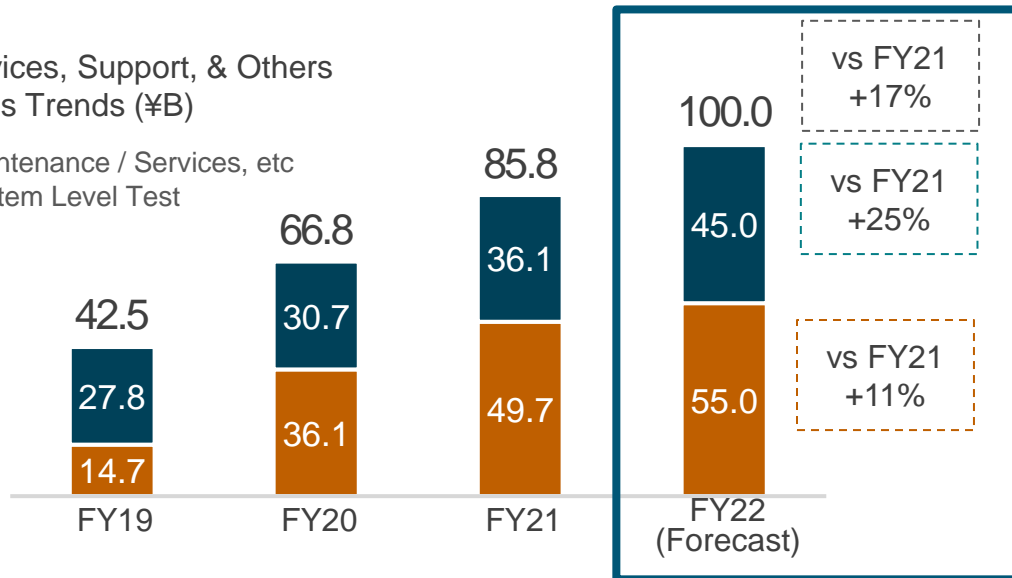
FY22 Outlook by Segment

Mechatronics Sales Trends (¥B)



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

- Maintenance / Services, etc
- System Level Test



Mechatronics Systems (+¥2.5B vs Oct. forecast)

- We expect strong demand for device interface products in correlation with tester demand.
- In addition to the spread of EUV lithography, increased demand for mature process masks is driving demand for SEM metrology products.

Services, Support, & Others (-¥10.5B vs Oct. forecast)

- Maintenance services are delivering strong sales as Advantest's installed base grows.
- Demand for system-level test is expected to lag behind estimates as some customers revised their investment plans due to softness in the consumer electronics semiconductor market. We have lowered our full-year sales forecast.

Acquisition of Shin Puu



Overview

- Advantest's US subsidiary has signed a definitive agreement to acquire Shin Puu Technology Co., Ltd ("Shin Puu").
- Shin Puu, established in 2001, with 264 employees, is an integrated manufacturer of printed circuit boards (PCBs) located in Taoyuan City, Taiwan (R.O.C.).
- The closing of this transaction is tied to regulatory approvals from the government of Taiwan, which we expect to receive by the end of April 2023.

Strategic Significance

- After closing this acquisition, Advantest's PCB manufacturing footprint will be expanded to Taiwan, more than doubling global production capacity for Advantest Group company R&D Altanova's high-performance, high-density PCB test boards, which are used with ATE and SLT systems.
- The acquisition will strengthen our portfolio of turnkey solutions.
- It is part of Advantest's mid/long-term strategy to expand our test and measurement solutions across the continuously evolving semiconductor value chain.

Accelerating Further Growth

- From January, Advantest transitioned to a system with three representative directors: Group CEO, Group COO, Group Co-COO

Name	New Title
Yoshiaki Yoshida	Representative Director, President & Group CEO
Douglas Lefever	Representative Director, Corporate Vice President & Group COO
Koichi Tsukui	Representative Director, Corporate Vice President & Group Co-COO

- ✓ This enables faster responses to changes in our management environment as our business expands
- ✓ It also lays the groundwork for smooth execution of our succession plan

Summary

- Recession fears, driven by ongoing inflation and rising interest rates, are mounting.
- Adding in growing concerns over geopolitical risks, such as the tightening of U.S. export restrictions on China, the outlook for our business environment is becoming more uncertain. We will respond swiftly and flexibly by implementing initiatives coping with changes in the environment.
- The semiconductor market at present is a mosaic of oversupplied and undersupplied sectors. Tester demand has become more uneven as compared to the recent past.
- We will strive to achieve our full-year forecast by converting our large order backlog into sales.
- We will continue to optimize our management structure for responsiveness in today's ever more complex business environment.
- We are confident in our thesis that the semiconductor market will grow over the mid/long-term. We will continue to make disciplined investments to deliver sustainable growth and earnings.

ESG & External Evaluation

- **Advantest Selected for the First Time for DJSI Asia Pacific**

Advantest press release : <https://www.advantest.com/news/2022/20221222.html>

Member of
**Dow Jones
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Powered by the S&P Global CSA

- **Advantest Honored at Frost & Sullivan Institute's 2022 Enlightened Growth Leadership Awards**

2022 Enlightened Growth Leadership Awards virtual awards banquet
(Advantest introduced at 11:55, President Yoshida's speech starts from 13:33)
<https://www.youtube.com/watch?v=7w2cUq21oQ0>

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BEST PRACTICES RECOGNITION, 2022

- **Advantest Wins National Award for Factory Greening from Kanto Bureau of Economy, Trade and Industry**

Advantest press release : <https://www.advantest.com/news/2022/20221209.html>



- **Advantest plans to hold a sustainability briefing in late March.**

More information to follow.



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