



FY24 2Q

(Three months ended September 30th, 2024)

Financial Briefing

October 30th, 2024
Advantest Corporation

NOTE

Accounting Standards

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

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Summary

FY24 2Q Results

- Sales/Operating Income/Net Income : Reached record highs on a quarterly basis
 - ✓ Secured parts/materials sourcing and product supply capabilities in response to robust tester demand for high performance semiconductors for AI

FY24 Outlook

- Full-year guidance is revised upward based on the FY24 2Q results
 - ✓ Robust demand for HPC/AI-related semiconductors is likely to continue
 - ✓ Tester demand recovery remains slow for applications other than HPC/AI

Share Repurchase

- A share repurchase program of up to JPY 50 billion or up to 9 million shares to enhance shareholder returns and improve capital efficiency has been authorized

Financial Results for FY24 2Q

Yasuo Mihashi

Senior Executive Officer, CFO & CSO (Chief Strategy Officer)
Executive Vice President, Corporate Strategy Group

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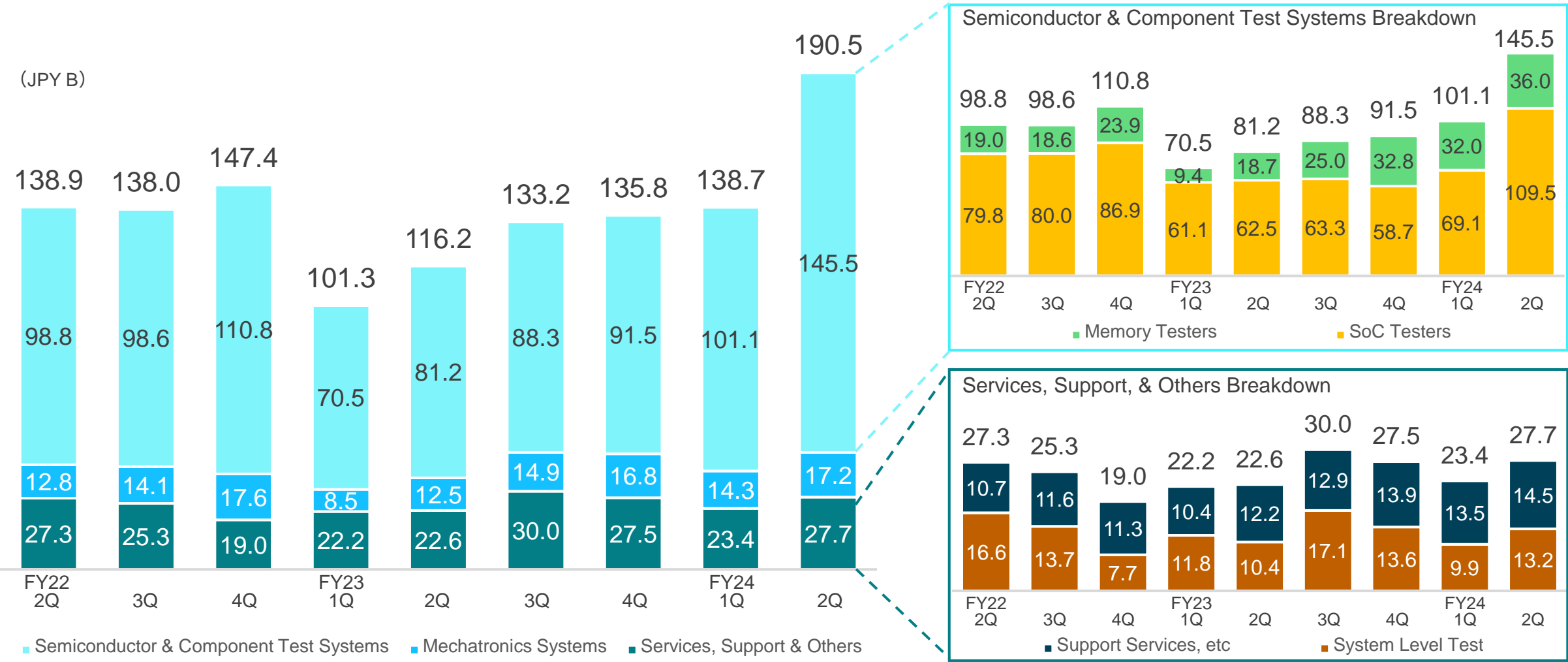
FY24 2Q Summary of Results

(JPY B)

	FY23				FY24						
	1Q	2Q	3Q	4Q	1Q	2Q		QoQ		YoY	
						Forecast	Results	Change	(%)	Change	(%)
Sales	101.3	116.2	133.2	135.8	138.7	153.3	190.5	+51.8	+37.3%	+74.2	+63.8%
Gross Profit	51.0	58.0	67.4	69.6	76.9	-	110.1	+33.2	+43.2%	+52.0	+89.6%
Gross Margin %	50.3%	49.9%	50.6%	51.3%	55.4%	-	57.8%	+2.4pts		+7.9pts	
Operating Income	14.3	21.0	26.8	19.5	31.3	35.7	63.6	+32.2	2.0x	+42.5	3.0x
Operating Margin %	14.1%	18.1%	20.1%	14.4%	22.6%	23.3%	33.4%	+10.8pts		+15.3pts	
Income Before Tax	13.0	20.3	26.3	18.6	31.9	35.6	60.7	+28.8	+90.2%	+40.4	3.0x
Net Income	9.2	16.7	21.2	15.2	23.9	26.7	45.4	+21.6	+90.5%	+28.7	2.7x
Net Income Margin %	9.1%	14.4%	15.9%	11.2%	17.2%	17.4%	23.9%	+6.7pts		+9.5pts	
Exchange Rate	1 US\$	135	142	149	147	153	140	154	JPY1 Depreciation		JPY12 Depreciation
	1 Euro	146	156	159	159	165	155	168	JPY3 Depreciation		JPY12 Depreciation
Dividend Per Share*1 (JPY)	-	16.25 (65)	-	18	-	19	19	-		+2.75	

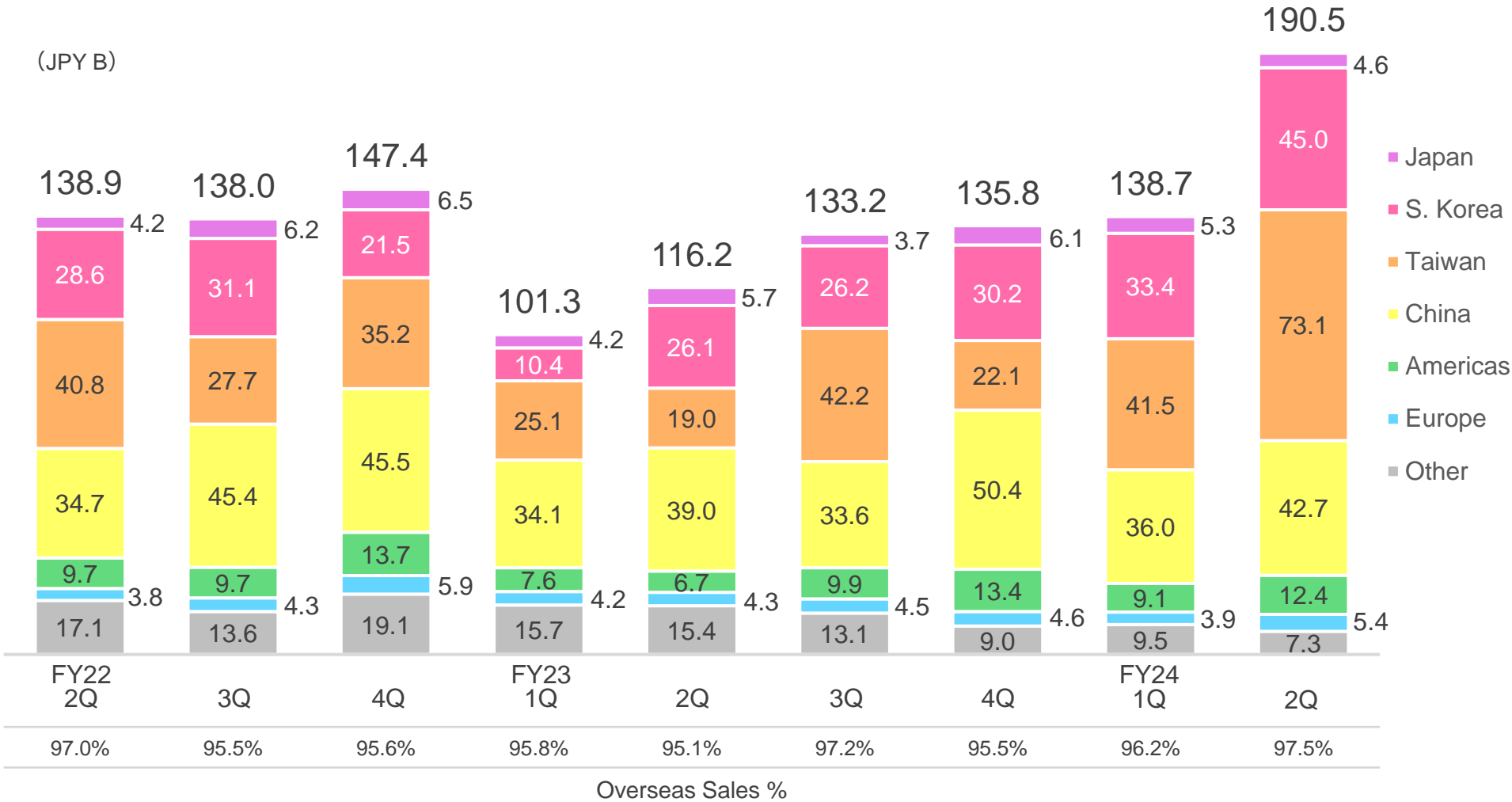
*1: Advantest has enacted a 4-for-1 stock split of common share, effective October 1, 2023. The above dividend per share figures are based on the assumption that the stock split had been enacted at the beginning of FY23. (values in parentheses are those before the split).

Quarterly Sales by Segment

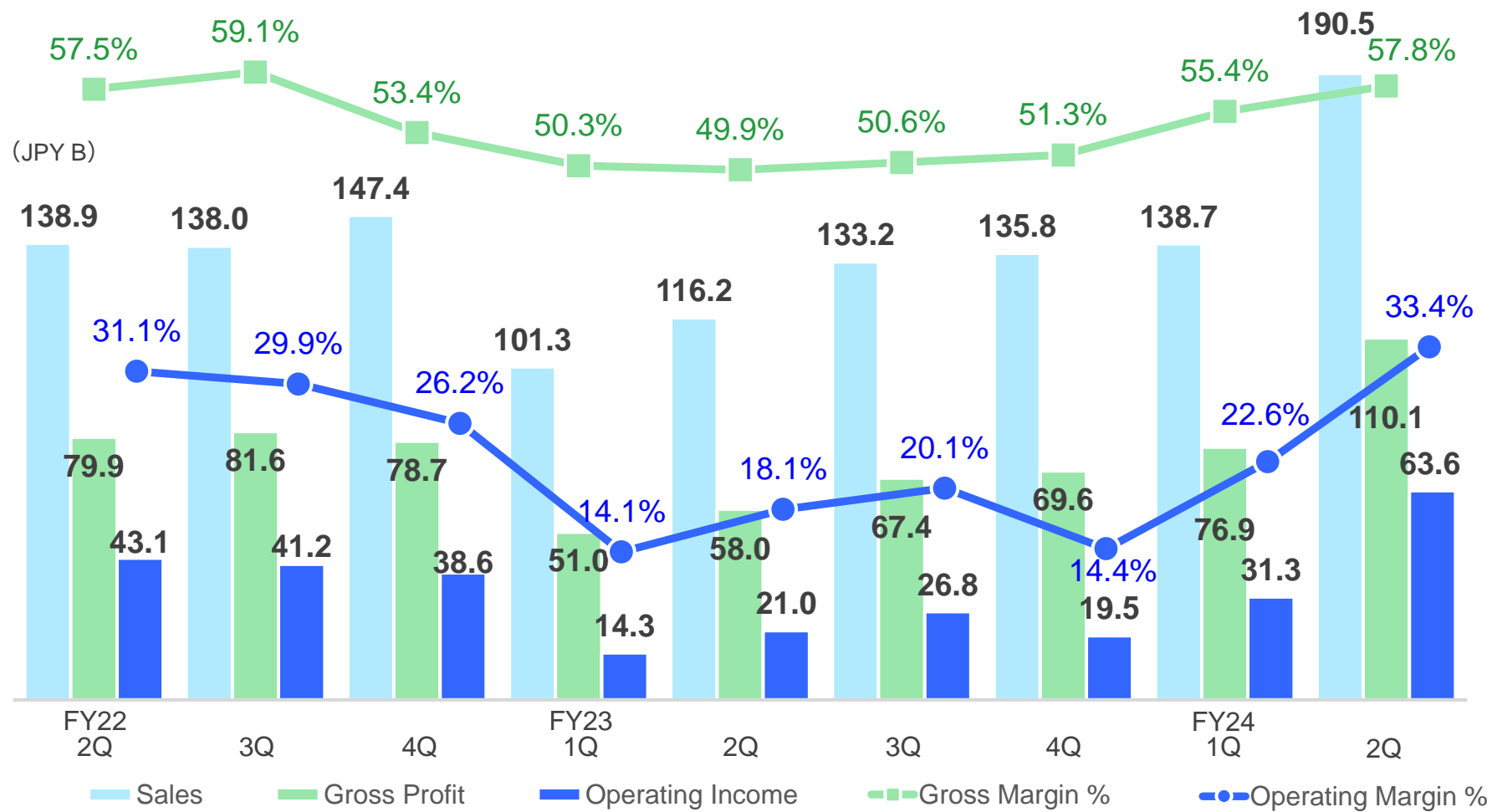


Note: Intersegment transactions have been eliminated from totals

Quarterly Sales by Region (Ship to Region)



Sales / Gross Profit / Operating Income



Investments / Cash Flow

<Investments>

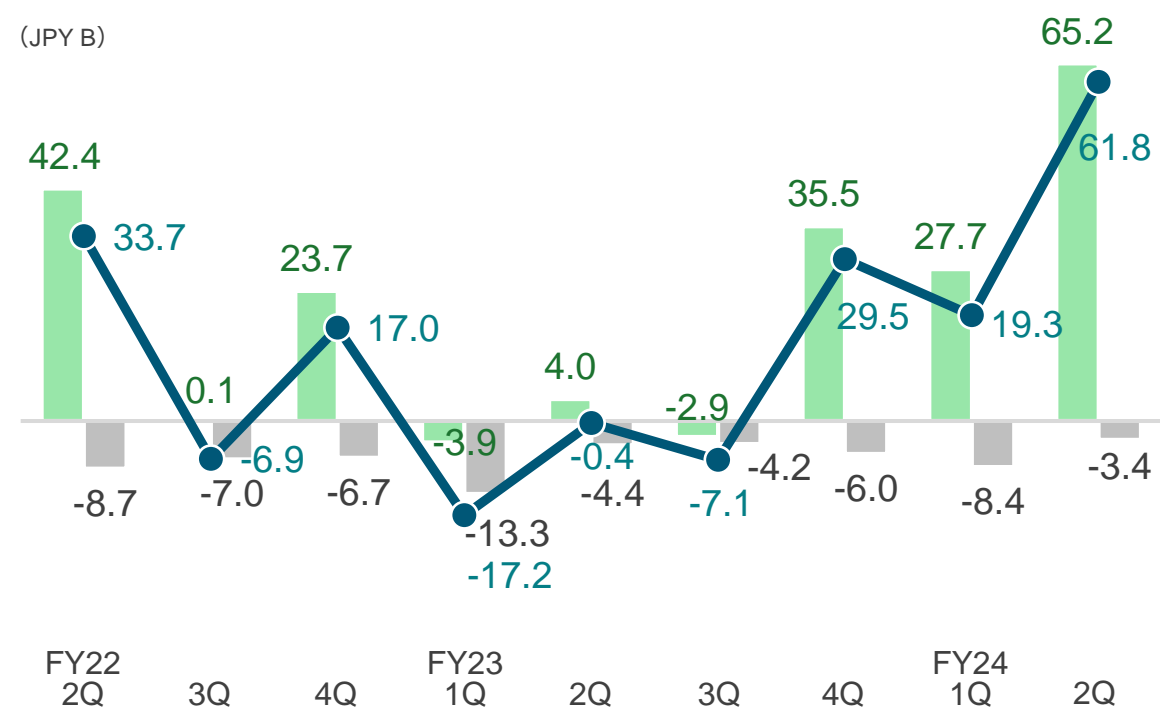
- R&D Expenses
- Capital Expenditure
- Depreciation & Amortization



R&D Expenses as a % of Total Net Sales

<Cash Flow>

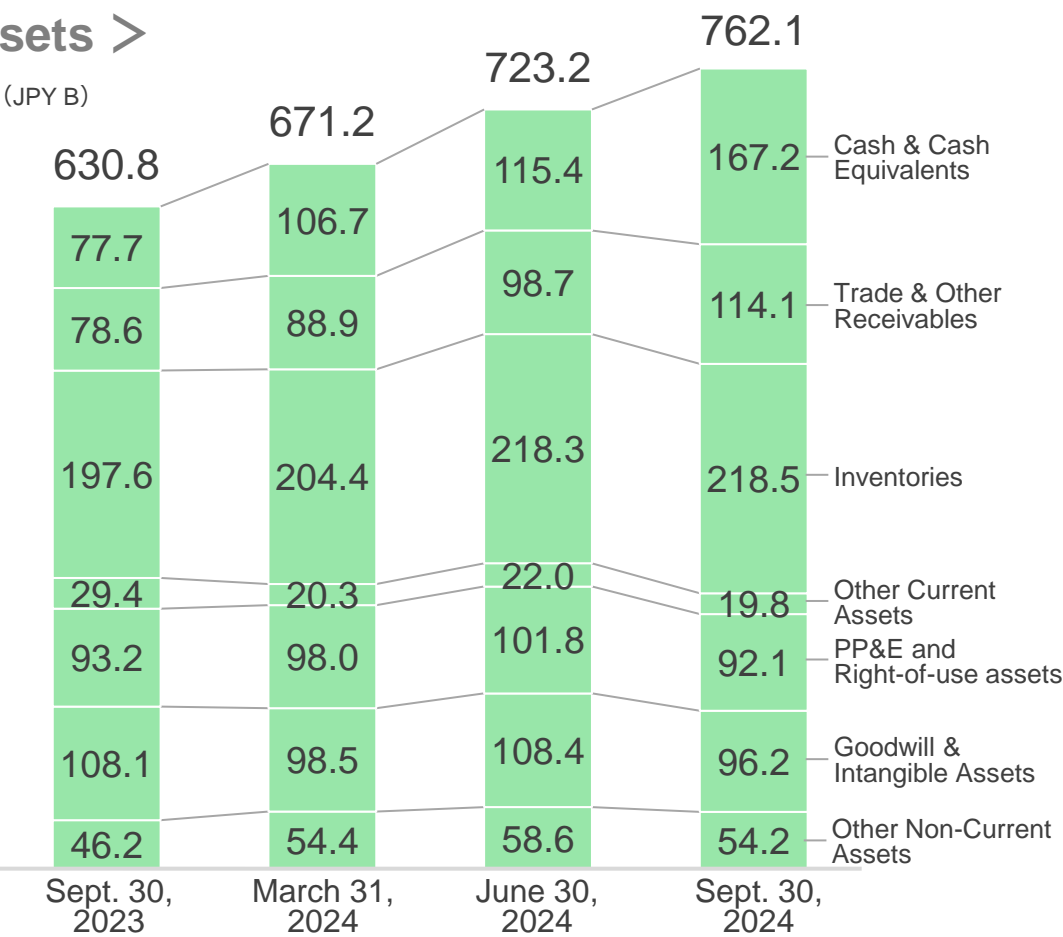
- Cash flows from operating activities
- Cash flows from investing activities
- Free cash flows



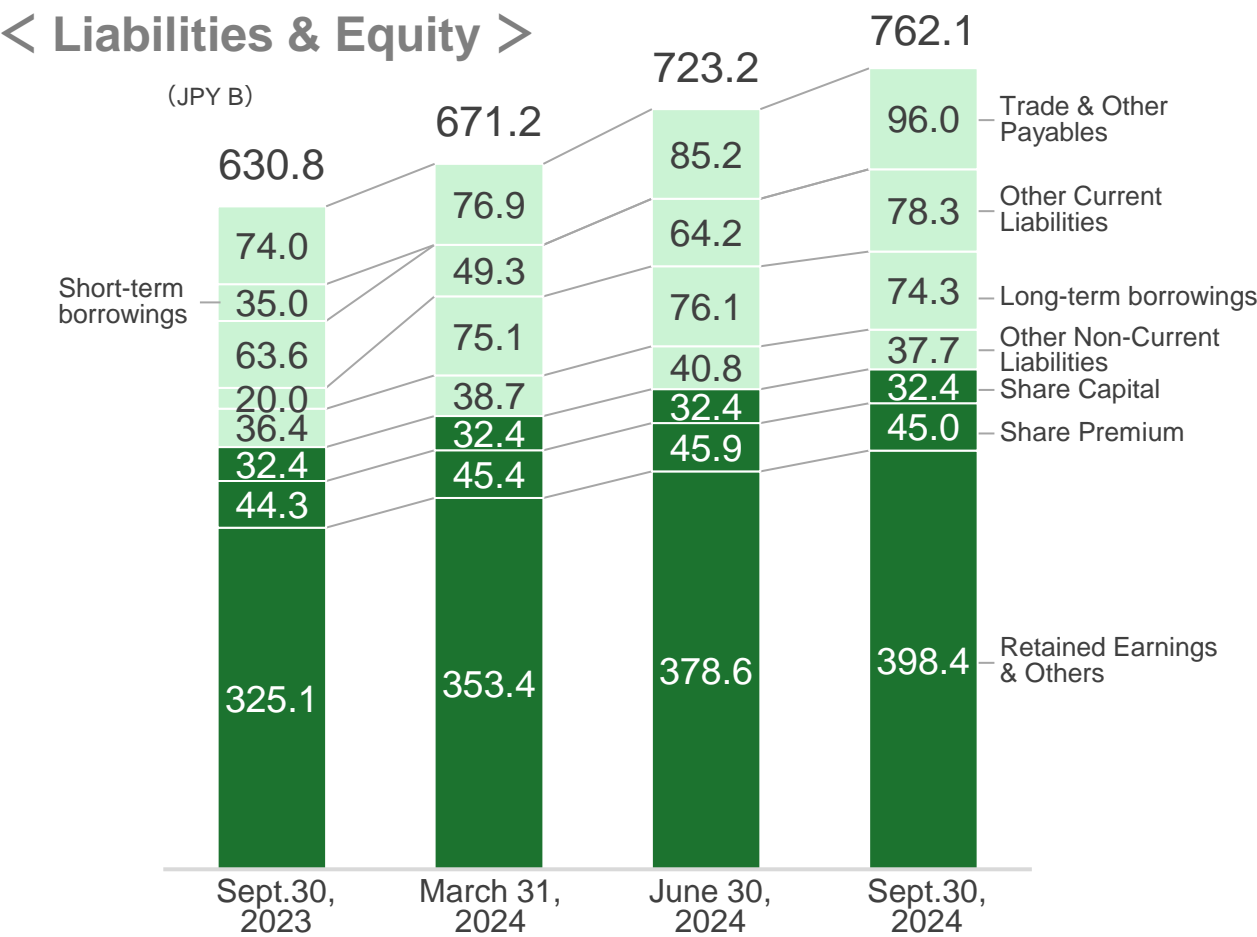
* Free Cash Flows = Cash flows from operating activities + Cash flows from investing activities

Financial Position

< Assets >



< Liabilities & Equity >



Equity Attributable to Owners of the Parent	401.8	431.2	456.9	475.8
Ratio of Equity Attributable to Owners of the Parent	63.7%	64.2%	63.2%	62.4%

FY24 Outlook

Douglas Lefever

Representative Director, Senior Executive Officer, Group CEO

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Business Environment / Semiconductor Tester Market Trends: Oct. 2024 Outlook

Business Environment

- Within the global economy, semiconductors continue to grow in importance. Meanwhile, concerns about the future have continued due to rising geopolitical risks
- The semiconductor market is expected to continue to see solid demand, particularly for high-performance semiconductors related to AI
- On the other hand, demand for semiconductors used in applications other than AI remains soft

CY24 Semiconductor Tester Market Forecast

- Advances in AI are driving performance improvements in semiconductors and growth in production demand, leading to continuation of robust tester demand
- Increasing our tester supply capabilities to meet the robust tester demand is likely to contribute to an increase in our market size estimate
- In the semiconductor tester market as a whole, the recovery of tester demand presents a mixed picture as demand remains soft with the exception of those for AI-related applications

	CY23 Actual	CY24 Estimate
SoC Tester Market	Approx. \$3.3B	Approx. \$3.5B - 3.8B (July estimate: approx. \$3.2B - 3.5B)
Memory Tester Market	Approx. \$1.1B	Approx. \$1.7B - 1.9B (July estimate: approx. \$1.6B - 1.8B)

Source: Advantest

FY24 Forecast

(JPY B)

	FY23 Results	FY24							Prior Full-Year Forecast	
				1H Results	2H Forecast	Full-year Forecast	vs. FY23		As of July 2024	Change
		1Q	2Q				Change	(%)		
Sales	486.5	138.7	190.5	329.2	310.8	640.0	+153.5	+31.6%	600.0	+40.0
Operating Income	81.6	31.3	63.6	94.9	70.1	165.0	+83.4	2.0x	138.0	+27.0
Operating Margin %	16.8%	22.6%	33.4%	28.8%	22.6%	25.8%	+9.0pts		23.0%	+2.8pts
Income Before Tax	78.2	31.9	60.7	92.6	69.9	162.5	+84.3	2.1x	138.5	+24.0
Net Income	62.3	23.9	45.4	69.3	52.7	122.0	+59.7	+95.9%	105.0	+17.0
Net Income Margin %	12.8%	17.2%	23.9%	21.1%	16.9%	19.1%	+6.3pts		17.5%	+1.6pts
Basic EPS*1 (JPY)	84.45	32.35	61.56	93.92	71.09	165.01	+80.56	+95.4%	-	-
R&D Expenses	65.5	17.3	17.1	34.4	37.6	72.0	+6.5	+9.9%	70.0	+2.0
CapEx	20.8	4.4	3.9	8.3	13.7	22.0	+1.2	+5.8%	22.0	-
D&A	26.1	7.1	7.2	14.3	12.7	27.0	+0.9	+3.4%	27.0	-
Exchange Rate*2 (JPY)	1 US\$	143	153	154	140	147	JPY4 Depreciation		143	JPY4 Depreciation
	1 Euro	155	165	167	155	161	JPY6 Depreciation		158	JPY3 Depreciation

*1: Advantest has enacted a 4-for-1 stock split of common share, effective October 1, 2023. The above Basic EPS figures are based on the assumption that the stock split had been enacted at the beginning of FY23. In the full-year forecast, the average number of outstanding shares used in the calculation of Basic EPS is calculated using the number of issued and outstanding shares as of Sept. 30, 2024 excluding number of treasury shares as of Sept. 30, 2024. The figure for 2H forecast is calculated by subtracting the 1H results from the full-year forecast

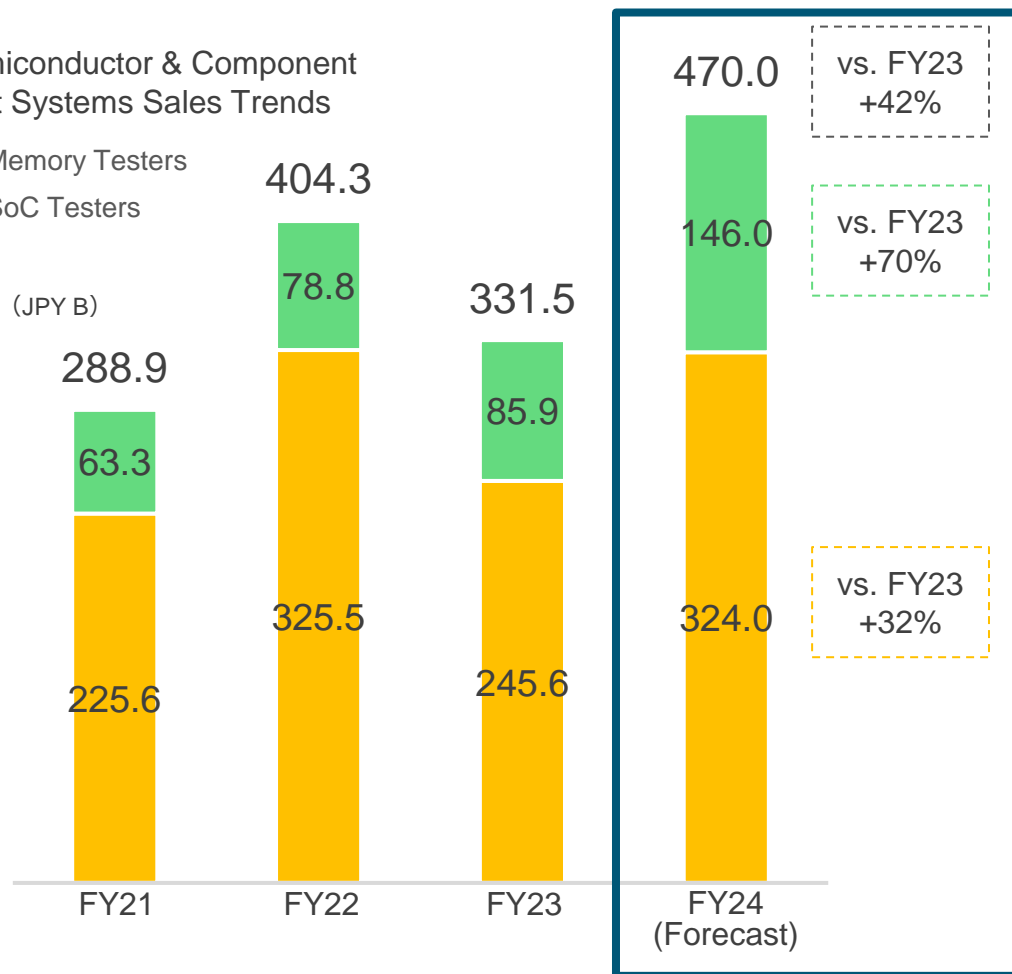
*2: Our latest forecast for the impact of exchange rate fluctuations on FY24 operating income is plus JPY1.1 billion per 1 yen of JPY depreciation vs USD, and minus JPY0.3 billion per 1 yen of JPY depreciation vs. the Euro

FY24 Outlook by Segment

Semiconductor & Component Test Systems Sales Trends

■ Memory Testers
■ SoC Testers

(JPY B)



Semiconductor & Component Test Systems

< SoC Testers > (+JPY32B vs. forecast as of July 2024)

- Sales forecast is revised upward, reflecting the increased pace of product supply to keep up with customer delivery requirements for HPC/AI

Applications	FY21	FY22	FY23	FY24e
Computing / Comms	60%	65%	60%	85%
Automotive / Industrial / Consumer / DDIC*1	40%	35%	40%	15%

*1 DDIC : Display Driver IC

Numbers are rounded to the nearest 5%

< Memory Testers > (+JPY3B vs. forecast as of July 2024)

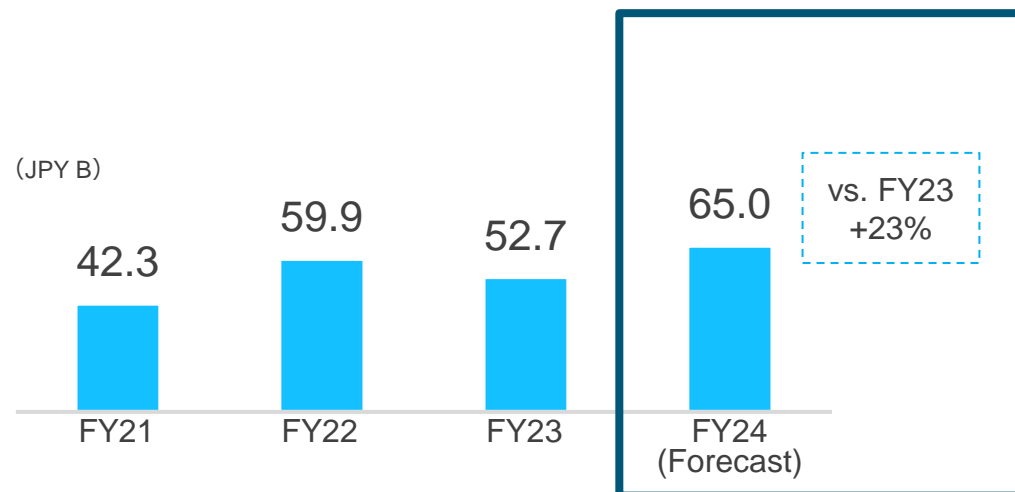
- In response to the strong investment appetite of our customers for HBM, our supply capabilities have been secured. 2H sales are expected to increase HoH

Applications	FY21	FY22	FY23	FY24e
DRAM	60%	60%	90%	95%
Non-Volatile Memory	40%	40%	10%	5%

Numbers are rounded to the nearest 5%

FY24 Outlook by Segment

Mechatronics Sales Trends



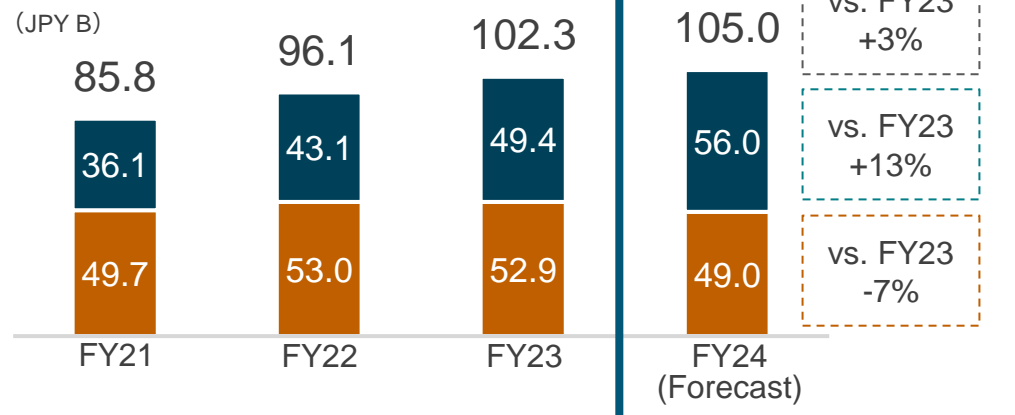
Mechatronics Systems

(+JPY2B vs. forecast as of July 2024)

- Sales of device interface products are expected increase YoY in tandem with the increase in tester demand
- Sales of nano-technology products are also expected to be solid

Services, Support, & Others Sales Trends

- Support Services, etc
- System Level Test



Services, Support, & Others

(+JPY3B vs. forecast as of July 2024)

- Solid demand for support services is expected due to the steady growth of our installed base
- In the system level test business, sales are expected to decline YoY due to continued uncertainty in the consumer electronics application

Share Repurchase

- ✓ Total cost of acquisition: Up to JPY 50 billion
- ✓ Total number of shares to be acquired: Up to 9 million shares
(Equivalent to 1.2% of outstanding shares excluding treasury stock)
- ✓ Period of acquisition: From Nov. 1, 2024 to Feb. 26, 2025

Our Shareholder Return Policy in the Third Mid-term Management Plan (MTP3, FY2024-FY2026)

- Stable and continuous dividend with a minimum amount of JPY30 per share for annual
- We have set a target to achieve a cumulative total return ratio* of 50% or more, including share repurchase, over the three-year period of the MTP3
(Target shareholder returns may be subject to change in favor of growth investments or due to deteriorating market conditions.)

* Total return ratio: (Dividend + share repurchase) / consolidated net income

Other Topics

☐ Integrated Annual Report 2024 Published

* Web Link : https://www.advantest.com/document/en/investors/ir-library/annual/E_all_IAR2024.pdf

☐ Advantest Celebrates 25th Anniversary of Industry-Leading V93000 SoC Test Platform

* Web Link : <https://www.advantest.com/en/news/2024/20240808.html>

☐ Advantest Awarded 2024 Porter Prize, sponsored by Hitotsubashi Business School

* Web Link : <https://www.advantest.com/en/news/2024/20241025.html>

☐ IR Technical Briefing on SoC Test Business scheduled for November 28th in a Webinar format



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