

FY2017
(Period Ended March 31th, 2018)
Information Meeting

April 26th, 2018

Advantest Corporation
Atsushi Fujita
Managing Executive Officer

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**

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Agenda

- **Financial Results for FY2017**
- **FY2018 Business Outlook**

Summary of Results

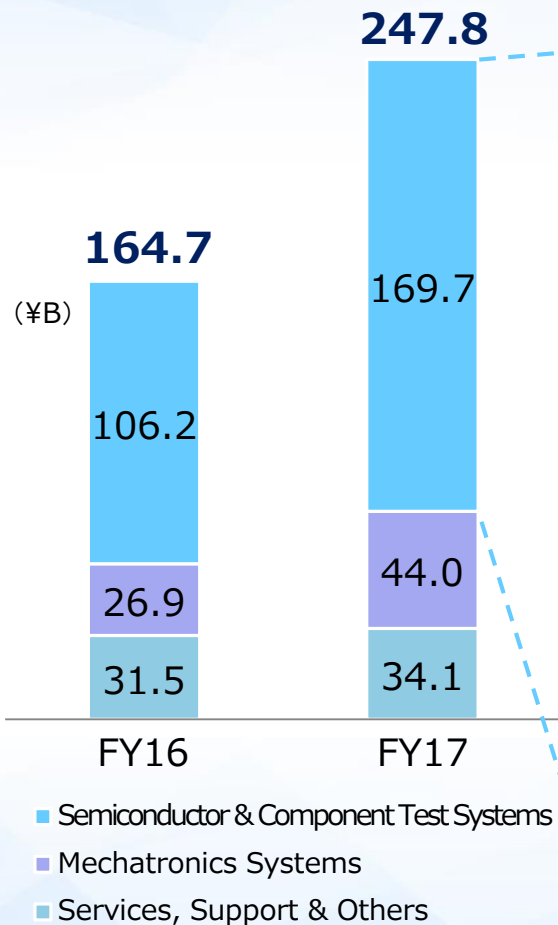
(¥B)

	FY16	FY17	vs. FY17	
			(Δ)	(%)
Orders	164.7	247.8	+83.1	+50.5%
Sales	155.9	207.2	+51.3	+32.9%
Gross Profit	89.7	106.6	+16.8	+18.8%
Gross Profit Margin	57.6%	51.4%	-6.2pts	
Operating Income	13.9	24.5	+10.6	+76.1%
Operating Income Margin	8.9%	11.8%	+2.9pts	
Income Before Tax	15.0	24.3	+9.3	+61.6%
Net Income	14.2	18.1	+3.9	+27.5%
Net Income Margin	9.1%	8.7%	-0.4pts	
Backlog	42.2	82.8	+40.6	+96.1%
Annual Dividend Per Share	¥25	¥32	+¥7	
Exchange Rate	1 US\$	¥108	¥111	¥3 Depreciation
	1 Euro	¥119	¥129	¥10 Depreciation

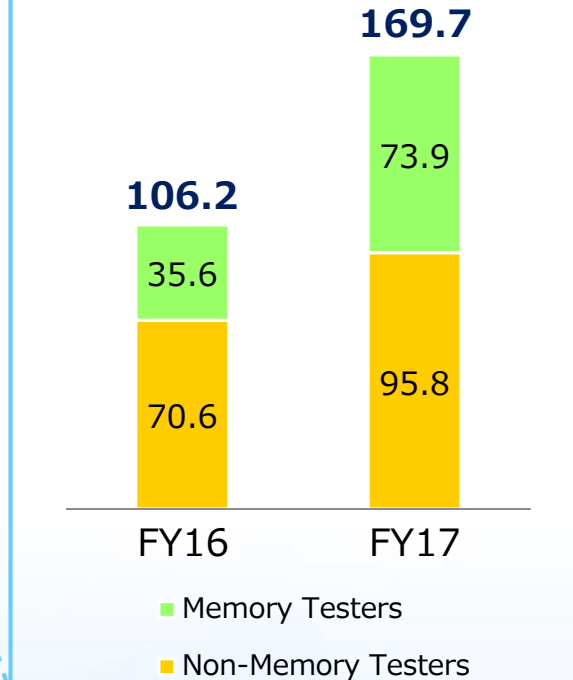
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FY17 Orders by Segment / Region

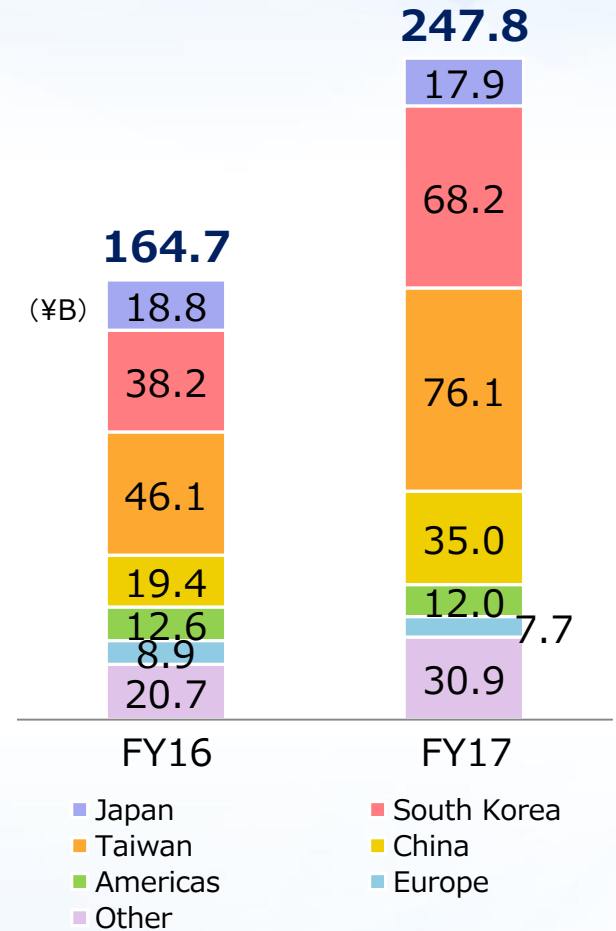
Orders by Segment



Semiconductor & Component Test Systems Breakdown



Orders by Region

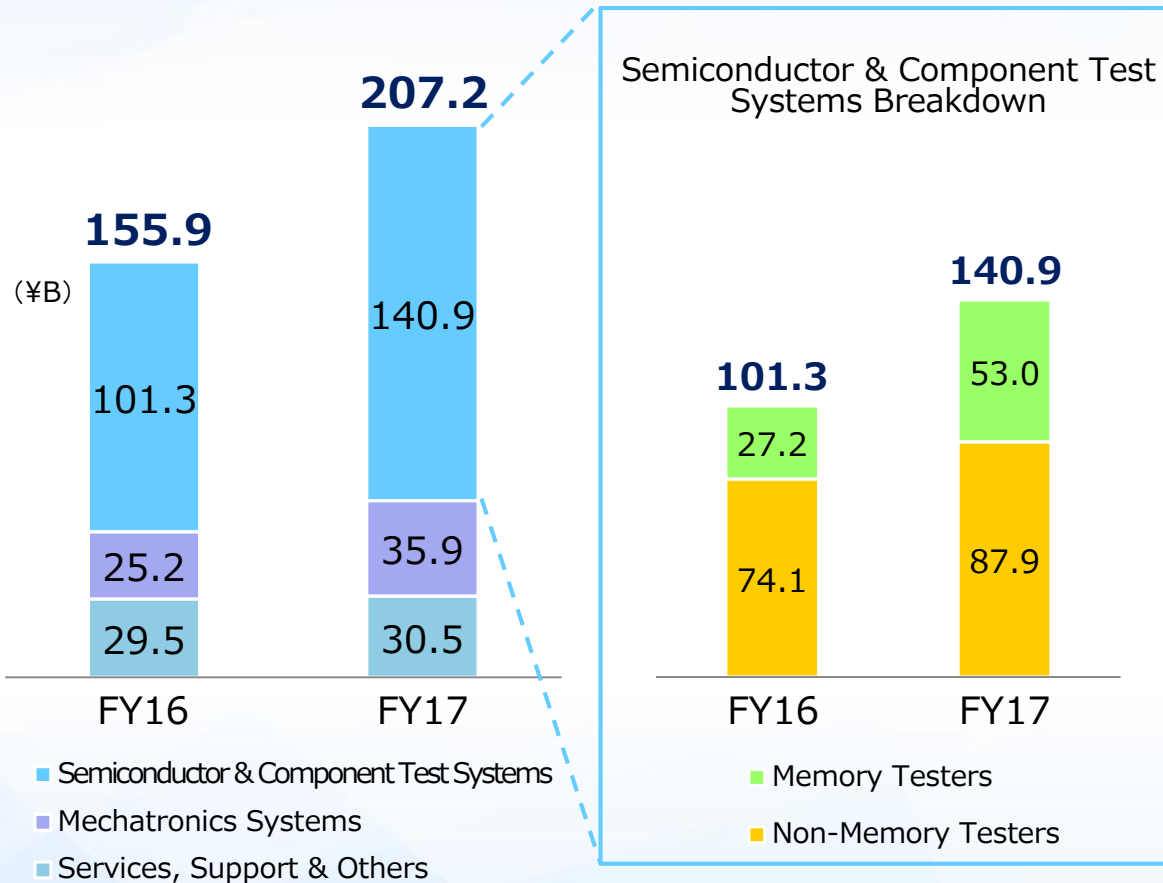


Note: Intersegment transactions have been eliminated from totals

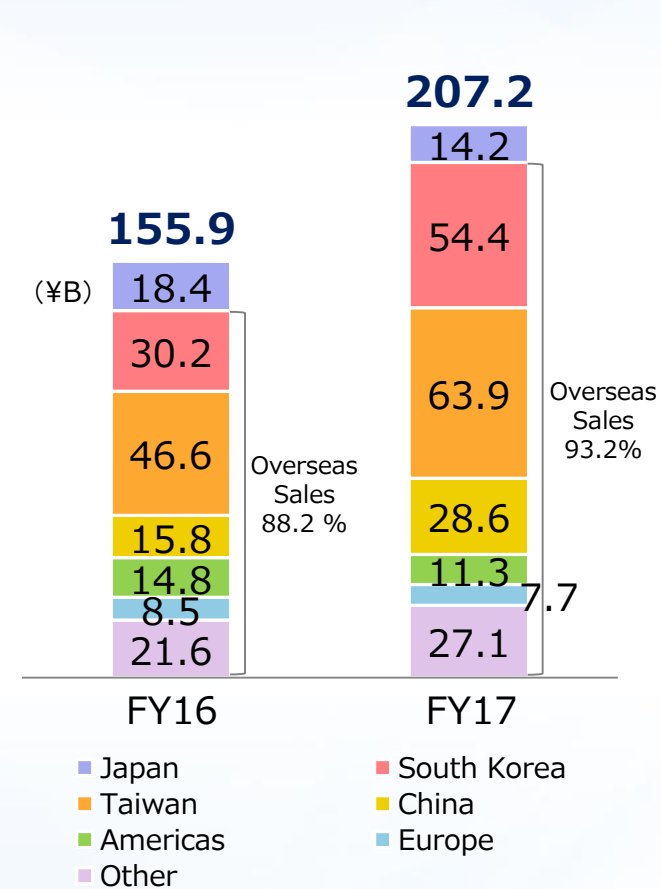
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FY17 Sales by Segment / Region

Sales by Segment



Sales by Region



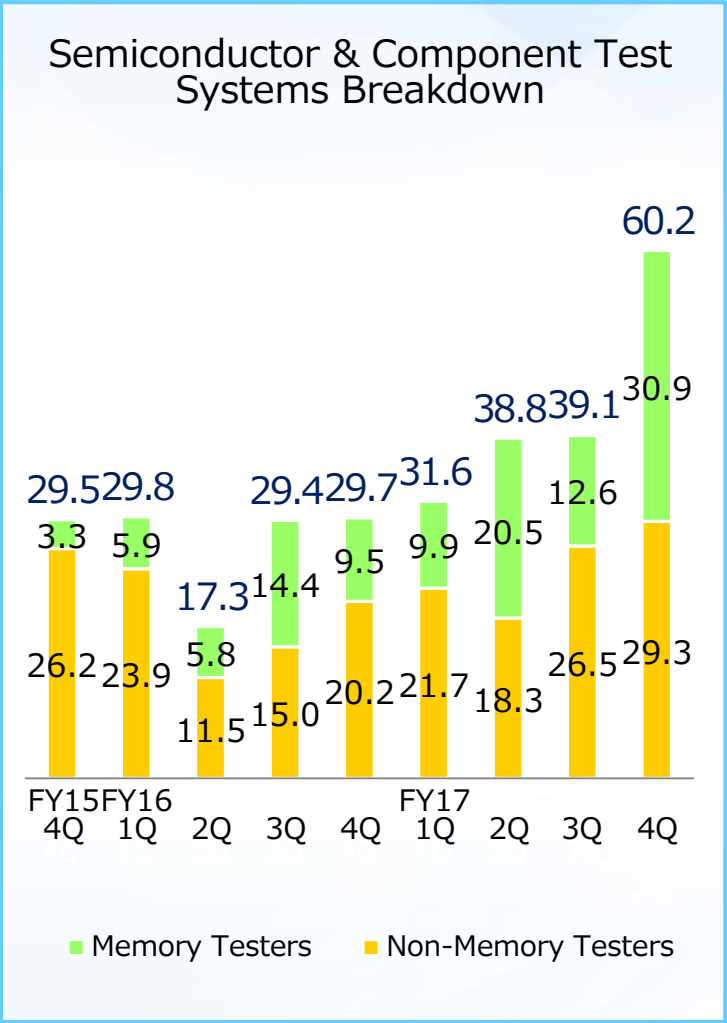
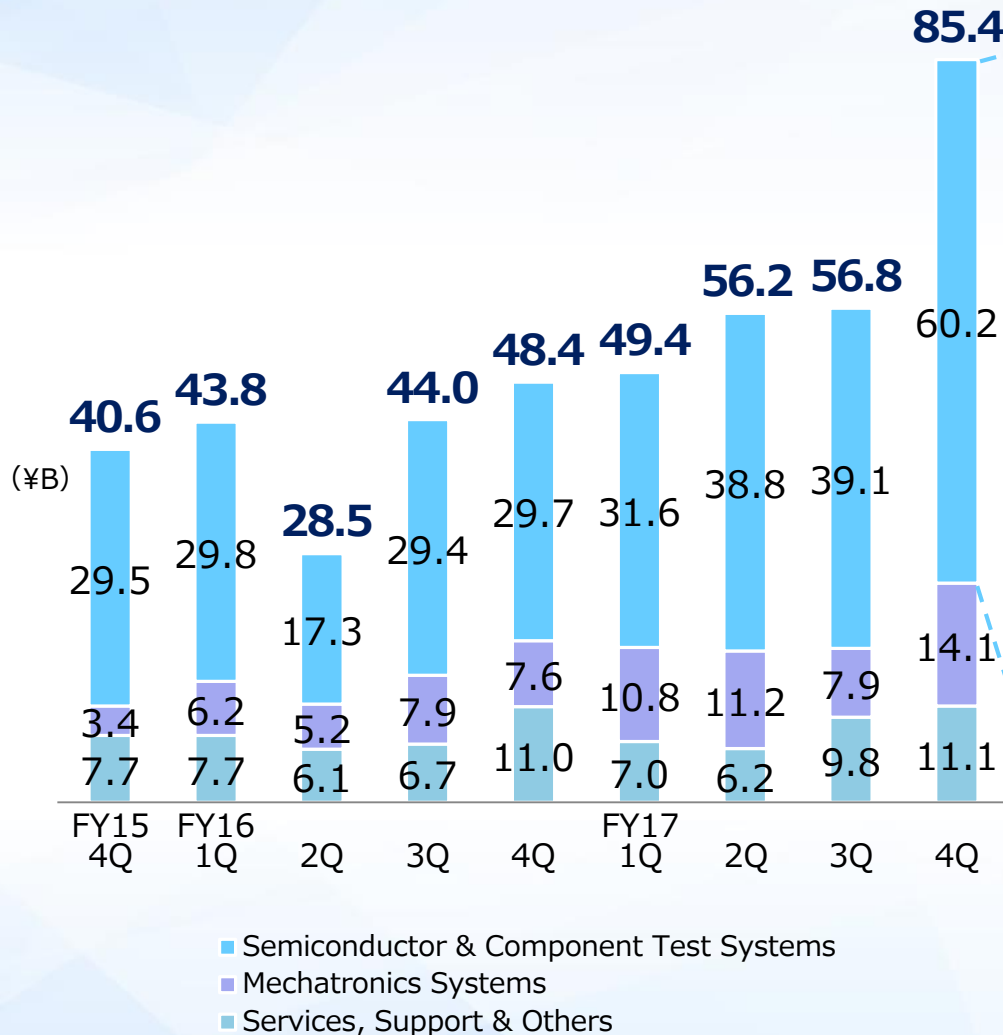
Note: Intersegment transactions have been eliminated from totals

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FY17 4Q Summary of Results

	(¥B)									
	FY16		FY17				QoQ		YoY	
	4Q	1Q	2Q	3Q	4Q	(Δ)	(%)	(Δ)	(%)	
Orders	48.4	49.4	56.2	56.8	85.4	+28.6	+50.4%	+37.0	+76.5%	
Sales	48.3	40.7	47.7	50.9	67.9	+17.1	+33.5%	+19.6	+40.5%	
Gross Profit	25.3	20.6	24.9	23.2	37.9	+14.5	+62.5%	+12.5	+49.4%	
Gross Profit Margin	52.4%	50.6%	52.1%	45.8%	55.7%	+9.9pts		+3.3pts		
Operating Income	4.6	2.2	5.2	3.2	13.9	+10.6	+328.1%	+9.2	+200.0%	
Operating Income Margin	9.5%	5.5%	10.9%	6.4%	20.4%	+14.0pts		+10.9pts		
Income Before Tax	5.3	1.6	4.8	3.4	14.5	+11.1	+326.9%	+9.2	+175.0%	
Net Income	6.8	1.0	3.9	2.6	10.6	+8.1	+317.4%	+3.8	+55.7%	
Net Income Margin	14.1%	2.4%	8.2%	5.0%	15.6%	+10.6pts		+1.5pts		
Backlog	42.2	50.9	59.4	65.3	82.8	+17.5	+26.8%	+40.6	+96.1%	
Exchange Rate	1 US\$	¥115	¥112	¥111	¥112	¥111	¥1 Appreciation		¥4 Appreciation	
	1 Euro	¥122	¥121	¥128	¥132	¥134	¥2 Depreciation		¥13 Depreciation	

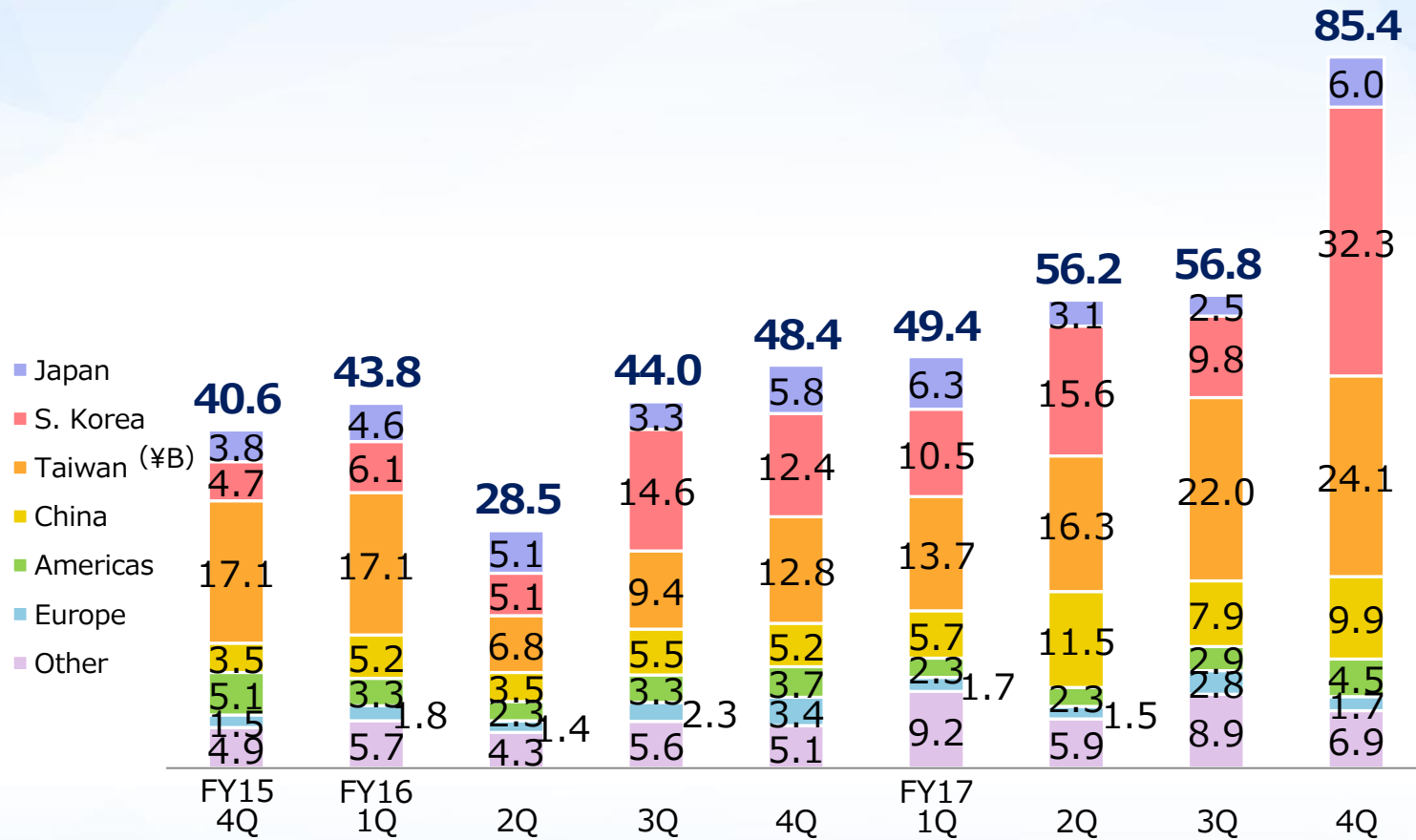
Orders by Segment



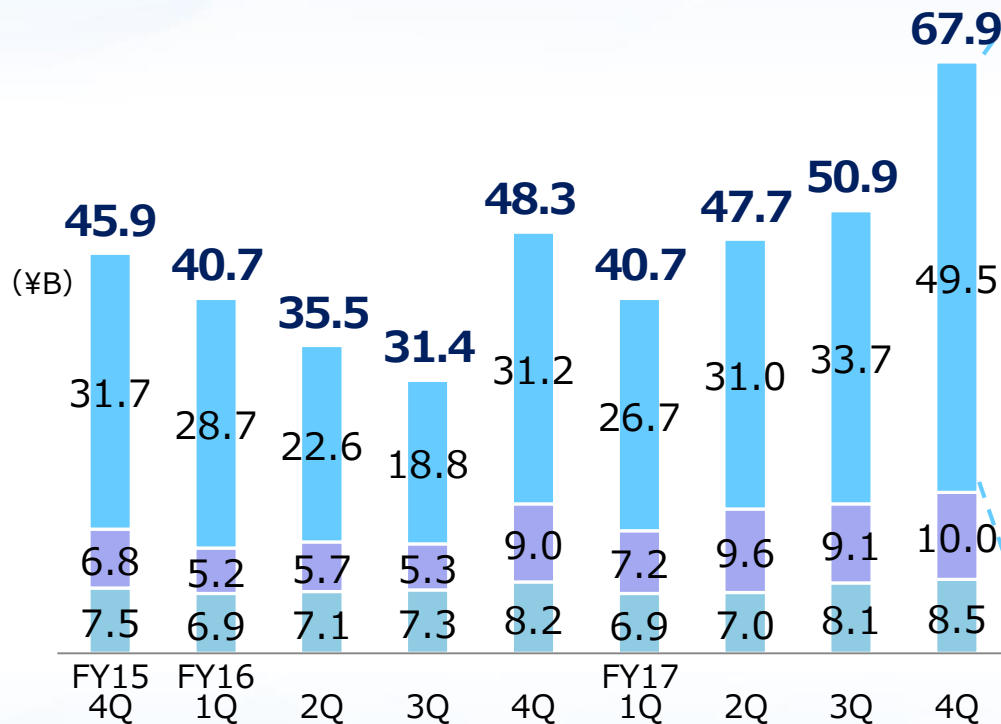
Note: Intersegment transactions have been eliminated from totals



Orders by Region

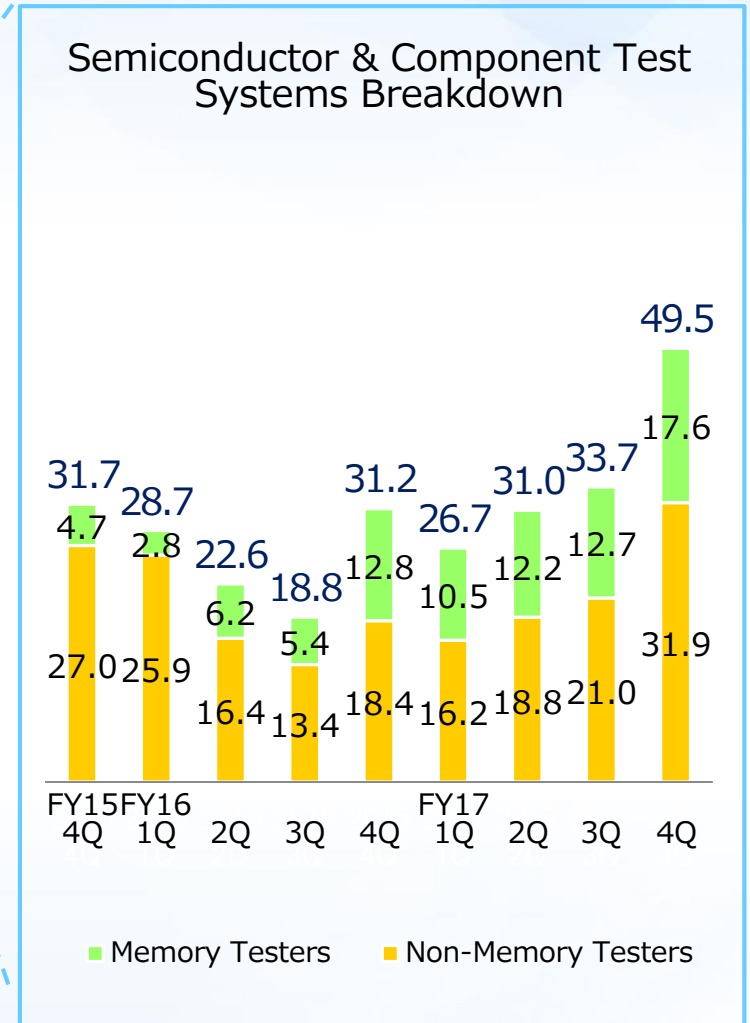


Sales by Segment



- Semiconductor & Component Test Systems
- Mechatronics Systems
- Services, Support & Others

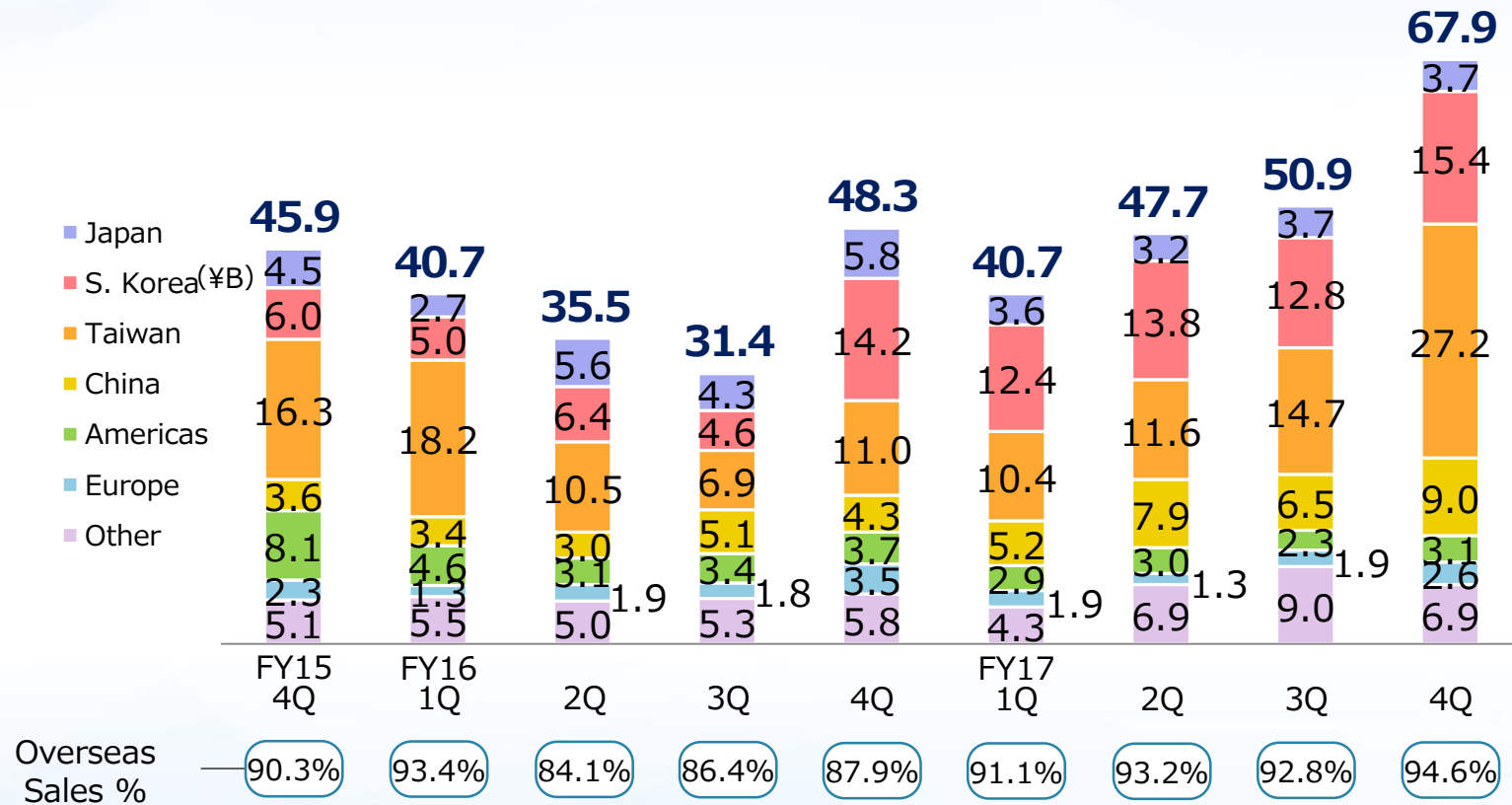
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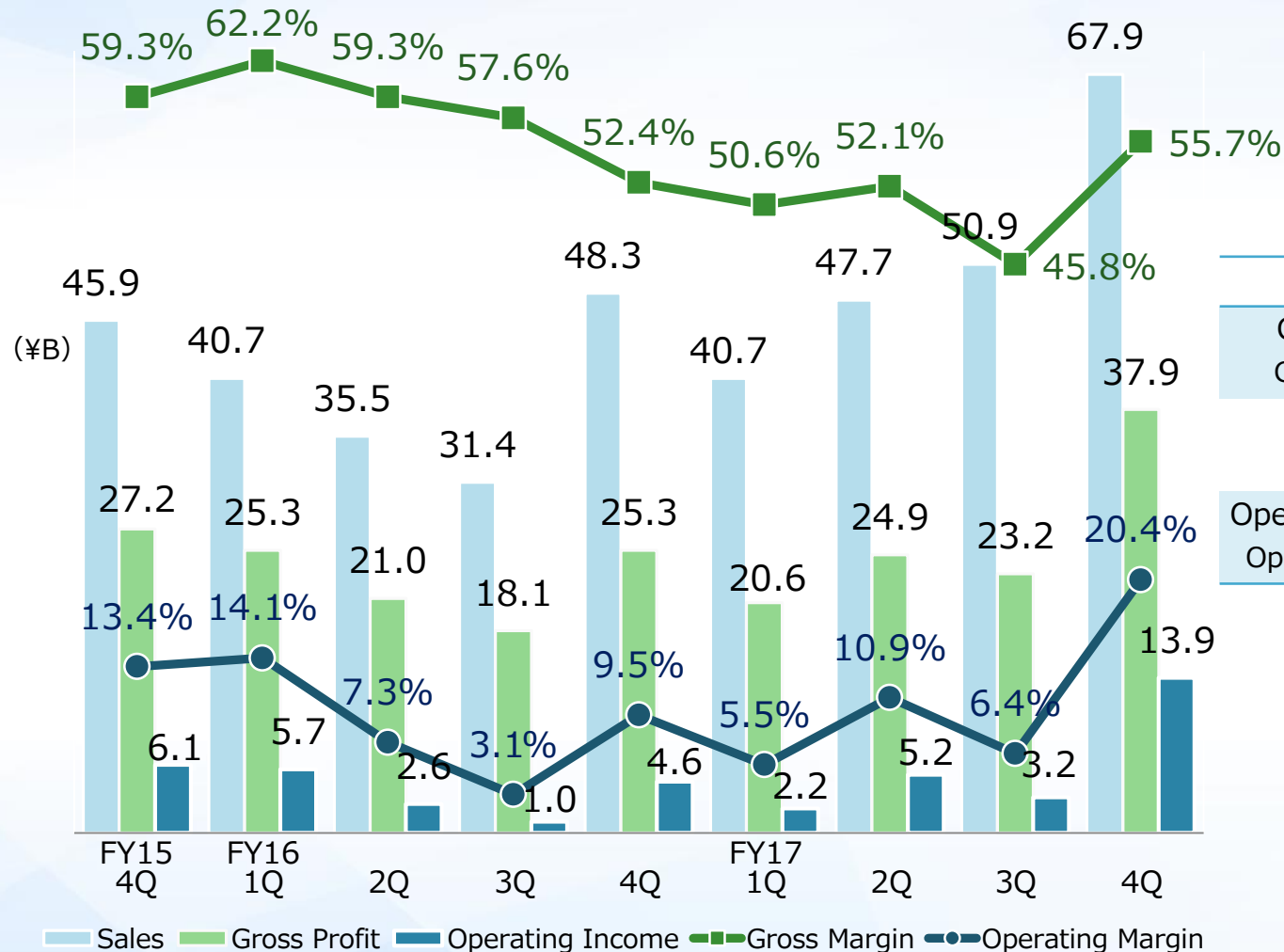
- Memory Testers
- Non-Memory Testers



Sales by Region

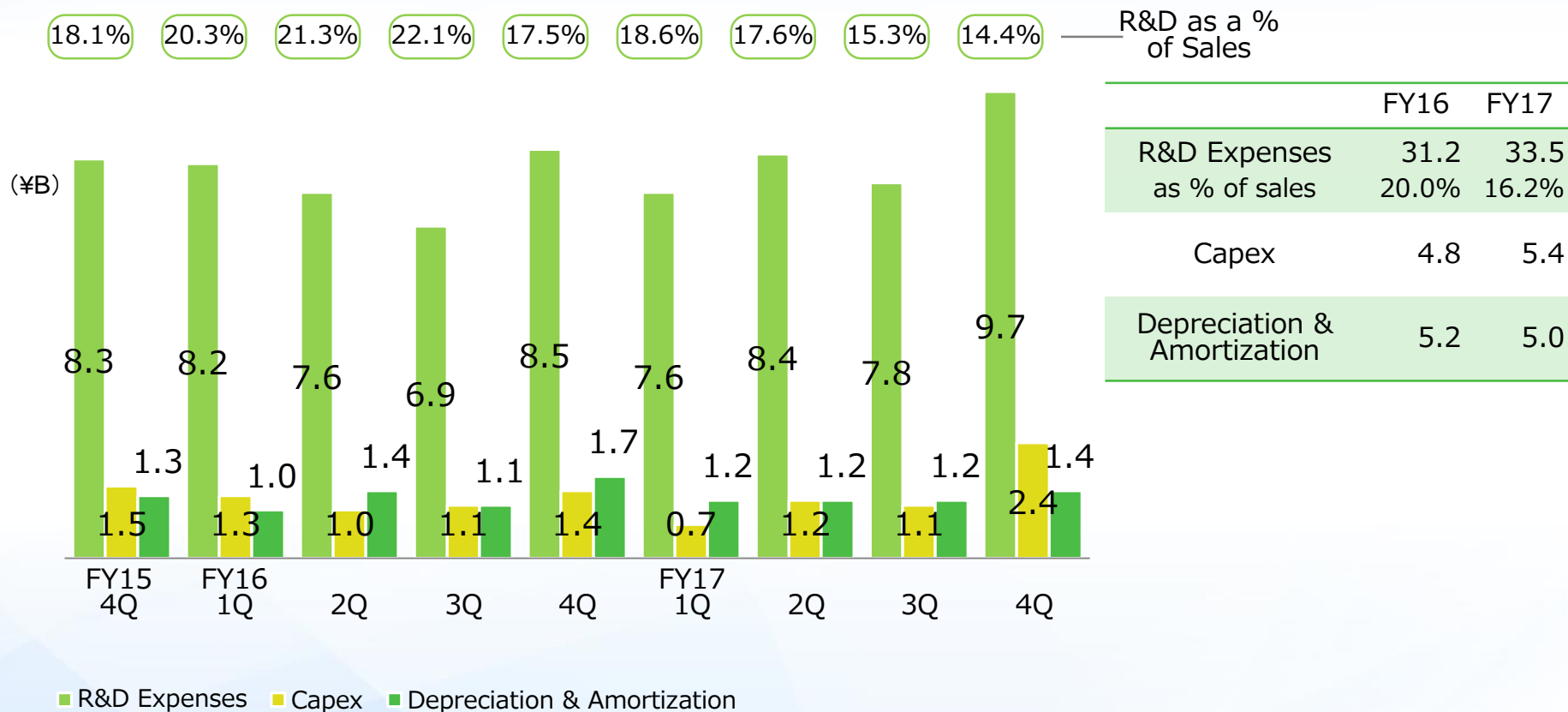


Sales / Gross Profit / Operating Income



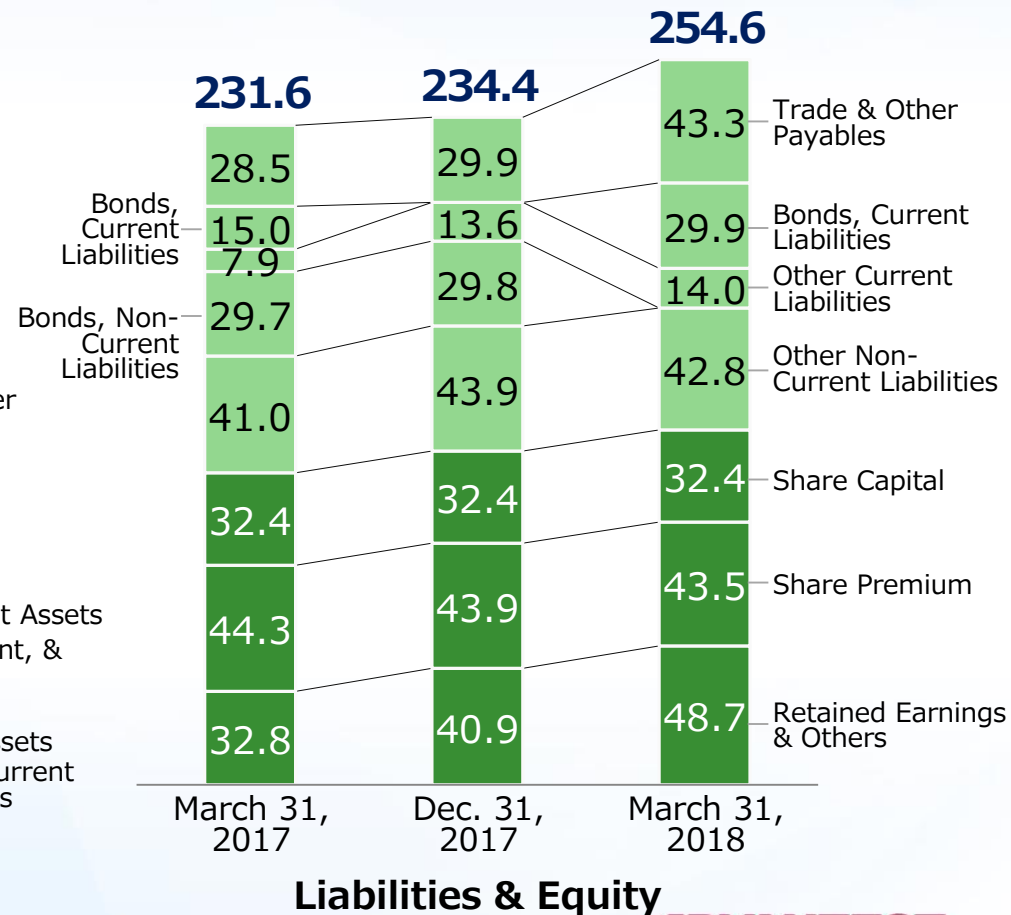
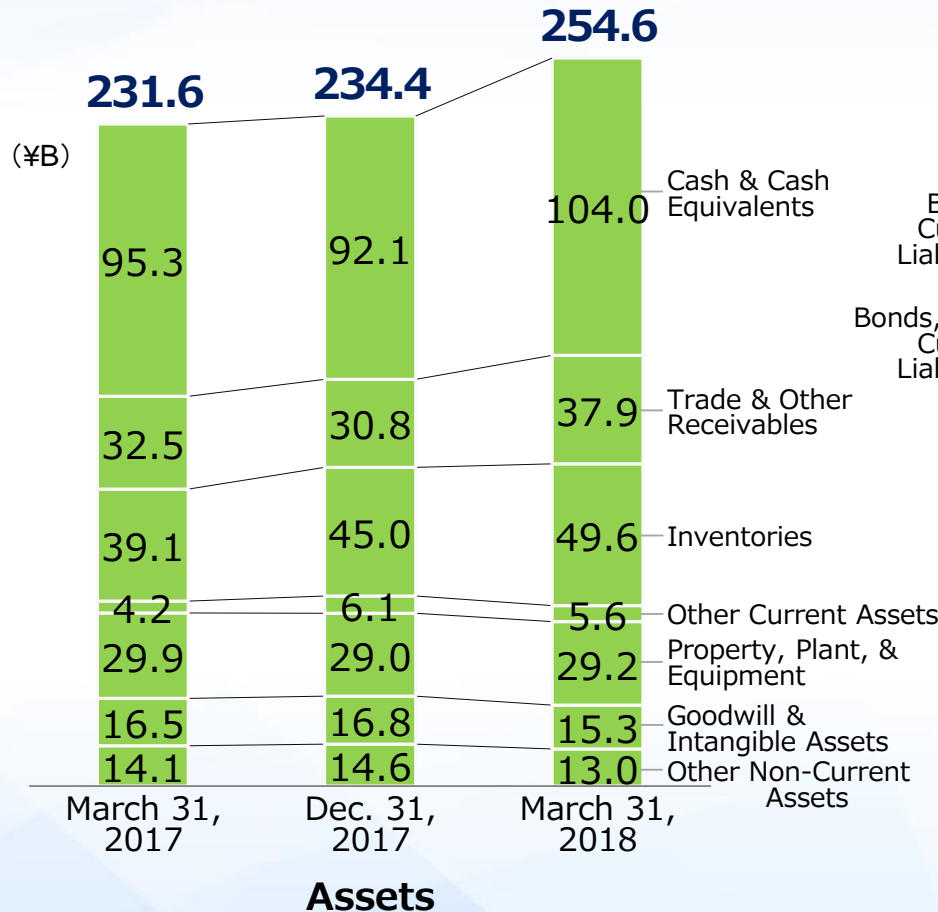
	FY16	FY17
Gross Profit	89.7	1,06.6
Gross Margin	57.6%	51.4%
SG&A	75.8	82.1
Operating Income	13.9	24.5
Operating Margin	8.9%	11.8%

R&D Expenses / Capex / Depreciation & Amortization



FY17 Financial Position

Equity Attributable to Owners of the Parent	109.5	117.2	124.6
Ratio of Equity Attributable to Owners of the Parent	47.3%	50.0%	49.0%



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Agenda

- Financial Results for FY2017
- **FY2018 Business Outlook**

CY18 Market Forecast

	CY17	CY18 estimate	YoY Change
Non-memory tester market	Approx \$2,200M	Approx \$2,200~\$2,300M	+0%~5%
Memory tester market	Approx \$750M	Approx \$900M	+20%

- ✓ The semiconductor tester market is expected to continue booming in 2018
- ✓ In the non-memory tester market, we anticipate solid demand in high-performance computing, automotive and display-related sectors
- ✓ We expect the memory tester market to grow this year as well

FY18 Forecast

(¥B)

	FY17	FY18 Forecast	vs. FY17	
			(Δ)	(%)
Orders	247.8	220.0	-27.8	-11.2%
Sales	207.2	230.0	+22.8	+11.0%
Semiconductor & Component Test systems	140.9	160.0	+19.1	+13.5%
Mechatronics	35.9	38.0	+2.1	+5.9%
Services, Support & Others	30.5	32.0	+1.5	+5.0%
Operating Income	24.5	34.5	+10.0	+40.9%
Operating Income Margin	11.8%	15.0%	+3.2pts	
Income Before Tax	24.3	34.8	+10.5	+43.2%
Net Income	18.1	27.8	+9.7	+53.6%
Net Income Margin	8.7%	12.1%	+3.4pts	
Backlog	82.8	72.8	-10.0	+12.1%
Exchange Rate	1 US\$	¥111	¥105	¥6 Appreciation
	1 Euro	¥129	¥135	¥6 Depreciation

* Our FY18 forecast does not reflect the impact of adopting IFRS 15

Note: Intersegment transactions have been eliminated from totals

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FY18 Key Themes

■ Towards Business Growth

<Reinforce product supply capability>

Improve parts procurement ability to keep up with dramatic tester demand growth

<Mid-term measures for sustainable growth>

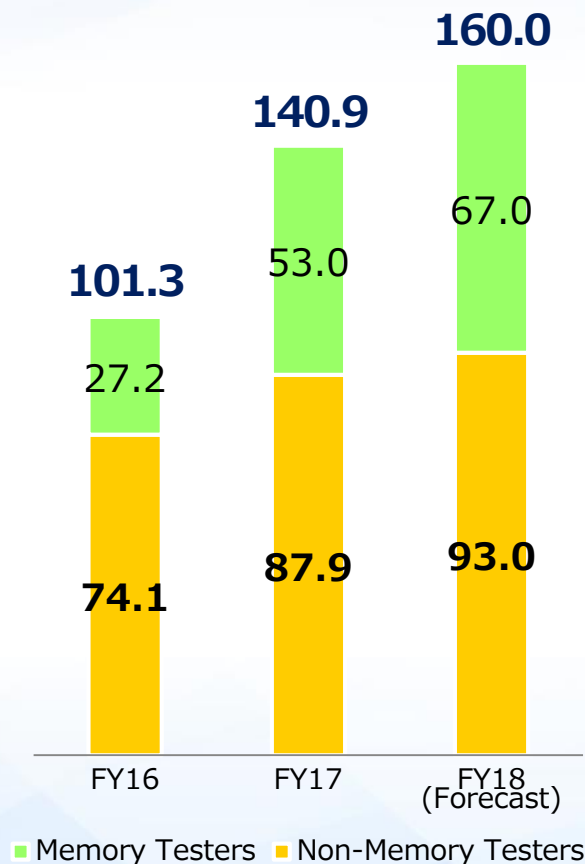
Reinforce partnerships with customers in promising areas such as AI, 5G comms, and ADAS

■ FY18 Investment Outlook

- ✓ R&D expenses: ¥35.0B (FY17 actual: ¥33.5B)
- ✓ Capital investment: ¥7.0B (FY17 actual: ¥5.4B)
- ✓ Depreciation and amortization: ¥5.5B (FY17 actual: ¥5.0B)

FY18 Outlook by Segment

Semiconductor & Component Test System Sales trends (¥B)



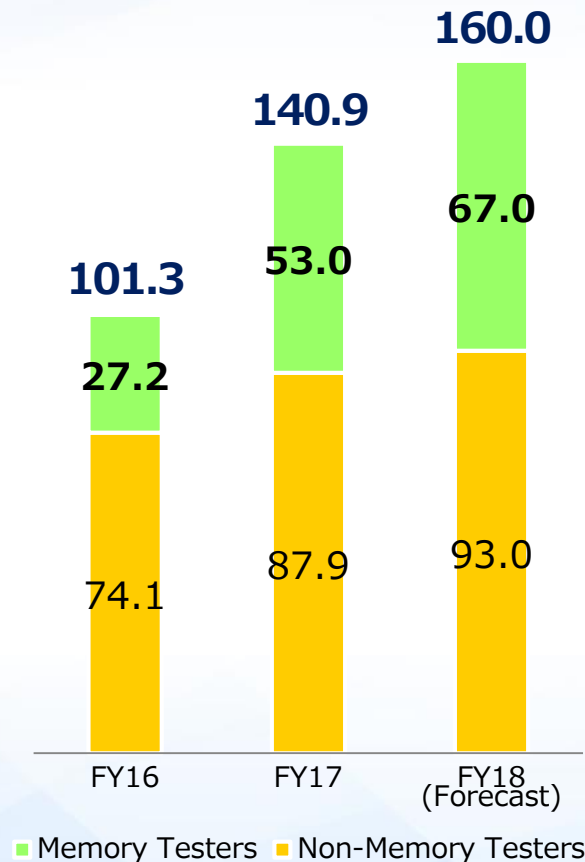
■ Semiconductor & Component Test Systems

<Non-Memory Testers>

- ✓ Computing areas such as AI, as well as smartphones, are growing against a backdrop of better device performance
- ✓ The automotive and display-related demand environment continues to be favorable

FY18 Outlook by Segment

Semiconductor & Component Test System Sales trends (¥B)



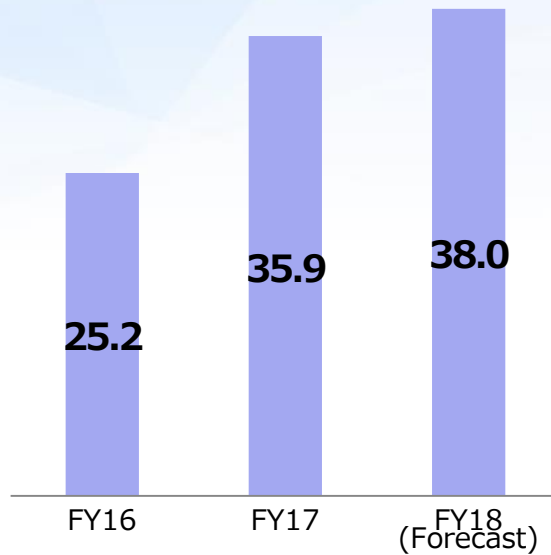
■ Semiconductor & Component Test Systems

<Memory Testers>

- ✓ Customers will continue to reinforce their investment in DRAM back-end testers for productivity improvements and high-speed test capabilities
- ✓ More layers in NAND flash devices and expansion of reliability assurance needs should expand test demand

FY18 Outlook by Segment

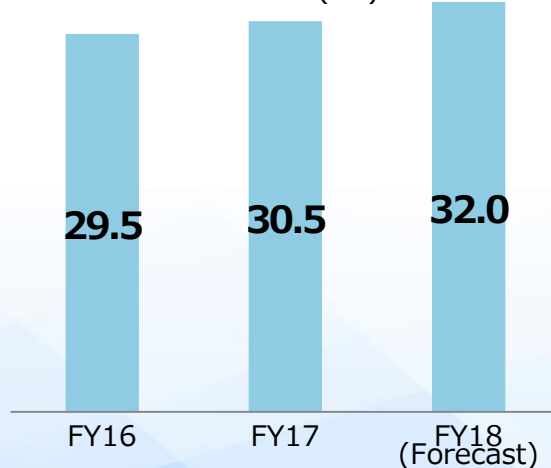
Mechatronics Sales Trends (¥B)



■ Mechatronics

- ✓ Probe card business will grow
- ✓ Handler demand for memory and automotive applications is also growing
- ✓ Our nanotech business has bottomed out

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



■ Services, Support, & Others

- ✓ SSD tester growth will contribute to overall revenue growth for this segment

Summary

- ✓ Anticipating continued growth in the semiconductor tester market in FY2018, we aim to further boost our performance
- ✓ As strong demand for testers continues, we will further improve our parts procurement capacity
- ✓ We will also strengthen our partnerships with customers in promising areas such as AI, 5G comms, and ADAS
- ✓ Our newly formulated long-term management policy and three-year mid-term management plan kick off in FY18. All employees will work together to create customer value and enhance corporate value