

## FY2016 Consolidated Financial Results

(Advantest's consolidated financial statements are prepared in accordance with IFRS)  
(Year ended March 31, 2017)

April 27, 2017

Company Name : **Advantest Corporation**  
(URL <https://www.advantest.com/investors>)

Stock Exchange on which shares are listed : First section of the Tokyo Stock Exchange

Stock Code Number : 6857

Company Representative : Yoshiaki Yoshida, Representative Director, President and CEO

Contact Person : Hiroshi Nakamura, Director, Managing Executive Officer and Executive Vice President, Corporate Administration Group  
(03) 3214-7500

Date of General Shareholders' Meeting (as planned) : June 27, 2017

Dividend Payable Date (as planned) : June 2, 2017

Annual Report Filing Date (as planned) : June 28, 2017

Financial Results Supplemental Materials : Yes

Financial Results Presentation Meeting : Yes

(Rounded to the nearest million yen)

### 1. Consolidated Results of FY2016 (April 1, 2016 through March 31, 2017)

#### (1) Consolidated Financial Results

(% changes as compared with the previous fiscal year)

	Net sales		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent		Total comprehensive income for the year	
	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)
<b>FY2016</b>	<b>155,916</b>	<b>(3.8)</b>	<b>13,905</b>	<b>10.4</b>	<b>15,022</b>	<b>27.7</b>	<b>14,201</b>	<b>112.1</b>	<b>14,201</b>	<b>112.1</b>	<b>16,144</b>	<b>—</b>
FY2015	162,111	(1.0)	12,597	(25.3)	11,767	(43.3)	6,694	(60.0)	6,694	(60.0)	(4,732)	—

	Basic earnings per share	Diluted earnings per share	Return on net income attributable to owners of the parent	Ratio of income before taxes to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
<b>FY2016</b>	<b>81.07</b>	<b>73.95</b>	<b>14.0</b>	<b>6.8</b>	<b>8.9</b>
FY2015	38.35	35.38	6.9	5.3	7.8

#### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity attributable to owners of the parent per share
	Million yen	Million yen	Million yen	%	Yen
<b>FY2016</b>	<b>231,603</b>	<b>109,517</b>	<b>109,517</b>	<b>47.3</b>	<b>619.33</b>
FY2015	210,451	93,619	93,619	44.5	536.28

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
<b>FY2016</b>	<b>15,833</b>	<b>(3,521)</b>	<b>(1,002)</b>	<b>95,324</b>
FY2015	7,728	(2,395)	(13,531)	85,430

**2. Dividends**

	Dividend per share					Total dividend paid (annual)	Payout ratio (consolidated)	Cash dividend rate for equity attributable to owners of the parent (consolidated)
	First quarter end	Second quarter end	Third quarter end	Year end	Annual total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2015	—	10.00	—	10.00	20.00	3,491	52.2	3.6
FY2016	—	13.00	—	12.00	25.00	4,399	30.8	4.3
FY2017 (forecast)	—	—	—	—	—	N/A	—	N/A

**3. Projected Results for FY2017 (April 1, 2017 through March 31, 2018)**

(% changes as compared with the previous fiscal year)

	Net sales		Operating income		Income before income taxes		Net income		Net income attributable to Owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2017	172,000	10.3	18,000	29.4	18,180	21.0	15,000	5.6	15,000	5.6

**4. Others**

(1) Material changes in subsidiaries during this period (changes in scope of consolidation resulting from changes in subsidiaries): None

(2) Changes in accounting policies and accounting estimates  
 1) Changes in accounting policies required by IFRS: None  
 2) Changes arising from factors other than 1: None  
 3) Changes in accounting estimates: None

(3) Number of issued and outstanding share (ordinary share):  
 1) Number of issued and outstanding share at the end of each fiscal period (including treasury share):  
 FY2016 199,566,770 shares; FY2015 199,566,770 shares.  
 2) Number of treasury share at the end of each fiscal period:  
 FY2016 22,736,166 shares; FY2015 24,994,162 shares.  
 3) Average number of outstanding share for each period:  
 FY2016 175,180,404 shares; FY2015 174,569,193 shares.

**(Reference) Non-Consolidated Results of FY2016 (April 1, 2016 through March 31, 2017)**

(1) Non-Consolidated Financial Results

(% changes as compared with the previous fiscal year)

	Net sales		Operating income (loss)		Ordinary income		Net income	
	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)
<b>FY2016</b>	<b>143,559</b>	<b>16.1</b>	<b>4,607</b>	—	<b>9,851</b>	<b>68.3</b>	<b>15,238</b>	<b>115.5</b>
FY2015	123,642	45.6	(6,818)	—	5,853	(52.4)	7,069	(44.0)

	Net income per share - basic		Net income per share - diluted	
	Yen	Yen	Yen	Yen
<b>FY2016</b>	<b>86.98</b>		<b>78.49</b>	
FY2015	40.50		36.52	

**(2) Non-Consolidated Financial Position**

	Total assets	Net assets	Equity-to-assets ratio	Net assets per share
	Million yen	Million yen	%	Yen
<b>FY2016</b>	<b>270,123</b>	<b>130,031</b>	<b>47.6</b>	<b>727.40</b>
FY2015	247,307	114,662	45.7	647.20

(Reference) Shareholders' Equity at the end of each fiscal period: FY2016 (Y) 128,627 million; FY2015 (Y) 112,984 million

**Status of Audit Procedures**

This consolidated financial results report is not subject to audit procedures by independent auditors.

**Explanation on the Appropriate Use of Future Earnings Projections and Other Special Instructions**

This document contains "forward-looking statements" that are based on Advantest's current expectations, estimates and projections. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause Advantest's actual results, levels of activities, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. These factors include: (i) changes in demand for the products and services produced and offered by Advantest's customers, including semiconductors, communications services and electronic goods; (ii) circumstances relating to Advantest's investment in technology, including its ability to timely develop products that meet the changing needs of semiconductor manufacturers, communications network equipment and components makers and service providers; (iii) significant changes in the competitive environment in the major markets where Advantest purchases materials, components and supplies for the production of its products or where its products are produced, distributed or sold; and (iv) changes in economic conditions, currency exchange rates or political stability in the major markets where Advantest procures materials, components and supplies for the production of its principal products or where its products are produced, distributed or sold.

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## 1. Overview of Business Results

## (1) Overview of Business Results for FY2016

## 1) Consolidated Financial Results of FY2016 (April 1, 2016 through March 31, 2017)

(in billion yen)

	FY2015	FY2016	As compared to the previous fiscal year increase (decrease)
Orders received	151.5	164.7	8.7%
Net sales	162.1	155.9	(3.8%)
Operating income	12.6	13.9	10.4%
Income before income taxes	11.8	15.0	27.7%
Net income	6.7	14.2	112.1%

During Advantest's FY2016, the global economy continued its overall recovery trend, supported by strength in the US and other countries.

In semiconductor-related markets, the improving functionality and increasing sales volumes of smartphones, as well as progress in automotive electronics and growth in data center investment, have driven growth. As a result, the semiconductor market reversed its negative growth trend of 2015 to expand through 2016. In the non-memory semiconductor sector, which includes logic devices, capital investment in smartphone-related production and advanced manufacturing processes increased. In the memory sector, capital investment accelerated in the latter half of 2016, reflecting the improvement in market conditions that began in the summer due to growth in data center and smartphone demand.

Average currency exchange rates in the current fiscal year were 1 USD to 108 JPY (121 JPY in the previous fiscal year) and 1 EUR to 119 JPY (133 JPY in the previous fiscal year).

In this business environment, Advantest sought to improve performance, with a focus on capturing new demand from the memory sector, where customers are now highly motivated to invest. As a result, for the fiscal year ended March 31, 2017, orders received were (Y) 164.7 billion (8.7% increase in comparison to the previous fiscal year), a result that exceeded orders in the previous fiscal year in spite of yen appreciation. Net sales were (Y) 155.9 billion (3.8 % decrease in comparison to the previous fiscal year). Despite a decline in sales compared with the previous fiscal year, operating income was (Y) 13.9 billion (10.4% increase in comparison to the previous fiscal year), due to a more profitable sales mix in comparison to the previous fiscal year. Income before income taxes was (Y) 15.0 billion (27.7 % increase in comparison to the previous fiscal year) and net income was (Y) 14.2 billion (112.1% increase in comparison to the previous fiscal year). The percentage of net sales to overseas customers was 88.2 % (92.0% in the previous fiscal year).

Conditions of business segments are described below.

## &lt;Semiconductor and Component Test System Segment&gt;

(in billion yen)

	FY2015	FY2016	As compared to the previous fiscal year increase (decrease)
Orders received	94.8	106.2	12.1%
Net sales	100.8	101.3	0.5%
Segment income	10.5	16.7	58.4%

Advantest's non-memory semiconductor test system business remained solid through the third quarter against a backdrop of increased production of semiconductors smartphones. However, starting in the beginning of the fourth quarter, inventory adjustments for mobile devices suppressed sales of non-memory test systems, leading sales to finish at a slightly lower level than the previous fiscal year. In the memory sector, customer investment stayed flat at the beginning of the fiscal year, but the business environment grew more favorable from the summer, enabling us to achieve orders exceeding the previous year's results in the second half alone.

As a result of the above, orders received were (Y) 106.2 billion (12.1 % increase in comparison to the previous fiscal year), net sales were (Y) 101.3 billion (0.5 % increase in comparison to the previous fiscal year), and segment income was (Y) 16.7 billion (58.4 % increase in comparison to the previous fiscal year).

## &lt; Mechatronics System Segment &gt;

(in billion yen)

	FY2015	FY2016	As compared to the previous fiscal year increase (decrease)
Orders received	27.3	26.9	(1.6%)
Net sales	31.5	25.2	(20.0%)
Segment income	2.6	(1.5)	—

Due to a drop in demand for photomask inspection equipment, Advantest's nanotechnology business remained sluggish throughout the year. In the device interface business, although orders received exceeded the previous fiscal year's, sales fell in comparison to the previous fiscal year due to the impact of lower DRAM investment at the beginning of the period.

As a result of the above, orders received were (Y) 26.9 billion (1.6 % decrease in comparison to the previous fiscal year), net sales were (Y) 25.2 billion (20.0 % decrease in comparison to the previous fiscal year), and segment loss was (Y) 1.5 billion (4.1 billion decline in comparison to the previous fiscal year).

## &lt;Services, Support and Others Segment&gt;

(in billion yen)

	FY2015	FY2016	As compared to the previous fiscal year increase (decrease)
Orders received	29.4	31.5	7.4%
Net sales	29.9	29.5	(1.4%)
Segment income	4.9	4.8	(2.6%)

The profitability of the Services Support and Others Segment was also impacted by yen appreciation. However, demand for field services was robust against the backdrop of increased semiconductor production.

As a result of the above, orders received were (Y) 31.5 billion (7.4 % increase in comparison to the previous fiscal year), net sales were (Y) 29.5 billion (1.4% decrease in comparison to the previous fiscal year), and segment income was (Y) 4.8 billion (2.6 % decrease in comparison to the previous fiscal year).

## 2) Overview of Non-Consolidated Financial Results for FY2016

Since FY2015, Advantest has consolidated commercial distribution of certain products from an overseas subsidiary to Advantest.

This consolidation of commercial distribution was completed in FY2016. As a result, net sales were (Y) 143.6 billion (16.1% increase in comparison to the previous fiscal year), and operating income was (Y) 4.6 billion. Due to dividend income from consolidated subsidiaries, ordinary income was (Y) 9.9 billion (68.3 % increase in comparison to the previous fiscal year). As a result of recognition of deferred tax assets based on appropriate estimates of future decreasing tax expenses, net income was (Y) 15.2 billion (115.5 % increase in comparison to the previous fiscal year).

## (2) Overview of Financial Condition for FY2016

Total assets at the end of FY2016 amounted to (Y) 231.6 billion, an increase of (Y) 21.2 billion compared to the previous fiscal year, primarily due to increase of (Y) 9.9 billion, (Y) 5.2 billion and (Y) 4.4 billion in cash and cash equivalents, inventories, and trade and other receivables, respectively. The amount of total liabilities was (Y) 122.1 billion, an increase of (Y) 5.3 billion compared to the previous fiscal year, primarily due to an increase of (Y) 6.4 billion in trade and other payable. Total Equity was (Y) 109.5 billion. Ratio of equity attributable to owners of the parent was 47.3%, an increase of 2.8 percentage points from March 31, 2016.

## (3) Overview of Cash Flows for FY2016

Cash and cash equivalents at the end of FY2016 were (Y) 95.3 billion, an increase of (Y) 9.9 billion from the previous fiscal year.

Significant cash flows during this fiscal year and their causes are described below.

Net cash provided by operating activities was (Y) 15.8 billion (net cash inflow of (Y) 7.7 billion in FY2015). This amount was primarily attributable to an increase of (Y) 6.4 billion and (Y) 5.3 billion in trade and other payable and inventories, respectively, and adjustments of non cash items such as depreciation and amortization in addition to the income before income taxes of (Y) 15.0 billion.

Net cash used in investing activities was (Y) 3.5 billion (net cash outflow of (Y) 2.4 billion in FY2015). This amount was primarily attributable to payments for acquisition of property, plant and equipment in the amount of (Y) 4.0 billion.

Net cash used in financing activities was (Y) 1.0 billion (net cash outflow of (Y) 13.5 billion in FY2015). This amount was primarily attributable to dividends paid of (Y) 4.0 billion and proceeds from disposal of treasury shares in the amount of (Y) 3.1 billion.

#### (4) Near-term Prospects

The expansion of high-speed wireless networks, the ongoing adoption of smartphones worldwide and the evolution of their performance, and the spread of Advanced Driver Assistance Systems, or ADAS, in the automotive industry, argue that a growing social emphasis on safety and comfort will drive continued growth in the semiconductor industry and related markets.

The near-term outlook for the semiconductor test equipment market, which is Advantest's primary profit base, predicts that new investment in non-memory test systems will decline year-on-year due to the impact of presently occurring inventory adjustments for mobile devices. However, we anticipate robust demand for memory test systems against a backdrop of further expansion in the production of higher-speed, larger-capacity DRAM and NAND devices.

Based on this outlook, Advantest will endeavor to expand our share of the semiconductor test equipment market, to reinforce our semiconductor test equipment peripherals business, and to cut costs, with the goal of boosting profits.

Our forecast for FY2017 consolidated results, based on our near-term outlook for each business segment and foreign exchange trends, calls for net sales of (Y) 172.0 billion, operating income of (Y) 18.0 billion, income before income taxes of (Y) 18.2 billion, and net income of (Y) 15.0 billion. These forecasts are based on foreign exchange rates of 1 USD to 110 JPY and 1 Euro to 120 JPY.

## 2. Basic Approach to the Selection of Accounting Standards

Advantest adopted International Financial Reporting Standards ("IFRS") for the improvement of international comparability of its financial information in the capital markets as well as homogenization and efficiency of its financial information of its group companies.



3. Consolidated Financial Statements and Main Notes  
 (1) Consolidated Statements of Financial Position

	Millions of Yen	
	As of March 31, 2016	As of March 31, 2017
<b>Assets</b>		
Current assets		
Cash and cash equivalents	85,430	95,324
Trade and other receivables	28,005	32,451
Inventories	33,912	39,093
Other current assets	3,049	2,976
Subtotal	150,396	169,844
Assets held for sale	—	1,295
Total current assets	150,396	171,139
Non-current assets		
Property, plant and equipment, net	31,451	29,915
Goodwill and intangible assets	16,726	16,479
Other financial assets	3,542	3,625
Deferred tax assets	8,038	10,282
Other non-current assets	298	163
Total non-current assets	60,055	60,464
Total assets	210,451	231,603

	Millions of Yen	
	As of March 31, 2016	As of March 31, 2017
<b>Liabilities and Equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	22,101	28,489
Bonds	—	15,000
Income tax payables	1,548	1,927
Provisions	1,709	1,643
Other financial liabilities	487	626
Other current liabilities	3,589	3,749
Total current liabilities	<u>29,434</u>	<u>51,434</u>
Non-current liabilities		
Bonds	44,618	29,745
Other financial liabilities	65	39
Retirement benefit liabilities	41,076	38,865
Deferred tax liabilities	358	420
Other non-current liabilities	1,281	1,583
Total non-current liabilities	<u>87,398</u>	<u>70,652</u>
Total liabilities	<u>116,832</u>	<u>122,086</u>
Equity		
Share capital	32,363	32,363
Share premium	44,478	44,319
Treasury shares	(94,585)	(86,039)
Retained earnings	105,190	113,676
Other components of equity	6,173	5,198
Total equity attributable to owners of the parent	<u>93,619</u>	<u>109,517</u>
Total equity	<u>93,619</u>	<u>109,517</u>
Total liabilities and equity	<u>210,451</u>	<u>231,603</u>

## (2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income

## Consolidated Statements of Profit or Loss

	Millions of Yen	
	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net sales	162,111	155,916
Cost of sales	<u>(70,636)</u>	<u>(66,176)</u>
Gross profit	91,475	89,740
Selling, general and administrative expenses	(79,109)	(76,174)
Other income	630	501
Other expenses	<u>(399)</u>	<u>(162)</u>
Operating income	12,597	13,905
Financial income	475	1,344
Financial expenses	<u>(1,305)</u>	<u>(227)</u>
Income before income taxes	11,767	15,022
Income taxes	<u>(5,073)</u>	<u>(821)</u>
Net income	<u><u>6,694</u></u>	<u><u>14,201</u></u>
Net income attributable to:		
Owners of the parent	6,694	14,201
Earnings per share:		Yen
Basic	<u>38.35</u>	<u>81.07</u>
Diluted	<u>35.38</u>	<u>73.95</u>

## Consolidated Statements of Comprehensive Income

	Millions of Yen	
	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net income	6,694	14,201
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans	(4,869)	2,918
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	(6,002)	(1,381)
Net change in fair values of available-for-sale financial assets	(555)	406
Total other comprehensive income	<u>(11,426)</u>	<u>1,943</u>
Total comprehensive income for the year	<u>(4,732)</u>	<u>16,144</u>
Comprehensive income attributable to:		
Owners of the parent	(4,732)	16,144

## (3) Consolidated Statements of Changes in Equity

	Millions of Yen						
	Equity attributable to owners of the parent					Total	Total Equity
	Share capital	Share premium	Treasury shares	Retained earnings	Other components of equity		
Balance at April 1, 2015	32,363	44,487	(94,686)	106,916	12,730	101,810	101,810
Net income				6,694		6,694	6,694
Other comprehensive income					(11,426)	(11,426)	(11,426)
Total comprehensive income for the year	—	—	—	6,694	(11,426)	(4,732)	(4,732)
Purchase of treasury shares			(1)			(1)	(1)
Disposal of treasury shares		(9)	102	(60)		33	33
Dividends				(3,491)		(3,491)	(3,491)
Transfer from other components of equity to retained earnings				(4,869)	4,869	—	—
Total transactions with the owners	—	(9)	101	(8,420)	4,869	(3,459)	(3,459)
Balance at March 31, 2016	32,363	44,478	(94,585)	105,190	6,173	93,619	93,619
Net income				14,201		14,201	14,201
Other comprehensive income					1,943	1,943	1,943
Total comprehensive income for the year	—	—	—	14,201	1,943	16,144	16,144
Purchase of treasury shares			(2)			(2)	(2)
Disposal of treasury shares		(868)	8,548	(4,611)		3,069	3,069
Dividends				(4,022)		(4,022)	(4,022)
Share-based payments		682				682	682
Other		27				27	27
Transfer from other components of equity to retained earnings				2,918	(2,918)	—	—
Total transactions with the owners	—	(159)	8,546	(5,715)	(2,918)	(246)	(246)
Balance at March 31, 2017	32,363	44,319	(86,039)	113,676	5,198	109,517	109,517

## (4) Consolidated Statements of Cash Flows

	Millions of Yen	
	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from operating activities:		
Income before income taxes	11,767	15,022
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,965	5,158
Shared-based payment expense	—	682
Gain on sales of available-for-sale financial assets	(174)	(250)
Changes in assets and liabilities:		
Trade and other receivables	(2,726)	(4,618)
Inventories	3,621	(5,268)
Trade and other payable	(6,784)	6,403
Warranty provisions	189	(67)
Retirement benefit liabilities	864	1,491
Other	(152)	(36)
Subtotal	<u>11,570</u>	<u>18,517</u>
Interest and dividends received	303	267
Interest paid	(117)	(95)
Income taxes paid	<u>(4,028)</u>	<u>(2,856)</u>
Net cash provided by (used in) operating activities	<u>7,728</u>	<u>15,833</u>
Cash flows from investing activities:		
Proceeds from sale of available-for-sale financial assets	503	653
Proceeds from sale of property, plant and equipment	509	190
Purchases of property, plant and equipment	(3,116)	(4,018)
Purchases of intangible assets	(449)	(391)
Other	<u>158</u>	<u>45</u>
Net cash provided by (used in) investing activities	<u>(2,395)</u>	<u>(3,521)</u>
Cash flows from financing activities:		
Proceeds from disposal of treasury shares	33	3,063
Redemption of bonds	(10,000)	—
Dividends paid	(3,488)	(4,016)
Other	<u>(76)</u>	<u>(49)</u>
Net cash provided by (used in) financing activities	<u>(13,531)</u>	<u>(1,002)</u>
Net effect of exchange rate changes on cash and cash equivalents	<u>(3,946)</u>	<u>(1,416)</u>
Net change in cash and cash equivalents	<u>(12,144)</u>	<u>9,894</u>
Cash and cash equivalents at beginning of year	<u>97,574</u>	<u>85,430</u>
Cash and cash equivalents at end of year	<u><u>85,430</u></u>	<u><u>95,324</u></u>

## (5) Notes to the Consolidated Financial Statements

(Notes on Going Concern): None

(Segment Information)

## 1. Operating Segment Information

Fiscal year ended March 31, 2016

Millions of Yen

	Semiconductor and Component Test System Business	Mechatronics System Business	Services, Support and Others	Elimination and Corporate	Consolidated
Net sales					
Net sales to unaffiliated customers	100,706	31,482	29,923	—	162,111
Inter-segment sales	56	—	—	(56)	—
Total	100,762	31,482	29,923	(56)	162,111
Segment income (loss) (operating income (loss) before share option compensation expense)	10,514	2,599	4,944	(5,460)	12,597
Adjustment:					
Share option compensation expense	—	—	—	—	—
Operating income	—	—	—	—	12,597
Financial income	—	—	—	—	475
Financial expenses	—	—	—	—	(1,305)
Income before income taxes	—	—	—	—	11,767

Fiscal year ended March 31, 2017

Millions of Yen

	Semiconductor and Component Test System Business	Mechatronics System Business	Services, Support and Others	Elimination and Corporate	Consolidated
Net sales					
Net sales to unaffiliated customers	101,262	25,158	29,496	—	155,916
Inter-segment sales	4	34	—	(38)	—
Total	101,266	25,192	29,496	(38)	155,916
Segment income (loss) (operating income (loss) before share option compensation expense)	16,652	(1,529)	4,817	(5,353)	14,587
Adjustment:					
Share option compensation expense	—	—	—	—	(682)
Operating income	—	—	—	—	13,905
Financial income	—	—	—	—	1,344
Financial expenses	—	—	—	—	(227)
Income before income taxes	—	—	—	—	15,022

(Notes)

1. Advantest uses the operating income (loss) before share option compensation expense for management's analysis of business segment results.
2. Segment income (loss) is presented on the basis of operating income (loss) before share option compensation expense.
3. Inter-segment sales are based on market prices.
4. Adjustments to segment income in Corporate principally represent corporate general and administrative expenses and research and development expenses related to fundamental research activities that are not allocated to operating segments.

## 2. Consolidated Net Sales by Geographical Areas

	Millions of Yen	
	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Japan	12,979	18,443
Americas	29,551	14,840
Europe	6,181	8,510
Asia	113,400	114,123
Total	162,111	155,916

## (Notes)

1. Net sales to unaffiliated customers are based on the customer's location.
2. Each of the segment includes primarily the following countries or regions:
  - (1) Americas      U.S.A., Canada
  - (2) Europe        Germany, Israel
  - (3) Asia            Taiwan, South Korea, China, Singapore

## (Per Share Information)

The basis of calculation of basic earnings per share and diluted earnings per share were as follows:

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net income attributable to owners of the parent (Millions of Yen)	6,694	14,201
Net income not attributable to owners of the parent (Millions of Yen)	—	—
Net income to calculate basic earnings per share (Millions of Yen)	6,694	14,201
Dilutive effect of exercise of convertible bonds (Millions of Yen)	126	127
Net income to calculate diluted earnings per share (Millions of Yen)	6,820	14,328
Weighted average number of ordinary shares—basic	174,569,193	175,180,404
Dilutive effect of exercise of share options	61,173	368,002
Dilutive effect of exercise of convertible bonds	18,126,888	18,213,830
Weighted average number of ordinary shares—diluted	192,757,254	193,762,236
Basic earnings per share (Yen)	38.35	81.07
Diluted earnings per share (Yen)	35.38	73.95

(Significant Subsequent Events: None)



## Changes in Directors and Executive Officers (To be effective on June 27, 2017)

### 1. Nominees for Directors (excluding Directors who are Audit and Supervisory Committee members)

Director	Yoshiaki Yoshida	
Director	Osamu Karatsu	
Director	Seiichi Yoshikawa	
Director	Sae Bum Myung	
Director	Hans-Juergen Wagner	(to be newly elected)
Director	Soichi Tsukakoshi	(to be newly elected)

Mr. Yoshida is to be elected as Representative Director at the extraordinary meeting of the board of directors to be held on June 27, 2017 after the 75th ordinary general meeting of shareholders of Advantest Corporation.

### 2. Nominees for Directors who are Audit and Supervisory Committee members

Director who is an Audit and Supervisory Committee member	Yuichi Kurita
Director who is an Audit and Supervisory Committee member	Megumi Yamamuro
Director who is an Audit and Supervisory Committee member	Yasushige Hagio

### 3. Nominee for Substitute Director who is an Audit and Supervisory Committee member

Substitute Director who is an Audit and Supervisory Committee member      Osamu Karatsu

Substitute Director who is an Audit and Supervisory Committee member shall be elected to fill the vacancy of another Director who was an Audit and Supervisory Committee member who resigned before the expiration of his term of office.

### 4. Nominees for Executive Officers

President and CEO	Yoshiaki Yoshida	
Corporate Vice President	Sae Bum Myung	(to be promoted)
Managing Executive Officer	Hans-Juergen Wagner	
Managing Executive Officer	Soichi Tsukakoshi	
Managing Executive Officer	Satoru Nagumo	
Managing Executive Officer	Koichi Tsukui	
Managing Executive Officer	Keith Hardwick	(to be promoted)
Managing Executive Officer	Douglas Lefever	(to be promoted)
Managing Executive Officer	Syunsuke Kato	(to be promoted)
Managing Executive Officer	Atsushi Fujita	(to be promoted)
Executive Officer	Toshiyuki Okayasu	
Executive Officer	CH Wu	
Executive Officer	Kazuhiro Yamashita	
Executive Officer	Masuhiko Yamada	
Executive Officer	Isao Sasaki	
Executive Officer	Kimiya Sakamoto	
Executive Officer	Yong Xu	
Executive Officer	Michael Stichlmair	(to be newly elected)
Executive Officer	Juergen Serrer	(to be newly elected)
Executive Officer	Toshio Goto	(to be newly elected)
Executive Officer	Jinhee Lee	(to be newly elected)
Executive Officer	Suan Seng Sim (Ricky Sim)	(to be newly elected)
Executive Officer	Yasuo Mihashi	(to be newly elected)

## 5. Expiration of term of office of Directors and Executive Officers

Shinichiro Kuroe, Director	----	To be elected as Senior Executive Advisor
Hiroshi Nakamura, Director and Managing Executive Officer	----	To be elected as Advisor
Takashi Sugiura, Executive Officer	----	To be elected as Advisor
Takashi Sekino, Executive Officer	----	To be elected as Advisor
Josef Schraetzenstaller, Executive Officer	----	To be elected as Advisor of Advantest Europe GmbH
Wilhelm Radermacher, Executive Officer	----	To be elected as Advisor of Advantest Europe GmbH

## Nominees for New Directors (Biography)

Hans-Juergen Wagner (Date of Birth: January 19, 1960)

Dec. 1984	Completed Technical University in Stuttgart, Master's degree in Engineering
Jan. 1985	Joined Hewlett-Packard GmbH
Jun. 2006	Vice President, Verigy Germany GmbH
Jul. 2011	Executive Officer, Advantest Corporation Executive Vice President, SoC Products, Verigy Ltd.
Oct. 2011	Chairman of the Board, President and CEO, Verigy Ltd.
Apr. 2012	Managing Director (R&D, CTO), Advantest Europe GmbH (present position)
Aug. 2012	SoC Test Business Groups, Advantest Corporation (present position)
Jun. 2013	Managing Executive Officer, Advantest Corporation (present position)

Soichi Tsukakoshi (Date of Birth: February 1, 1960)

Mar. 1983	Graduated from School of Science and Engineering, Tokyo Denki University
Apr. 1983	Joined Advantest Corporation
Apr. 2008	General Manager, Strategic Sales Division, Sales and Marketing Group
Jun. 2008	Executive Officer Senior Vice President (Officer), Sales Group
Jan. 2010	Leader, Domestic Account Sales Initiative, Sales Group Division Manager, Sales Division 1, Sales Group
Jun. 2012	Senior Vice President (Officer), Production Group
Jun. 2013	Executive Vice President, Production Group (present position)
Jun. 2015	Managing Executive Officer (present position)

## Nominees for New Executive Officers (Biography)

Michael Stichlmair (Date of Birth: March 8, 1963)

Oct. 1987	Graduated from Munich University of Applied Sciences, Engineer in Physical Technology
Jul. 1989	Joined Advantest Europe GmbH
May 2004	Director, Sales and Marketing, Advantest Europe GmbH
Sep. 2009	Vice President, Chief Marketing Officer, Advantest Europe GmbH (present position)

Juergen Serrer (Date of Birth: December 20, 1965)

Sep. 1990	Graduated from Fachhochschule Furtwangen, Diploma Computer Engineering
Jan. 1991	Joined Hewlett-Packard GmbH
Feb. 2005	Vice President, High Speed Memory & Digital Test, Agilent Technologies
Feb. 2013	Vice President and General Manager for PAC Business for V93000, Advantest Europe GmbH
Apr. 2016	Vice President and General Manager for PAC Business and Strategic Planning for V93000, Advantest Europe GmbH
Nov. 2016	Vice President and General Manager for V93000, Advantest Europe GmbH (present position)

Toshio Goto (Date of Birth: July 14, 1961)

- Mar. 1985 Graduated from Faculty of School of Science and Technology,  
Department of Mechanical Science and Technology, Gunma University
- Apr. 1985 Joined Advantest Corporation
- Jul. 2010 Department Manager, Production Department 1, Production Division, Production Group
- Jun. 2011 Division Manager, Production Division, Production Group
- Jun. 2013 Division Manager, DI Business Division (present position)

Jinhee Lee (Date of Birth: December 31, 1962)

- Mar. 1989 Graduated from Kwangwoon University, Bachelor of Electronic Engineering
- Nov. 2000 Joined Advantest Korea Co., Ltd.
- Apr. 2003 General Manager, SE Division, Advantest Korea Co., Ltd.
- May 2012 General Manager, Sales Division, Advantest Korea Co., Ltd.
- Jun. 2013 Director, Advantest Korea Co., Ltd.
- Jun. 2015 Representative Director and President, Advantest Korea Co., Ltd. (present position)

Suan Seng Sim [Ricky Sim] (Date of Birth: May 27, 1965)

- Apr. 1990 Graduated from National University of Singapore, Bachelor of Electronic Engineering
- Sep. 1994 Joined Hewlett-Packard Singapore Pte. Ltd.
- Jun. 2013 Vice President, Sales and Support, Advantest (Singapore) Pte. Ltd.
- Jun. 2016 Managing Director (CEO), Advantest (Singapore) Pte. Ltd. (present position)

Yasuo Mihashi (Date of Birth: November 10, 1965)

- Mar. 1991 Graduated from Department of Mechanical Engineering,  
Faculty of Engineering, Kanagawa Institute of Technology
- Apr. 1991 Joined Advantest Corporation
- Jun. 2009 Department Manager, Sales Department 3, Sales Division 2, Sales Group
- Jun. 2013 Division Manager, Sales Division 2, Sales Group
- Jun. 2014 Division Manager, Sales Division 1, Sales Group
- Dec. 2016 Division Manager, Marketing and Business Development Division, Sales Group  
(present position)