

ADVANTEST.

FY2016 3Q Information Meeting

January 26th, 2017

Advantest Corporation

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, a discussion of Advantest's business strategy, outlook and expectations as to market and business developments, production and capacity plans. These forward-looking statements can be identified by use of forward-looking terminology 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. 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 develop in a timely fashion products that meet the changing needs of semiconductor manufacturers and communications network equipment and component 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. A discussion of these and other factors which may affect Advantest's actual results, levels of activity, performance or achievements is contained in the "Risk Factors" section of Advantest's Annual Financial Report.

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Financial Results for 3rd Quarter of FY2016 (Period ended December 31th, 2016)

Advantest Corporation
Hiroshi Nakamura
Director and Managing Executive Officer

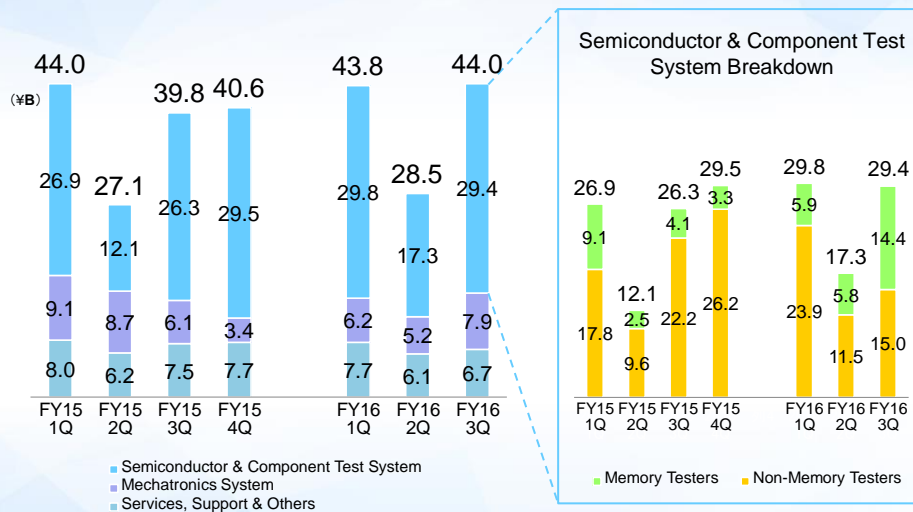
FY2016 3Q Summary of Results

								(¥B)
	FY2015 3Q	FY2016 1Q	FY2016 2Q	FY2016 3Q	QoQ(¥)	QoQ(%)	YoY(¥)	YoY(%)
Orders	39.8	43.8	28.5	44.0	+15.5	+54.3%	+4.2	+10.5%
Sales	29.9	40.7	35.5	31.4	-4.2	-11.7%	+1.5	+5.0%
Gross Profit	18.0	25.3	21.0	18.1	-3.0	-14.3%	+0.1	+0.5%
Gross Profit Margin	60.2%	62.2%	59.3%	57.6%	-1.7pts		-2.6pts	
Operating Income	-0.2	5.7	2.6	1.0	-1.6	-62.3%	+1.2	-
Operating Income Margin	-0.7%	14.1%	7.3%	3.1%	-4.2pts		+3.8pts	
Income Before Tax	0.3	6.2	2.9	0.6	-2.3	-78.5%	+0.3	+85.6%
Net Income	-0.3	5.0	2.3	0.1	-2.2	-95.1%	+0.4	-
Net Income Margin	-1.0%	12.2%	6.4%	0.4%	-6.0pts		+1.4pts	
Backlog	38.8	36.5	29.5	42.2	+12.6	+42.8%	+3.4	+8.7%
Exchange Rate	1 US\$	¥121	¥111	¥104	¥105	¥1 Depreciation	¥16 Appreciation	
	1 Euro	¥134	¥124	¥116	¥115	¥1 Appreciation	¥19 Appreciation	

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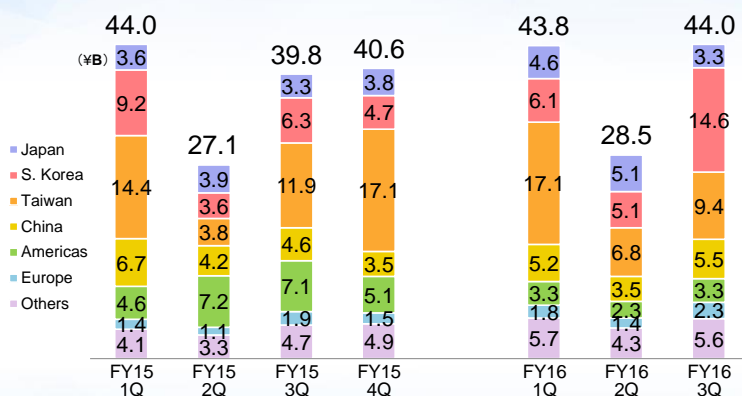
FY2016 3Q Orders by Segment



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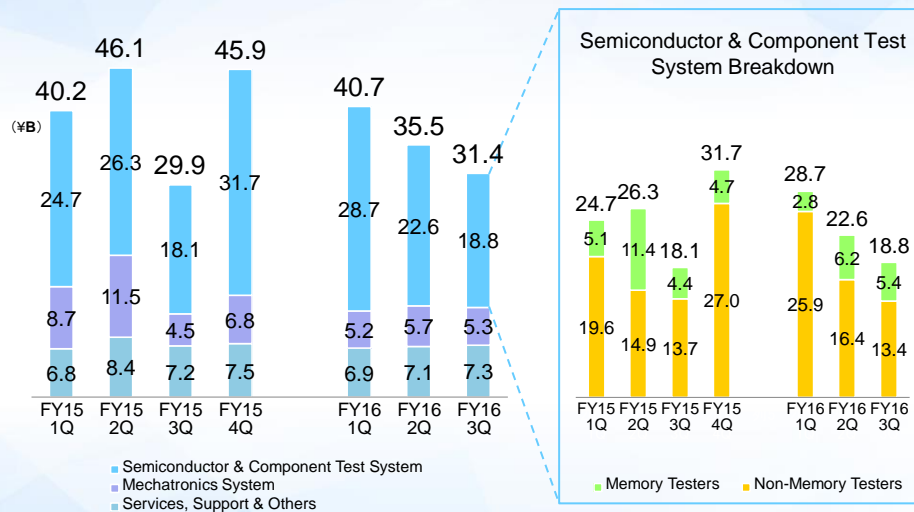
FY2016 3Q Orders by Region



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FY2016 3Q Sales by Segment

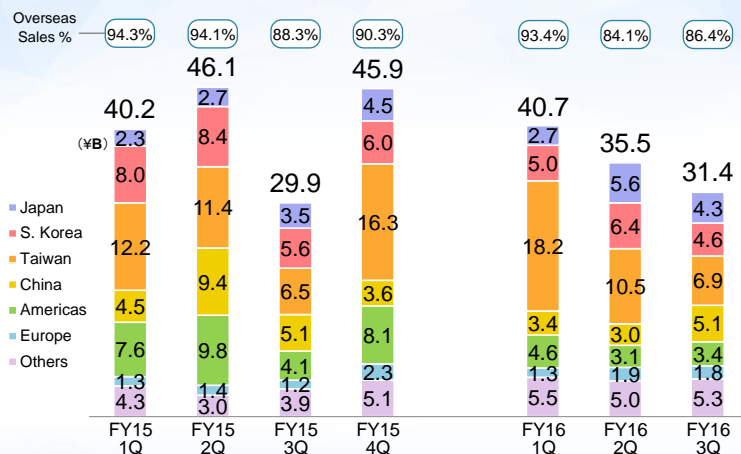


Note: Intersegment transactions have been eliminated from totals

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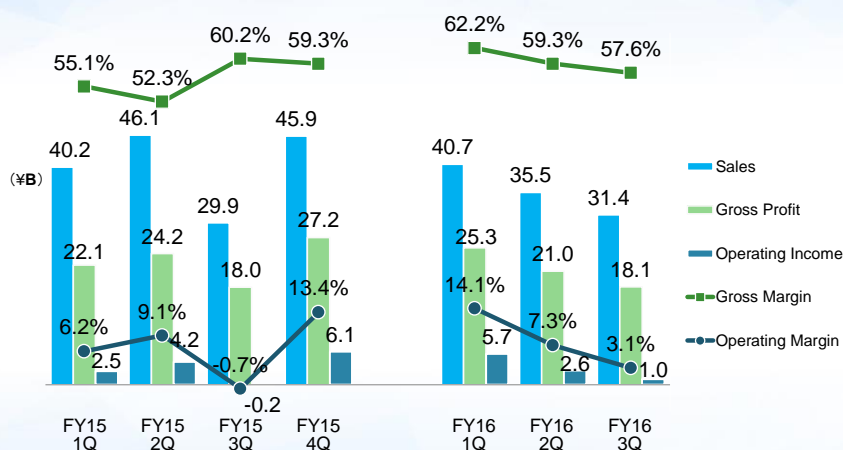
FY2016 3Q Sales by Region



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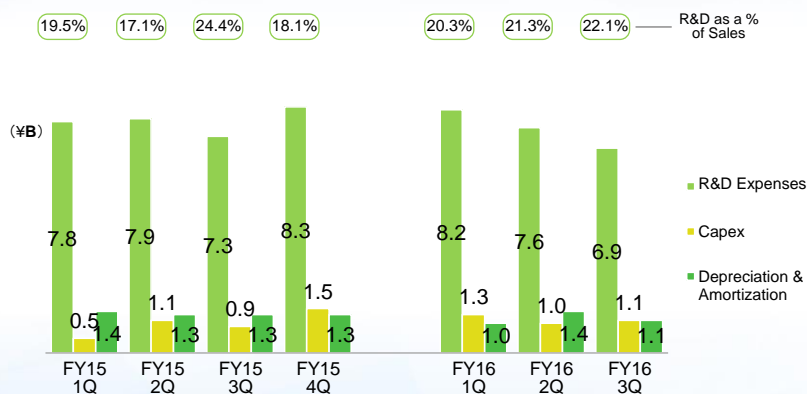
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FY2016 3Q Sales / Gross Profit / Operating Income


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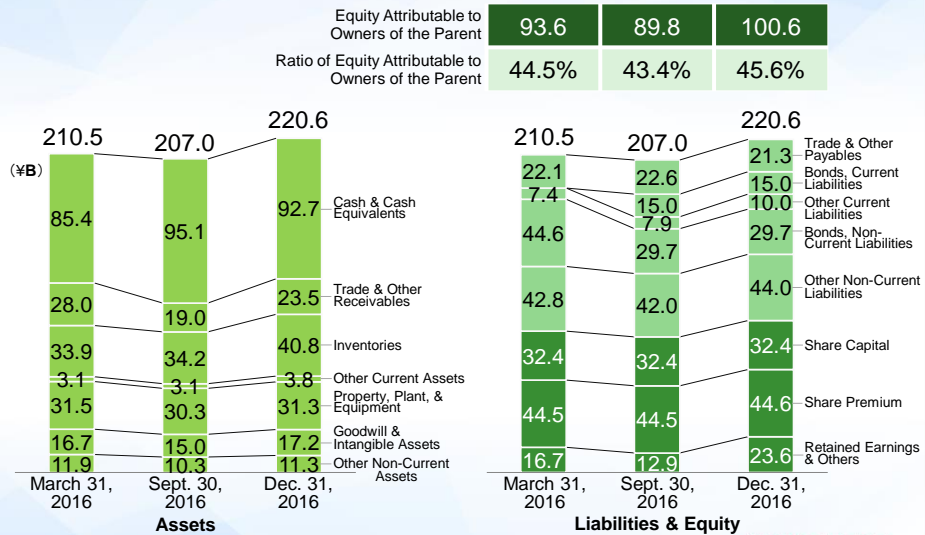
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FY2016 3Q R&D Expenses / Capex / Depreciation and Amortization


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FY2016 3Q Balance Sheet



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FY2016 Business Outlook

Advantest Corporation
 Yoshiaki Yoshida
 Representative Director, President & CEO

FY2016 Financial Results Forecast

	FY2015	FY2016 Forecast (October)	FY2016 Forecast (January)	vs. FY2015 (¥)	vs. FY2015 (%)
Orders	151.5	158.0	160.0	+8.5	+5.6%
Backlog	33.5	35.5	35.5	+2.0	+6.0%
Sales	162.1	156.0	158.0	-4.1	-2.5%
Semiconductor & Component Test Systems	100.8	100.5	102.0	+1.2	+1.2%
Mechatronics	31.5	26.0	27.0	-4.5	-14.2%
Services, Support & Others	29.9	29.5	29.0	-0.9	-3.1%
Operating Income	12.6	14.5	16.0	+3.4	+27.0%
Operating Income Margin	7.8%	9.3%	10.1%	+2.3pts	
Income Before Tax	11.8	15.3	16.5	+4.7	+40.2%
Net Income	6.7	12.0	13.0	+6.3	+94.2%
Net Income Margin	4.1%	7.7%	8.2%	+4.1pts	
Annual Dividend Per Share	¥20	¥22	¥23	+3	

✓ Exchange Rate Assumptions for 4Q FY2016 Forecast: 1 US\$ = ¥ 110, 1 Euro = ¥120

* Exchange Rate Assumptions in October : 1 US\$ = ¥ 100, 1 Euro = ¥110

* Previous fiscal year's actual exchange rates: 1 US\$ = ¥ 121, 1 Euro = ¥133

Note: Intersegment transactions have been eliminated from totals

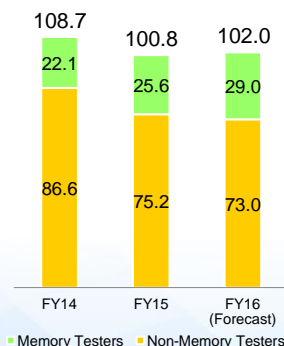
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Outlook by Segment

■ Semiconductor & Component Test System

Semiconductor & Component Test
System Sales trends (¥B)



Non-Memory Testers

✓ Chinese brand smartphones, which are gaining added functionality in leaps and bounds, will continue to act as the driver of non-memory tester demand

✓ With the market growing in line with our estimates, 4Q should see orders and sales both recover over 3Q

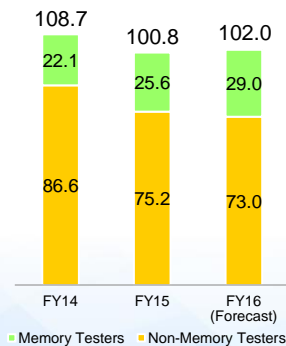
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Outlook by Segment

■ Semiconductor & Component Test System

Semiconductor & Component Test System Sales trends (¥B)



Memory Testers

- ✓NAND: We anticipate continuing demand as new volume production lines for 3D NAND are ramped up
- ✓DRAM: We also expect to see investment in DRAM testers continuing into the next fiscal year on the existing DRAM supply gap
- ✓Since the market environment is better than we had anticipated, we have accordingly boosted our full-year forecast

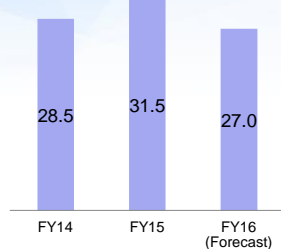
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Outlook by Segment

■ Mechatronics

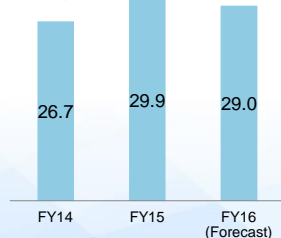
Mechatronics Sales Trends (¥B)



- ✓Device interface sales to rise in 4Q, in tandem with increasing memory tester demand

■ Services, Support, & Others

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



- ✓Despite the negative influence of yen appreciation, we expect sales in line with the previous fiscal year, as demand remains robust

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