

April 25, 2019

ADVANTEST CORPORATION
Yoshiaki Yoshida
Representative Director, President & CEO
(Stock Code Number: 6857)

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Absorption-type Merger of the Company’s Subsidiary

Tokyo (April 25, 2019) – Advantest Corporation (the “Company”) resolved at the meeting of its Board of Directors today to merge Cloud Testing Service, Inc. (the “Subsidiary”), its consolidated subsidiary (the “Merger”), into the Company. The details are as follows. As this is a merger of a wholly-owned subsidiary into the Company, certain details have been omitted from this disclosure.

1. Purpose of the Merger

The Subsidiary to be merged is a wholly-owned consolidated subsidiary of the Company, which operates a subscription business of testing IP licenses as a part of our semiconductor and component test system business. The Company decided to conduct the absorption-type merger in order to combine the know-hows and the basement of the testing IP service business with the Company’s Test System, thereby expanding its business by providing customers with testing process solutions most suitable to them.

2. Overview of the Merger

(1) Merger schedule

Approval of the Merger by the Board of Directors of the Company: April 25, 2019

Signing of the Merger Agreement: April 25, 2019

Approval of the Merger at a General Meeting of Shareholders:

In accordance with Article 796, Paragraph 2 of the Company Law applicable to the Company, and Article 784 Paragraph 1 of the Company Law applicable to the Subsidiary, the Merger does not require the approval at the shareholders’ meeting of either the Company or the Subsidiary.

Date of Merger (the effective date): July 1, 2019 (planned)

(2) Merger method

The Subsidiary will be merged into the Company as the surviving company and the Subsidiary will be dissolved. As of March 31, 2019, the Subsidiary had liabilities in excess of

assets, but prior to the merger agreement, the Company waived part of the receivables held against the Subsidiary and the condition has been resolved.

(3) Details of the allotment upon the Merger

As the Company owns all shares of the Subsidiary, there will be no issuance of new shares, increase of capital or cash payment upon the Merger of the Subsidiary.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights

The Subsidiary has not issued and does not have any stock acquisition rights or bonds with stock acquisition rights outstanding.

3. Outline of participants in the Merger (as of March 31, 2019)

(1) Registered trade name	Advantest Corporation (Surviving company)	Cloud Testing Service, Inc. (Company to be merged)
(2) Location of Head Office	1-6-2 Marunouchi, Chiyoda-ku, Tokyo	1-6-2 Marunouchi, Chiyoda-ku, Tokyo
(3) Title and name of Representative	Yoshiaki Yoshida, Representative Director, President & CEO	Manabu Kimura, Representative Director and President
(4) Business description	Development, manufacture, sales and maintenance service of Semiconductor and Component Test Systems	Planning and sales of testing services with testing IP license
(5) Capital	32,363 million yen	80 million yen
(6) Date established	December 16, 1954	September 18, 2012
(7) Total number of shares issued and outstanding	199,566,770 shares (including treasury stock)	6,000 shares
(8) Fiscal year end	March 31	March 31
(9) Principal shareholders and percentages of shares held	The Master Trust Bank of Japan, Ltd. (trust account): 24.55% Japan Trustee Services Bank, Ltd. (trust account): 10.86% Trust & Custody Services Bank, Ltd(trust account): 3.00% THE BANK OF NEW YORK MELLON 140051: 2.11%	Advantest Corporation, 100%
(10) Operation and financial results of the latest fiscal year (Unaudited)		
Fiscal year end	March 31, 2019 (Consolidated, IFRS)	March 31, 2019 (Non-consolidated, Japan GAAP)
Equity attributable to owners of the parent	198,731 million yen	(77) million yen
Total assets	304,580 million yen	218 million yen

Equity attributable to owners of the parent per share	1,004.53 yen	(12,808.17) yen
Net sales	282,456 million yen	280 million yen
Operating income	64,662 million yen	70 million yen
Income before income taxes	66,211 million yen	71 million yen
Net income attributable to owners of the parent	56,993 million yen	50 million yen
Basic earnings per share attributable to owners of the parent	302.35 yen	8,257.67 yen

4. Post-merger status

No changes will be made to the Company's registered trade name, head office location, representative title or name, business activities, capital, or fiscal year end as a result of the Merger.

5. Future Outlook

Since the Merger is a merger with the wholly-owned consolidated subsidiary of the Company, there will be no impact on the Company's consolidated financial results.