

**Advantest Corporation**  
**The 79th Ordinary General Meeting of Shareholders**  
**Q&A Summary**

**【Questions received online prior to the event】**

Q. With demand for semiconductors rising, isn't it possible to raise the price of your products and thus increase profits?

A. We do expect that price increases will improve profitability. We will continue striving to increase the value of our products and services. On the other hand, our customers are the world's leading semiconductor manufacturers, and they have strong purchasing power. It is also necessary to consider that our competitors compete on price.

Q. The goals of the second mid-term management plan seem low. Advantest often has large discrepancies between initial forecasts of income and actual results, and large upward revisions are made every year. Hasn't your corporate culture become one that tends to make low business forecasts which then get revised upwards?

A. For the five years from 2016 to 2020, the discrepancy between our initial forecasts of pre-tax income and actual results was sometimes as large as roughly 60%. On the other hand, for the previous five years, from 2011 to 2015, forecasts sometimes diverged from results by more than -100%, meaning that our forecasts were much too high. These discrepancies are due to the fact that the SPE business is characterized by large fluctuations in demand from the semiconductor manufacturers who are customers. We will try to get our forecasts as accurate as possible in future.

**【Questions received at the event】**

Q. Regarding the exchange rate assumptions for this period, what is your foreign exchange gain or loss when the yen appreciates by 1 yen?

A. Our exchange rate sensitivity in 2021 will be a loss of about ¥800 million in operating income if the yen appreciates by 1 yen against the US dollar. If the yen appreciates by 1 yen against the euro, operating income will increase by about ¥150 million.

Q. You mentioned your "competitors," but which companies were you specifically referring to?

A. Our biggest competitor is Teradyne, Inc. in the United States. We also have a competitor in the United States called Cohu, Inc. In addition, there are a certain number of competitors in South Korea, Taiwan and China.

Q. Please explain how Advantest is handling Covid-19 infections and whether vaccination is carried out at your workplaces.

A. Some of our employees are infected with Covid-19. Cases are the highest in the United States, and there are also several infected people in Japan. However, none of our employees have become seriously ill, and most of them are already recovered or just mildly ill. We are currently preparing for vaccination at workplaces in Japan. (Note: Implementation started on June 28th.)

Q. The "Governance and Compliance" section on page 23 of your integrated report mentions one case of fraud and three cases of non-compliance. What type of incidents were these?

A. Cases of internal harassment and incorrect email transmission. All were minor incidents.

Q. Your second mid-term management plan sets a budget of ¥100 billion for strategic investments such as M&A. Do you envision carrying out large-scale M&A? Please share your thinking.

A. Our global market share is close to 50%, and we recognize that it would be extremely difficult to acquire another tester company due to antitrust considerations. Therefore, our M&A targets are tester peripheral businesses and companies in other industries where our technology can be applied. However, this ¥100 billion yen budget may not be used up. On the other hand, ¥100 billion yen may not be enough. The Board of Directors will make appropriate decisions on specific cases.

Q. Regarding the time of announcement of your financial results, you usually announce them from 15:00, but I would like you to announce them before 15:00, when the stock market is open.

A. In the past, it was common to announce financial results after the stock market closed for the day, but we are aware that the number of companies that announce financial results during trading hours has recently increased. This may be to avoid the fact that only foreign investors can react immediately to results, while Japanese investors have to wait for the next day. I cannot say now whether or not we can implement earlier announcements, but we will consider it in the future.

**【Questions received from viewers of the livestream】**

Q. This year, a new IC chip in the HPC (High Performance Computing) sector, made by a North American semiconductor manufacturer, received high praise. Is it possible for you to sell tester to that company?

A. Unfortunately, the business of the manufacturer in question is dominated by competitors. However, we see room for expansion of our business in the future and will continue our efforts.

Q. Are future trends in the semiconductor-related markets expected to be different from what we have seen so far?

A. I feel that in the three years from FY2018, when we started our first mid-term management plan, the semiconductor manufacturing equipment business was fairly stable compared to the past. The market is fairly stable these days. This is because products equipped with semiconductors are now used everywhere. Due to social changes, semiconductor demand has been smoothed out, and as a result, the semiconductor manufacturing equipment business is also benefiting. In the future, waves of demand will not entirely disappear, but considering that semiconductors will enter every corner of society, I think these fluctuations will be gentler than in the past.

Q. When viewing this livestream on my smartphone, it was inconvenient not to be able to enlarge the screen.

A. Thank you for your feedback.