

(Translation)

This document has been translated from the Quarterly Securities Report for the nine-month period ended December 31, 2022, pursuant to the Financial Instruments and Exchange act of Japan. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.

# **Quarterly Securities Report**

From October 1, 2022 to December 31, 2022

(Third Quarter of the 81<sup>st</sup> term)

**Advantest Corporation**

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[Company Name]	Kabushiki Kaisha Advantest
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This is an English translation of the Quarterly Securities Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETWORK (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan.

In this report, Advantest Corporation is hereinafter referred to as the “Company” and together with its consolidated subsidiaries as “Advantest”.

“¥”, “yen” or (Y) means Japanese yen.

### **Cautionary Statement with Respect to Forward-Looking Statements**

This Quarterly Securities Report contains “forward-looking statements” that are based on Advantest’s current expectations, estimates and projections. These statements include, among other things, the discussion of Advantest’s business strategy, outlook and expectations as to market and business developments, production and capacity plans. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “project,” “should” and similar expressions. Forward-looking statements 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, including:

- changes in demand for the products and services produced and offered by Advantest’s customers, including semiconductors, communications services and electronic goods;
- circumstances relating to Advantest’s investment in technology, including its ability to timely develop products that meet the changing needs of semiconductor manufacturers and communications network equipment and components makers and service providers;
- the environment in which Advantest purchases materials, components and supplies for the production of its products, including the availability of necessary materials, components and supplies during a significant expansion in the market in which Advantest operates; and
- changes in economic conditions, competitive environment, currency exchange rates or political stability in the major markets where Advantest produces, distributes or sells its products.

These risks, uncertainties and other factors also include those identified in “Risk Factors” and set forth elsewhere in Advantest’s most recent Annual Securities Report.

## Part I. Information on the Company

### Item 1. Company Overview

#### 1. Trends in Main Management Indicators

Business Term		The 80th	The 81st	The 80th
Accounting Period		Nine months ended December 31, 2021	Nine months ended December 31, 2022	Fiscal Year ended March 31, 2022
Net sales (Three months ended December 31)	Millions of Yen	300,067 (112,077)	412,799 (137,993)	416,901
Income before income taxes	Millions of Yen	81,335	132,858	116,343
Net income attributable to owners of the parent (Three months ended December 31)	Millions of Yen	60,893 (25,647)	99,806 (28,645)	87,301
Comprehensive income attributable to owners of the parent	Millions of Yen	70,554	109,843	107,286
Equity attributable to owners of the parent	Millions of Yen	281,460	330,552	294,621
Total assets	Millions of Yen	462,315	552,379	494,696
Basic earnings per share (Three months ended December 31)	Yen	311.62 (132.50)	530.99 (154.93)	449.56
Diluted earnings per share	Yen	310.03	529.01	447.26
Ratio of equity attributable to owners of the parent	%	60.9	59.8	59.6
Cash flows from operating activities	Millions of Yen	56,296	46,482	78,889
Cash flows from investing activities	Millions of Yen	(41,248)	(19,981)	(46,907)
Cash flows from financing activities	Millions of Yen	(43,742)	(62,202)	(68,736)
Cash and cash equivalents at the end of period	Millions of Yen	121,713	83,976	116,582

(Note) Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter referred to as the “IFRS”).

#### 2. Description of Business

There are no significant changes in the business operated by the Company and Advantest during the nine months ended December 31, 2022. There are also no transfer changes in major affiliated companies.

## Item2. Business Overview

### 1. Risk Factors

There were no risks newly identified during the nine months ended December 31, 2022.

There was no material change in risk factors which were described in the Annual Securities Report for the fiscal year ended March 31, 2022.

### 2. Management's Discussion and Analysis of Financial Condition, Operating Results and Cash Flows

#### (1) Overview of Business Results

Consolidated Financial Results of FY2022 Q3 (April 1, 2022 through December 31, 2022)

(in billion yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	As compared to the corresponding period of the previous fiscal year increase (decrease)
Net sales	300.1	412.8	37.6%
Operating income	81.0	129.1	59.4%
Income before income taxes	81.3	132.9	63.3%
Net income	60.9	99.8	63.9%

During Advantest's nine-month period ended December 31, 2022, the global economy experienced ongoing inflation due to higher resource prices driven by heightened geopolitical risks as well as supply chain disruptions caused by COVID-19 restrictions. Mainly in Western countries, policymakers also raised interest rates to curb inflation. This increased recessionary pressures on the global economy, exacerbating fears of a downturn.

Amidst this uncertain global economic situation, the semiconductor market also saw a decline in demand for chips used in cornerstone consumer electronics products such as smartphones, personal computers and televisions, and suppliers of devices for these applications have been adjusting their inventories and capital expenditure plans. On the other hand, shortages of certain automotive and industrial semiconductors continued. Despite this patchy demand picture, the decline of the semiconductor market overall has been gradually accelerating during the period.

Advantest's semiconductor test equipment sales were also affected by the decline in demand for consumer electronic devices and consequent reduction in production volumes of these chips. Rising demand for our products against the backdrop of higher semiconductor performance compensated for this factor, but at the same time, parts shortages and logistical dislocations affected a wide range of supply chains, and Advantest continued to have difficulty procuring needed parts. Advantest responded to this situation from a mid/long-term perspective by reinforcing our procurement capabilities and improving our readiness to cope with demand fluctuations. Sales were generally in line with expectations.

As a result of the above, net sales were (Y) 412.8 billion (37.6% increase in comparison to the corresponding period of the previous fiscal year), operating income was (Y) 129.1 billion (59.4% increase in comparison to the corresponding period of the previous fiscal year), income before income taxes was (Y) 132.9 billion (63.3% increase in comparison to the corresponding period of the previous fiscal year), and net income was (Y) 99.8 billion (63.9% increase in comparison to the corresponding period of the previous fiscal year). Although procurement costs rose, our sales mix tilted towards more-profitable products, and the weaker yen also had the effect of increasing sales and profits. As a result, all the above results reached record highs for this nine-month

period. Average currency exchange rates in the nine-month period ended December 31, 2022 were 1 USD to 135 JPY (111 JPY in the corresponding period of the previous fiscal year) and 1 EUR to 139 JPY (131 JPY in the corresponding period of the previous fiscal year). The percentage of net sales to overseas customers was 96.6% (96.1% in the corresponding period of the previous fiscal year).

Conditions of business segments are described below.

<Semiconductor and Component Test System Segment>

(in billion yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	As compared to the corresponding period of the previous fiscal year increase (decrease)
Net sales	207.6	293.5	41.3%
Segment income (loss)	74.4	122.3	64.4%

In this segment, sales of SoC semiconductor test equipment for advanced process devices increased significantly amidst further technological evolution and performance gains in HPC (High Performance Computing) devices and application processors. Sales of test equipment for mature process products such as automotive and industrial devices, which are in great demand, were also strong. Regarding memory semiconductor test equipment, despite the slowdown in the memory semiconductor market, customers continued to invest mainly in high-performance memory semiconductor test equipment, supporting continued strong sales of our products.

As a result of the above, net sales were (Y) 293.5 billion (41.3% increase in comparison to the corresponding period of the previous fiscal year), and segment income was (Y) 122.3 billion (64.4% increase in comparison to the corresponding period of the previous fiscal year).

<Mechatronics System Segment>

(in billion yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	As compared to the corresponding period of the previous fiscal year increase (decrease)
Net sales	31.8	42.3	32.9%
Segment income (loss)	4.9	10.0	2.0 times

In this segment, sales of device interface products and test handlers increased due to strong customer motivation to invest in semiconductor test equipment. In terms of profit, increased sales were the principal factor contributing to higher segment profitability.

As a result of the above, net sales were (Y) 42.3 billion (32.9% increase in comparison to the corresponding period of the previous fiscal year), and segment income was (Y) 10.0 billion (2.0 times increase in comparison to the corresponding period of the previous fiscal year).

<Services, Support and Others Segment>

(in billion yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	As compared to the corresponding period of the previous fiscal year increase (decrease)
Net sales	60.7	77.1	27.0%
Segment income (loss)	12.5	10.1	(18.8%)

In this segment, maintenance services delivered strong sales as Advantest's installed base grew. However, in our system-level test business, although Advantest is making ongoing investments in reinforcing our production and R&D capabilities, declining consumer-related demand from some customers, the impact of U.S. restrictions on exports to China, and other factors caused sales growth to lag our estimates. As a result, profit in this segment fell below the results for the corresponding period of the previous fiscal year.

As a result of the above, net sales were (Y) 77.1 billion (27.0% increase in comparison to the corresponding period of the previous fiscal year), and segment income was (Y) 10.1 billion (18.8% decrease in comparison to the corresponding period of the previous fiscal year).

(2) Analysis of Financial Condition

Total assets at December 31, 2022 amounted to (Y) 552.4 billion, an increase of (Y) 57.7 billion compared to the fiscal year ended March 31, 2022. This was primarily attributable to increases of (Y) 61.7 billion in inventories, (Y) 10.7 billion in goodwill and intangible assets and (Y) 8.8 billion in property, plant and equipment, offset by a decrease of (Y) 32.6 billion in cash and cash equivalents. The amount of total liabilities was (Y) 221.8 billion, an increase of (Y) 21.8 billion compared to the fiscal year ended March 31, 2022. This was primarily attributable to increases of (Y) 18.0 billion in borrowings and (Y) 4.5 billion in other financial liabilities mainly due to an increase in deposits received. Total equity was (Y) 330.6 billion. Ratio of equity attributable to owners of the parent was 59.8%, an increase of 0.2 percentage point from March 31, 2022.

(3) Overview of Cash Flows

Cash and cash equivalents held at December 31, 2022 were (Y) 84.0 billion, a decrease of (Y) 32.6 billion from March 31, 2022. Significant cash flows during the nine-month period of this fiscal year and details are described below.

Net cash provided by operating activities was (Y) 46.5 billion (net cash inflow of (Y) 56.3 billion in the corresponding period of the previous fiscal year). This amount was primarily attributable to an increase of (Y) 59.3 billion in inventories, income taxes paid of (Y) 39.7 billion and adjustments of non-cash items such as depreciation and amortization in addition to the income before income taxes of (Y) 132.9 billion.

Net cash used in investing activities was (Y) 20.0 billion (net cash outflow of (Y) 41.2 billion in the corresponding period of the previous fiscal year). This amount was primarily attributable to purchases of property, plant and equipment in the amount of (Y) 16.3 billion and acquisition of subsidiaries of (Y) 3.5 billion.

Net cash used in financing activities was (Y) 62.2 billion (net cash outflow of (Y) 43.7 billion in the corresponding period of the previous fiscal year). This amount was primarily attributable to purchase of treasury shares of (Y) 50.0 billion.

(4) Business and Financial Issues to be Addressed

There were no material changes in issues to be addressed by Advantest for the nine months ended December 31, 2022.

(5) Research and Development

Research and development expenses were ¥43.9 billion for the nine months ended December 31, 2022.

There were no material changes in Advantest's research and development activities during the nine months ended December 31, 2022.

(6) Management Policy and Management Indicators

Advantest announced the revision of second mid-term management plan (FY2021-FY2023) (MTP2) which was formulated in May 2021, based on the business performance achieved for the first year of MTP2, fiscal year 2021, and future business forecasts.

For details, please refer to "Advantest Announces Revision of 2nd Mid-Term Management Plan (FY2021-FY2023)" announced on July 28, 2022.

**3. Material Contracts**

There were no material contracts relating to Advantest's operations that were agreed upon or entered during three months ended December 31, 2022.



### Item3. Status of the Company

#### 1. Status of Shares

##### (1) Total Number of Shares

###### 1) Total Number of Shares

Class	Total number of shares authorized to be issued (shares)
Common shares	440,000,000
Total	440,000,000

###### 2) Total Number of Issued Shares

Class	Number of issued shares as of the end of the third quarter accounting period (shares) (December 31, 2022)	Number of issued shares as of the filing date (shares) (February 13, 2023)	Stock exchange on which the Company is listed	Description
Common shares	191,542,265	191,542,265	Tokyo Stock Exchange Prime Market	One unit of shares constitutes 100 shares
Total	191,542,265	191,542,265	—	—

(Note) Number of issued shares as of the filing date of this Quarterly Securities Report does not include the number of issued shares between February 1, 2023 and such filing date.

##### (2) Status of Stock Acquisition Rights

###### 1) Stock Acquisition Rights

Not Applicable.

###### 2) Other Status of Share Options

Not Applicable.

##### (3) Status in the Exercise of Bonds with Share Options with Exercise Price Amendment

Not Applicable.

##### (4) Changes in the Total Number of Issued Shares and the Amount of Common Stock and Others

Date	Changes in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Changes in common stock (Millions of Yen)	Balance of common stock (Millions of Yen)	Changes in legal capital reserve (Millions of Yen)	Balance of legal capital reserve (Millions of Yen)
From October 1, 2022 to December 31, 2022	—	191,542,265	—	32,363	—	32,973

## (5) Major Shareholders

Not applicable for the three months ended December 31, 2022.

## (6) Status of Voting Rights

### 1) Issued Shares

As of December 31, 2022

Classification	Number of shares (shares)	Number of voting rights (units)	Description
Shares without voting rights	—	—	—
Shares with restricted voting rights (treasury shares)	—	—	—
Shares with restricted voting rights (others)	—	—	—
Shares with full voting rights (treasury shares)	Common shares 7,410,300	—	—
Shares with full voting rights (others)	Common shares 184,012,100	1,840,121	—
Less than one unit shares	Common shares 119,865	—	—
Total number of issued shares	191,542,265	—	—
Total voting rights held by all shareholders	—	1,840,121	—

(Note) In the column of “Shares with full voting rights (others),” there are 3,400 shares in the name of Japan Securities Depository Center (34 voting rights), 39,100 shares of the Company Shares owned by the BIP Trust (391 voting rights) and 123,200 shares of the Company Shares owned by the ESOP Trust (1,232 voting rights), in the column of “Less than one unit shares,” 46 shares in the name of Japan Securities Depository Center and 47 shares of the Company Shares owned by the ESOP Trust.

### 2) Treasury Shares

As of December 31, 2022

Shareholder	Address of shareholder	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total number of shares held (shares)	Percentage of shares held to the total number of issued shares (%)
Advantest Corporation	1-6-2 Marunouchi, Chiyoda-ku, Tokyo	7,410,300	—	7,410,300	3.86
Total	—	7,410,300	—	7,410,300	3.86

(Note) Other than the above, 39,100 shares of the Company Shares owned by the BIP Trust and 123,247 shares of the Company Shares owned by the ESOP Trust are treated as treasury shares in the financial statements.

## 2. Directors

There have been no changes in the members of the Directors of the Company from the filing date of the Annual Securities Report of the previous fiscal year to the end of the current quarterly period.

Changes in the members of the Directors of the Company after the end of the current quarterly period until the filing date of this Quarterly Securities Report are as follows.

### Changes in positions and responsibilities

New position	Former position	Name	Effective date
Representative Director, President & Group CEO	Representative Director, President and CEO	Yoshiaki Yoshida	January 1, 2023
Representative Director, Corporate Vice President & Group COO <sup>(Note 1)</sup> CSO <sup>(Note 2)</sup>	Director, Senior Executive Officer CSO <sup>(Note 2)</sup>	Douglas Lefever	January 1, 2023
Representative Director, Corporate Vice President & Group Co-COO <sup>(Note 3)</sup> CTO <sup>(Note 4)</sup>	Director, Senior Executive Officer CTO <sup>(Note 4)</sup>	Koichi Tsukui	January 1, 2023

(Notes) 1. Group COO: Group Chief Operating Officer

2. CSO: Chief Strategy Officer

3. Group Co-COO: Group Co-Chief Operating Officer

4. CTO: Chief Technology Officer

## **Item4. Financial Information**

### **1. Basis of Preparation of the Condensed Quarterly Consolidated Financial Statements**

The condensed quarterly consolidated financial statements of Advantest Corporation (the “Company”) and its subsidiaries are prepared in accordance with International Accounting Standards (“IAS”) No. 34, “Interim Financial Reporting”, pursuant to Article 93 of the “Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements” (the Ordinance of the Cabinet Office No. 64 of 2007, hereinafter “Ordinance on Quarterly Consolidated Financial Statements.”)

The condensed quarterly consolidated financial statements are rounded to the nearest million yen.

### **2. Audit Certification**

Pursuant to Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act of Japan, the condensed quarterly consolidated financial statements for the third quarter accounting period (from October 1, 2022 to December 31, 2022) and the third quarter cumulative period (from April 1, 2022 to December 31, 2022) were reviewed by Ernst & Young ShinNihon LLC.

# 1. Condensed Quarterly Consolidated Financial Statements

## (1) Condensed Quarterly Consolidated Statement of Financial Position

Millions of Yen

	Note	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>			
Current assets			
Cash and cash equivalents		116,582	83,976
Trade and other receivables		82,155	81,832
Inventories		95,013	156,731
Other current assets		11,007	19,261
Subtotal		<u>304,757</u>	<u>341,800</u>
Assets held for sale		188	—
Total current assets		<u>304,945</u>	<u>341,800</u>
Non-current assets			
Property, plant and equipment, net		51,392	60,194
Right-of-use assets		12,645	11,398
Goodwill and intangible assets, net	11	85,307	96,022
Other financial assets	10	14,565	16,567
Deferred tax assets		25,494	25,956
Other non-current assets		348	442
Total non-current assets		<u>189,751</u>	<u>210,579</u>
Total assets		<u><u>494,696</u></u>	<u><u>552,379</u></u>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Current liabilities			
Trade and other payables		70,352	72,171
Short-term borrowings		18,359	35,193
Income taxes payable		26,814	22,556
Provisions		6,536	8,525
Lease liabilities		2,918	2,911
Other financial liabilities	10	3,276	7,799
Other current liabilities		22,627	22,410
Total current liabilities		<u>150,882</u>	<u>171,565</u>
Non-current liabilities			
Long-term borrowings		12,239	13,394
Lease liabilities		9,947	8,685
Retirement benefit liabilities		22,341	21,568
Deferred tax liabilities		3,445	5,218
Other non-current liabilities		1,221	1,397
Total non-current liabilities		<u>49,193</u>	<u>50,262</u>
Total liabilities		<u>200,075</u>	<u>221,827</u>
<b>Equity</b>			
Share capital		32,363	32,363
Share premium		44,995	44,566
Treasury shares	6	(81,547)	(61,088)
Retained earnings		279,828	285,692
Other components of equity		18,982	29,019
Total equity attributable to owners of the parent		<u>294,621</u>	<u>330,552</u>
Total equity		<u>294,621</u>	<u>330,552</u>
Total liabilities and equity		<u><u>494,696</u></u>	<u><u>552,379</u></u>

**(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income**

**Condensed Quarterly Consolidated Statement of Profit or Loss**

Millions of Yen

	Note	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	5,8	300,067	412,799
Cost of sales		(130,463)	(172,436)
Gross profit		169,604	240,363
Selling, general and administrative expenses		(88,471)	(111,550)
Other income		516	589
Other expenses		(607)	(262)
Operating income	5	81,042	129,140
Financial income		422	4,376
Financial expenses		(129)	(658)
Income before income taxes		81,335	132,858
Income taxes		(20,442)	(33,052)
Net income		60,893	99,806
Net income attributable to:			
Owners of the parent		60,893	99,806
Earnings per share:			
	9	Yen	Yen
Basic		311.62	530.99
Diluted		310.03	529.01

Millions of Yen

	Note	Three months ended December 31, 2021	Three months ended December 31, 2022
Net sales	5	112,077	137,993
Cost of sales		(47,226)	(56,390)
Gross profit		64,851	81,603
Selling, general and administrative expenses		(31,400)	(40,528)
Other income		172	223
Other expenses		(57)	(74)
Operating income	5	33,566	41,224
Financial income		565	142
Financial expenses		(56)	(3,755)
Income before income taxes		34,075	37,611
Income taxes		(8,428)	(8,966)
Net income		25,647	28,645
Net income attributable to:			
Owners of the parent		25,647	28,645
Earnings per share:			
	9	Yen	Yen
Basic		132.50	154.93
Diluted		131.91	154.39

## Condensed Quarterly Consolidated Statement of Comprehensive Income

Millions of Yen

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net income	60,893	99,806
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Net change in fair value measurements of equity instruments at fair value through other comprehensive income	5,347	1,067
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	4,314	8,970
Total other comprehensive income (loss)	9,661	10,037
Total comprehensive income for the period	70,554	109,843
Comprehensive income attributable to:		
Owners of the parent	70,554	109,843

Millions of Yen

	Three months ended December 31, 2021	Three months ended December 31, 2022
Net income	25,647	28,645
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Net change in fair value measurements of equity instruments at fair value through other comprehensive income	3,362	2,478
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	3,473	(8,772)
Total other comprehensive income (loss)	6,835	(6,294)
Total comprehensive income for the period	32,482	22,351
Comprehensive income attributable to:		
Owners of the parent	32,482	22,351



### (3) Condensed Quarterly Consolidated Statement of Changes in Equity

Nine months ended December 31, 2021

Millions of Yen

	Note	Equity attributable to owners of the parent					Total	Total Equity
		Share capital	Share premium	Treasury shares	Retained earnings	Other components of equity		
Balance as of April 1, 2021		32,363	44,573	(15,001)	214,858	3,576	280,369	280,369
Net income					60,893		60,893	60,893
Other comprehensive income (loss), net of tax						9,661	9,661	9,661
Total comprehensive income for the period		—	—	—	60,893	9,661	70,554	70,554
Purchase of treasury shares	6		(43)	(45,711)			(45,754)	(45,754)
Disposal of treasury shares			(1,018)	2,621	(865)		738	738
Cancellation of treasury shares				66	(66)		—	—
Dividends	7				(25,470)		(25,470)	(25,470)
Share-based payments			1,018				1,018	1,018
Other					5		5	5
Transfer from other components of equity to retained earnings					69	(69)	—	—
Total transactions with the owners		—	(43)	(43,024)	(26,327)	(69)	(69,463)	(69,463)
Balance as of December 31, 2021		32,363	44,530	(58,025)	249,424	13,168	281,460	281,460

Nine months ended December 31, 2022

Millions of Yen

	Note	Equity attributable to owners of the parent					Total	Total Equity
		Share capital	Share premium	Treasury shares	Retained earnings	Other components of equity		
Balance as of April 1, 2022		32,363	44,995	(81,547)	279,828	18,982	294,621	294,621
Net income					99,806		99,806	99,806
Other comprehensive income (loss), net of tax						10,037	10,037	10,037
Total comprehensive income for the period		—	—	—	99,806	10,037	109,843	109,843
Purchase of treasury shares	6		(23)	(50,003)			(50,026)	(50,026)
Disposal of treasury shares			(1,619)	2,183	(229)		335	335
Cancellation of treasury shares	6			68,279	(68,279)		—	—
Dividends	7				(25,434)		(25,434)	(25,434)
Share-based payments			1,213				1,213	1,213
Total transactions with the owners		—	(429)	20,459	(93,942)	—	(73,912)	(73,912)
Balance as of December 31, 2022		32,363	44,566	(61,088)	285,692	29,019	330,552	330,552

**(4) Condensed Quarterly Consolidated Statement of Cash Flows**

Millions of Yen

	Note	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Cash flows from operating activities:			
Income before income taxes		81,335	132,858
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:			
Depreciation and amortization		10,879	15,262
Changes in assets and liabilities:			
Trade and other receivables		(2,093)	4,396
Inventories		(20,060)	(59,339)
Trade and other payables		(2,260)	(212)
Warranty provisions		2,087	1,962
Deposits received		1,851	3,858
Advance receipts		6,413	(1,089)
Retirement benefit liabilities		(8,388)	(1,225)
Other		874	(10,352)
Subtotal		70,638	86,119
Interest and dividends received		53	213
Interest paid		(102)	(165)
Income taxes paid		(14,293)	(39,685)
Net cash provided by (used in) operating activities		56,296	46,482
Cash flows from investing activities:			
Proceeds from sale of equity instruments		920	—
Purchases of equity instruments		(881)	—
Proceeds from sale of debt instruments		404	—
Purchases of property, plant and equipment		(11,801)	(16,312)
Purchases of intangible assets		(767)	(581)
Acquisition of subsidiaries	11	(28,991)	(3,505)
Other		(132)	417
Net cash provided by (used in) investing activities		(41,248)	(19,981)
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings		28,468	15,000
Proceeds from disposal of treasury shares		726	301
Purchases of treasury shares	6	(45,779)	(50,040)
Dividends paid	7	(25,260)	(25,118)
Payments for lease liabilities		(1,897)	(2,336)
Other		—	(9)
Net cash provided by (used in) financing activities		(43,742)	(62,202)
Net effect of exchange rate changes on cash and cash equivalents		1,243	3,095
Net change in cash and cash equivalents		(27,451)	(32,606)
Cash and cash equivalents at the beginning of period		149,164	116,582
Cash and cash equivalents at the end of period		121,713	83,976

## Notes to the Condensed Quarterly Consolidated Financial Statements

### 1. Reporting Entity

Advantest Corporation is a public company located in Japan.

The Company's condensed quarterly consolidated financial statements consist of the Company and its subsidiaries (collectively, "Advantest").

Advantest manufactures and sells semiconductor and component test system products and mechatronics-related products such as test handlers and device interfaces. Advantest also engages in research and development activities and provides maintenance and support services associated with these products.

### 2. Basis of Preparation

#### (1) Compliance with IFRS

As the Company meets the requirements of a "Specified Companies applying Designated IFRS" pursuant to Article 1-2 of the "Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements", Advantest prepares the condensed quarterly consolidated financial statements in accordance with IAS 34 under Article 93 of the same ordinance.

As the condensed quarterly consolidated financial statements do not contain all the information required in annual consolidated financial statements, they should be read in combination with the consolidated financial statements for the fiscal year ended March 31, 2022.

The condensed quarterly consolidated financial statements were approved on February 13, 2023 by Yoshiaki Yoshida, Representative Director, President & Group CEO and Atsushi Fujita, Director, Senior Executive Officer, CFO & CCO of the Company.

#### (2) Basis of Measurement

The condensed quarterly consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments measured at their fair values.

#### (3) Functional Currency and Presentation Currency

The condensed quarterly consolidated financial statements are presented in Japanese Yen, which is the Company's functional currency.

### 3. Significant Accounting Policies

The condensed quarterly consolidated financial statements are prepared based on the same accounting policies as those applied in the Advantest's consolidated financial statements for the fiscal year ended March 31, 2022.

#### **4. Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the condensed quarterly consolidated financial statements requires Advantest to make judgments, accounting estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on the best judgment of management in light of historical experience and various factors deemed to be reasonable according to the situation. The global epidemic of the new coronavirus (COVID-19) is not expected to have a material impact on Advantest's estimates and assumptions. Given their nature, however, actual results may differ from those estimates and assumptions. There is no material change from the estimates and assumptions used for the fiscal year ended March 31, 2022.

The estimates and underlying assumptions are continuously reviewed. The effects of a change in these estimates and assumptions are recognized in the period of the change and subsequent periods.

#### **5. Segment Information**

##### **(1) Overview of Reporting Segments**

Advantest manufactures and sells semiconductor and component test system products and mechatronics-related products such as test handlers and device interfaces. Advantest also engages in research and development activities and provides maintenance and support services associated with these products. Advantest's organizational structure consists of three reportable operating segments, which are the design, manufacturing, and sale of semiconductor and component test systems, mechatronics systems and services, support and others. These reportable operating segments are determined based on the nature of the products and the markets. Segment information is prepared on the same basis that management reviews financial information for operational decision making purposes.

The semiconductor and component test system segment provides customers with test system products for the semiconductor industry and the electronic parts industry. Product lines provided in the semiconductor and component test system segment include test systems for SoC semiconductor devices and test systems for memory semiconductor devices.

The mechatronics system segment provides product lines such as test handlers, mechatronic-applied products, for handling semiconductor devices, device interfaces that serve as interfaces with the devices that are measured and operations related to nano-technology products.

The services, support and others segment consists of comprehensive customer solutions provided in connection with the above segments, test solutions of system level testing for such as semiconductor and modules, support services, sales of consumables, sales of used products, equipment lease business and others.

##### **(2) Information of Reporting Segments**

Accounting treatment applied to operating segments is the same as in the note "3. Significant Accounting Policies."

Advantest uses the operating income (loss) before share-based compensation expense for management's analysis of operating segment results.

Share-based compensation expense represents expenses for stock options, performance-based stock remuneration expense and restricted stock compensation expense.

Segment income (loss) is presented on the basis of operating income (loss) before share-based compensation expense.

Inter-segment sales are based on market prices.

Nine months ended December 31, 2021

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	207,564	31,840	60,663	—	300,067
Inter-segment sales	66	—	—	(66)	—
Total	207,630	31,840	60,663	(66)	300,067
Segment income (loss) (operating income (loss) before share-based compensation expense)	74,402	4,930	12,493	(9,576)	82,249
Adjustment:					
Share-based compensation expense	—	—	—	—	(1,207)
Operating income	—	—	—	—	81,042
Financial income	—	—	—	—	422
Financial expenses	—	—	—	—	(129)
Income before income taxes	—	—	—	—	81,335

Nine months ended December 31, 2022

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	293,415	42,322	77,062	—	412,799
Inter-segment sales	39	—	—	(39)	—
Total	293,454	42,322	77,062	(39)	412,799
Segment income (loss) (operating income (loss) before share-based compensation expense)	122,325	10,041	10,139	(12,171)	130,334
Adjustment:					
Share-based compensation expense	—	—	—	—	(1,194)
Operating income	—	—	—	—	129,140
Financial income	—	—	—	—	4,376
Financial expenses	—	—	—	—	(658)
Income before income taxes	—	—	—	—	132,858

Three months ended December 31, 2021

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	80,252	10,896	20,929	—	112,077
Inter-segment sales	18	—	—	(18)	—
Total	80,270	10,896	20,929	(18)	112,077
Segment income (loss) (operating income (loss) before share-based compensation expense)	30,806	1,933	4,795	(3,514)	34,020
Adjustment:					
Share-based compensation expense	—	—	—	—	(454)
Operating income	—	—	—	—	33,566
Financial income	—	—	—	—	565
Financial expenses	—	—	—	—	(56)
Income before income taxes	—	—	—	—	34,075

Three months ended December 31, 2022

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	98,566	14,169	25,258	—	137,993
Inter-segment sales	19	—	—	(19)	—
Total	98,585	14,169	25,258	(19)	137,993
Segment income (loss) (operating income (loss) before share-based compensation expense)	40,443	2,979	2,402	(4,141)	41,683
Adjustment:					
Share-based compensation expense	—	—	—	—	(459)
Operating income	—	—	—	—	41,224
Financial income	—	—	—	—	142
Financial expenses	—	—	—	—	(3,755)
Income before income taxes	—	—	—	—	37,611

(Note) Adjustments to segment income (loss) 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.

## 6. Equity and Other Equity Items

Nine months ended December 31, 2021

(Share repurchase)

Advantest resolved to acquire its own shares at the Board of Directors' meeting held on July 28, 2021. The status of share repurchase for the nine months ended December 31, 2021 is as follows:

1. Type of shares acquired  
The Company's common shares
2. Total number of shares acquired  
4,677,700 shares
3. Total cost of acquisition  
45,700,277,000 yen
4. Method of acquisition  
Purchased on the Tokyo Stock Exchange

(Reference) Details of the resolution of the Board of Directors' meeting held on July 28, 2021

1. Type of shares to be acquired  
The Company's common shares
2. Total number of shares to be acquired  
Up to 10 million shares (Equivalent to 5.1% of outstanding shares excluding treasury shares)
3. Total cost of acquisition  
Up to 70 billion yen
4. Method of acquisition  
Purchase on the Tokyo Stock Exchange
5. Period of acquisition  
From August 2, 2021 to March 24, 2022

Nine months ended December 31, 2022

(Share repurchase)

Advantest resolved to acquire its own shares at the Board of Directors' meeting held on July 28, 2022. The status of share repurchase for the nine months ended December 31, 2022 is as follows:

1. Type of shares acquired  
The Company's common shares
2. Total number of shares acquired  
6,327,200 shares
3. Total cost of acquisition  
49,999,528,987 yen
4. Method of acquisition  
Purchased on the Tokyo Stock Exchange

(Reference) Details of the resolution of the Board of Directors' meeting held on July 28, 2022

1. Type of shares to be acquired  
The Company's common shares
2. Total number of shares to be acquired  
Up to 10 million shares (Equivalent to 5.3% of outstanding shares excluding treasury shares)
3. Total cost of acquisition  
Up to 50 billion yen
4. Method of acquisition  
Purchase on the Tokyo Stock Exchange
5. Period of acquisition  
From August 1, 2022 to December 23, 2022

(Cancellation of treasury shares)

Advantest resolved to cancel a portion of its own treasury shares in accordance with the provisions of Article 178 of the Companies Act, at the Board of Directors' meeting held on July 28, 2022 and executed as follows:

1. Type of shares cancelled  
The Company's common shares
2. Total number of shares cancelled  
8,000,000 shares (Equivalent to 4.01% of outstanding shares as of June 30, 2022)
3. Date of cancellation  
September 9, 2022
4. Total number of shares outstanding after the cancellation  
191,542,265 shares



## 7. Dividends

### Dividends Paid

Nine months ended December 31, 2021

Resolution	Class of shares	Amount of dividend (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting held on May 21, 2021	Common shares	15,770	80	March 31, 2021	June 3, 2021
Board of Directors' meeting held on October 28, 2021	Common shares	9,776	50	September 30, 2021	December 1, 2021

(Notes) 1. Dividend of (Y) 56 million to the Company shares for the BIP Trust and the ESOP Trust is included in the amount of dividend which was resolved at the Board of Directors' meeting held on May 21, 2021.

2. Dividend of (Y) 21 million to the Company shares for the BIP Trust and the ESOP Trust is included in the amount of dividend which was resolved at the Board of Directors' meeting held on October 28, 2021.

Nine months ended December 31, 2022

Resolution	Class of shares	Amount of dividend (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors' meeting held on May 20, 2022	Common shares	13,323	70	March 31, 2022	June 3, 2022
Board of Directors' meeting held on October 27, 2022	Common shares	12,151	65	September 30, 2022	December 1, 2022

(Notes) 1. Dividend of (Y) 29 million to the Company shares for the BIP Trust and the ESOP Trust is included in the amount of dividend which was resolved at the Board of Directors' meeting held on May 20, 2022.

2. Dividend of (Y) 10 million to the Company shares for the BIP Trust and the ESOP Trust is included in the amount of dividend which was resolved at the Board of Directors' meeting held on October 27, 2022.

## 8. Revenue

Advantest sells test system products of semiconductor and mechatronics-related products such as test handlers that handling semiconductor devices. When control of such products is transferred to customers, the performance obligation is satisfied and revenue is recognized.

Additionally, Advantest has performance obligation towards customers on the service contracts. Revenue from such service contracts is recognized over the contract term on the straight-line basis. Net sales disaggregated by region and segment were as follows:

Nine months ended December 31, 2021

Millions of Yen

	Semiconductor and Component Test System Business	Mechatronics System Business	Services, Support and Others	Elimination and Corporate	Consolidated
Main regions					
Japan	6,481	1,926	3,482	(66)	11,823
Americas	5,851	1,329	6,583	—	13,763
Europe	6,036	838	2,005	—	8,879
Asia	189,262	27,747	48,593	—	265,602
Total	207,630	31,840	60,663	(66)	300,067

Nine months ended December 31, 2022

Millions of Yen

	Semiconductor and Component Test System Business	Mechatronics System Business	Services, Support and Others	Elimination and Corporate	Consolidated
Main regions					
Japan	8,524	1,998	3,485	(39)	13,968
Americas	11,869	3,607	13,729	—	29,205
Europe	7,128	1,417	2,854	—	11,399
Asia	265,933	35,300	56,994	—	358,227
Total	293,454	42,322	77,062	(39)	412,799

The breakdown of semiconductor and component test system business was as follows:

Nine months ended December 31, 2021

Millions of Yen

	SoC	Memory	Total
Semiconductor and Component Test System Business	161,533	46,097	207,630

Nine months ended December 31, 2022

Millions of Yen

	SoC	Memory	Total
Semiconductor and Component Test System Business	238,533	54,921	293,454

## 9. Earnings per Share

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

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net income attributable to owners of the parent (Millions of Yen)	60,893	99,806
Net income not attributable to owners of the parent (Millions of Yen)	—	—
Net income to calculate basic earnings per share (Millions of Yen)	60,893	99,806
Net income adjustment (Millions of Yen)	—	—
Net income to calculate diluted earnings per share (Millions of Yen)	60,893	99,806
Weighted average number of common shares—basic	195,408,739	187,962,265
Dilutive effect of stock options	578,318	337,939
Dilutive effect of performance-based stock remuneration	409,812	275,650
Dilutive effect of restricted stock compensation	14,737	90,657
Weighted average number of common shares—diluted	196,411,606	188,666,511
Basic earnings per share (Yen)	311.62	530.99
Diluted earnings per share (Yen)	310.03	529.01
Financial instruments not included in the calculation of diluted earnings per share because they have anti-dilutive effect	—	—

	Three months ended December 31, 2021	Three months ended December 31, 2022
Net income attributable to owners of the parent (Millions of Yen)	25,647	28,645
Net income not attributable to owners of the parent (Millions of Yen)	—	—
Net income to calculate basic earnings per share (Millions of Yen)	25,647	28,645
Net income adjustment (Millions of Yen)	—	—
Net income to calculate diluted earnings per share (Millions of Yen)	25,647	28,645
Weighted average number of common shares—basic	193,560,992	184,886,664
Dilutive effect of stock options	512,942	341,338
Dilutive effect of performance-based stock remuneration	333,171	191,884
Dilutive effect of restricted stock compensation	22,214	116,436
Weighted average number of common shares—diluted	194,429,319	185,536,322
Basic earnings per share (Yen)	132.50	154.93
Diluted earnings per share (Yen)	131.91	154.39
Financial instruments not included in the calculation of diluted earnings per share because they have anti-dilutive effect	—	—

## 10. Financial Instruments

### (1) Carrying Amounts and Fair Value of Financial Instruments

#### (Borrowings)

Short-term borrowings are settled on a short-term basis, and their fair values approximate their carrying amounts. The fair value of long-term borrowings with floating rates is assumed to be quite similar to the carrying amounts, because it reflects market interest rates in a short period of time and the Advantest's credit status is not significantly different after the execution.

#### (Other)

Financial instruments other than above are settled mainly on a short-term basis, and their fair values approximate their carrying amounts.

### (2) Fair Value Hierarchy of Financial Instruments

Financial instruments measured at fair value on a recurring basis after the initial recognition are classified into three levels of the fair value hierarchy based on the measurement inputs' observability and materiality as follows:

Level 1: Fair value measured at quoted prices for identical assets or liabilities in active markets

Level 2: Fair value measured by direct or indirect observable inputs other than Level 1

Level 3: Fair value measured by significant unobservable inputs

When several inputs are used for a fair value measurement, the level is determined based on the input with the lowest level in the fair value measurement as a whole.

The transfers between levels in the fair value hierarchy are deemed at the beginning of each quarter period.

There were no transfers of financial instruments between levels during the year ended March 31, 2022 and the nine months ended December 31, 2022.

The financial assets and financial liabilities measured at fair value on a recurring basis were classified by hierarchy as follows:

As of March 31, 2022

Millions of Yen

	Level 1	Level 2	Level 3	Total
Financial assets that are measured at fair value through other comprehensive income <sup>(Note 1)</sup>				
Equity instruments	11,547	—	1,082	12,629
Total financial assets	11,547	—	1,082	12,629
Financial liabilities that are measured at fair value through profit or loss				
Derivatives	—	33	—	33
Contingent consideration <sup>(Note 2)</sup>	—	—	259	259
Total financial liabilities	—	33	259	292

As of December 31, 2022

Millions of Yen

	Level 1	Level 2	Level 3	Total
Financial assets that are measured at fair value through profit or loss				
Derivatives	—	1	—	1
Financial assets that are measured at fair value through other comprehensive income <sup>(Note 1)</sup>				
Equity instruments	12,746	—	1,981	14,727
Total financial assets	12,746	1	1,981	14,728
Financial liabilities that are measured at fair value through profit or loss				
Derivatives	—	5	—	5
Contingent consideration <sup>(Note 2)</sup>	—	—	456	456
Total financial liabilities	—	5	456	461

(Notes) 1 Advantest holds equity instruments to accomplish expansion of revenue base by maintaining and enforcing relationships with investees. These equity instruments are designated as financial assets measured at fair value through other comprehensive income (“FVTOCI”).

2 The contingent consideration represents an earn-out payment of up to USD35 million based on certain performance milestones. The fair value of the contingent consideration was calculated considering the future sales forecast and the probability of its achievement.

The movement of financial assets categorized within Level 3 of the fair value hierarchy was as follows:

Millions of Yen

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Balance at beginning of period	1,123	1,082
Gains or losses		
Other comprehensive income <sup>(Note)</sup>	42	915
Purchase	881	—
Sales	(362)	—
Others	14	(16)
Balance at end of period	1,698	1,981

(Note) Gains or losses recognized in other comprehensive income are presented in net change in fair value measurements of equity instruments at FVTOCI of the condensed quarterly consolidated statement of comprehensive income.

The movement of financial liabilities categorized within Level 3 of the fair value hierarchy was as follows:

Millions of Yen

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Balance at beginning of period	2,642	259
Changes in fair value <sup>(Note)</sup>	—	158
Others	101	39
Balance at end of period	2,743	456

(Note) If applicable, changes in fair value are included in financial expenses of the condensed quarterly consolidated statement of profit or loss.

## 11. Business Combinations

Nine months ended December 31, 2021

(Business combination through acquisition)

### (1) Overview of Acquired Business

Name of Company: R&D Altanova, Inc.

Business Description of acquired company:

simulation, design, layout, fabrication and assembly of test interface boards for high-end applications

Voting rights ratio after acquisition of shares: 100%

### (2) Overview of Business Combination

Advantest America, Inc., the Company's U.S. subsidiary, acquired all outstanding shares of U.S. company, R&D Altanova, Inc. ("R&D Altanova") on November 17, 2021, and R&D Altanova became a wholly owned subsidiary of Advantest America, Inc.

R&D Altanova is a leading supplier of consumable test interface boards, substrates and interconnects for high-end applications, offering simulation, design, layout, fabrication and assembly of test interface boards. R&D Altanova has a long history of successfully innovating solutions for high-performance and high-density printed circuit boards to address the growing needs of advanced testing systems. In combination with Advantest's test equipment, these solutions will provide enhanced end-to-end test solutions and bring advanced printed circuit board manufacturing capability to Advantest.

### (3) Acquisition Date

November 17, 2021

### (4) Legal Form of Business Combination

Acquisition of shares

### (5) Acquisition-related Expense

Acquisition-related expense of ¥746 million is included in Selling, general and administrative expenses in the condensed quarterly consolidated statement of profit or loss for the nine months ended December 31, 2021.

**(6) Fair Value of Assets Acquired, Liabilities Assumed and Consideration Paid as of the Acquisition Date**

The fair value of the assets acquired, liabilities assumed and consideration paid as of the acquisition date were provisional as of March 31, 2022, but they were revised because the purchase price allocation was completed during the first quarter of the fiscal year ending March 31, 2023.

Millions of Yen

	Provisional fair value	Revision	Revised fair value
Assets acquired			
Cash and cash equivalents	1,407	—	1,407
Trade and other receivables	1,847	—	1,847
Inventories	930	—	930
Other current assets	262	—	262
Property, plant and equipment, net	1,325	—	1,325
Right-of-use-assets	643	—	643
Intangible assets, net	366	8,145	8,511
Other non-current assets	127	—	127
Total assets	6,907	8,145	15,052
Liabilities assumed			
Trade and other payables	635	—	635
Other current liabilities	644	—	644
Long-term borrowings	4,472	—	4,472
Lease liabilities	526	—	526
Deferred tax liabilities	223	1,809	2,032
Other non-current liabilities	168	—	168
Total liabilities	6,668	1,809	8,477
Goodwill	25,282	(6,336)	18,946
Total	25,521	—	25,521
Fair value of consideration paid			
Cash and cash equivalents	25,521	—	25,521

(Notes) 1. Other non-current assets include deferred tax assets and others. Other current liabilities include income taxes payable and others. Other non-current liabilities include retirement benefit liabilities and others.

2. The total contract amount of trade and other receivables is the same as the fair value, and there are no items that are expected to be uncollectible.

Goodwill generated from this business combination was attributable to the Services, Support and Others segment and was not deductible for tax purposes. Goodwill primarily represented a synergy effect with existing businesses and the excess earning power expected from the acquisition.



## (7) Acquisition of subsidiary

Millions of Yen

	Amount
Consideration paid	25,538
Cash and cash equivalents of the acquired subsidiary	(1,403)
Repayments of the long-term borrowings and others	4,856
Acquisition of subsidiary	28,991

## (8) Impact on the Business Performance

Disclosure of profit and loss information from the acquisition date and pro forma profit and loss information assuming the business combination was conducted at the beginning of the fiscal year ended March 31, 2022 (unaudited information), was omitted because of its immateriality for the condensed quarterly consolidated statement of profit or loss.

Nine months ended December 31, 2022

(Business Combination through Acquisition)

### (1) Overview of Acquired Business

Name of Company: Collaudi Elettronici Automatizzati S.r.l.

Business Description of acquired company:

development and production of test equipment for power semiconductors

Voting rights ratio after acquisition of shares: 100%

### (2) Overview of Business Combination

Advantest Europe GmbH, the Company's European subsidiary, acquired all outstanding shares of Italy-based company, Collaudi Elettronici Automatizzati S.r.l. ("CREA") on August 10, 2022, and CREA became a wholly owned subsidiary of Advantest Europe GmbH.

CREA is a major supplier of power semiconductor test equipment. Its products are used to test all kinds of power devices, and are utilized by global semiconductor companies around the world. CREA has many years of extensive experience in the development and production of test equipment for power semiconductors, including the latest SiC /GaN semiconductors. This acquisition will enable Advantest to provide broader test and measurement solutions to a wider range of customers in high-growth sectors.

### (3) Acquisition Date

August 10, 2022

### (4) Legal Form of Business Combination

Acquisition of shares

### (5) Acquisition-related Expense

Acquisition-related expense of ¥232 million is included in Selling, general and administrative expenses in the condensed quarterly consolidated statement of profit or loss for the nine months ended December 31, 2022.

**(6) Fair Value of Assets Acquired, Liabilities Assumed and Consideration Paid as of the Acquisition Date**

The fair value of the assets acquired, liabilities assumed and consideration paid as of the acquisition date were provisional as of December 31, 2022 because the purchase price allocation had not been completed. The provisional amount was calculated based on currently available information.

Millions of Yen

	Fair value
Current assets	1,476
Non-current assets	424
Total assets	1,900
Current Liabilities	737
Non-current liabilities	142
Total liabilities	879
Goodwill	3,165
Total	4,186
Fair value of consideration paid	
Cash and cash equivalents	3,634
Accounts payable	552
Total	4,186

Goodwill generated from this business combination was attributable to the Semiconductor and Component Test System Business segment and was not deductible for tax purposes. Goodwill primarily represented a synergy effect with existing businesses and the excess earning power expected from the acquisition.

**(7) Acquisition of subsidiary**

Millions of Yen

	Amount
Consideration paid	3,634
Cash and cash equivalents of the acquired subsidiary	(129)
Acquisition of subsidiary	3,505

**(8) Impact on the Business Performance**

Disclosure of profit and loss information from the acquisition date and pro forma profit and loss information assuming the business combination was conducted at the beginning of the fiscal year ending March 31, 2023 (unaudited information), was omitted because of its immateriality for the condensed quarterly consolidated statement of profit or loss.

**2. Others**

The board of directors resolved on October 27, 2022 to pay the interim dividend of 65 yen per share (Total amount of 12,151 million yen) to shareholders listed or recorded in the shareholder list as of September 30, 2022.

**PartII. Information on the Guarantee Companies of the Company**

Not applicable.

**English Translation**  
**Independent Auditor's Quarterly Review Report**

February 13, 2023

The Board of Directors  
Advantest Corporation

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Toshiyuki Matsumoto  
Designated Engagement Partner  
Certified Public Accountant

Minoru Ota  
Designated Engagement Partner  
Certified Public Accountant

Hiroyuki Nakada  
Designated Engagement Partner  
Certified Public Accountant

**Auditor's Conclusion**

Pursuant to Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act, we have reviewed the accompanying condensed quarterly consolidated financial statements of Advantest Corporation and its subsidiaries (the Group), which comprise the condensed quarterly consolidated statement of financial position as of December 31, 2022, and the condensed quarterly consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods ended December 31, 2022, and the condensed quarterly consolidated statements of changes in equity and cash flows for the nine-month period ended December 31, 2022, and notes to the condensed quarterly consolidated financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and its consolidated financial performance for the three-month and nine-month periods ended December 31, 2022, and its consolidated cash flows for the nine-month period ended December 31, 2022 in accordance with *International Accounting Standard 34, Interim Financial Reporting*, as provided for in Article 93 of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements.

**Basis for Auditor's Conclusion**

We conducted our review in accordance with review standards for quarterly financial statements generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Review of the Condensed Quarterly Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the condensed quarterly consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained provides a basis for our conclusion.

**Responsibilities of Management, the Audit and Supervisory Committee for the Condensed Quarterly Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these condensed quarterly consolidated financial statements in accordance with *International Accounting Standard 34, Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of condensed quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by *paragraph 4 of International Accounting Standard 1, Presentation of Financial Statements*, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Review of the Condensed Quarterly Consolidated Financial Statements**

Our responsibility is to express a conclusion on these condensed quarterly consolidated financial statements based on our review.

As part of a review in accordance with review standards for quarterly financial statements generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters and apply analytical and other quarterly review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude based on the evidence obtained whether anything has come to our attention that causes us to believe that the condensed quarterly consolidated financial statements are not presented fairly in accordance with *paragraph 4 of International Accounting Standard 1, Presentation of Financial Statements* should we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's quarterly review report to the related disclosures in the condensed quarterly consolidated financial statements or, if such disclosures are inadequate, to modify our conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor's quarterly review report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that causes us to believe that the overall presentation and disclosure of the condensed quarterly consolidated financial statements are not in accordance with *International Accounting Standard 34, Interim Financial Reporting*, or that the overall presentation, structure and content of the condensed quarterly consolidated financial statements, including the disclosures, do not represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain evidence regarding the financial information of the entities or business activities within the Group to express a conclusion on the condensed quarterly consolidated financial statements. We are responsible for the direction, supervision and performance of the quarterly review. We remain solely responsible for our conclusion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the review and significant review findings.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our review of the condensed quarterly consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

*Notes to the Readers of Independent Auditor's Quarterly Review Report:*

This is an English translation of the Independent Auditor's Quarterly Review Report as required by Financial Instruments and Exchange Act for the conveniences of the reader.

[Cover]

[Document Filed]	Confirmation Letter
[Applicable Law]	Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Filed to]	Director, Kanto Local Finance Bureau
[Filing Date]	February 13, 2023
[Company Name]	Kabushiki Kaisha Advantest
[Company Name in English]	ADVANTEST CORPORATION
[Title and Name of Representative]	Yoshiaki Yoshida, Representative Director, President & Group CEO
[Title and Name of CFO]	Atsushi Fujita, Director, Senior Executive Officer, CFO & CCO
[Address of Registered Office]	1-6-2, Marunouchi, Chiyoda-ku, Tokyo
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi, Kabuto-cho, Chuo-ku, Tokyo)

## **1. Matters Related to Adequacy of Statements Contained in the Quarterly Securities Report**

Yoshiaki Yoshida, Representative Director, President and CEO and Atsushi Fujita, Chief Financial Officer of Advantest Corporation, confirmed that statements contained in the Quarterly Securities Report for the third quarter of the 81st Business Term (from October 1, 2022 to December 31, 2022) were adequate under the Financial Instruments and Exchange Act.

## **2. Special Notes**

None.