



FY2023 3Q

(Three months ended December 31st, 2023)

Financial Briefing

January 31st, 2024
Advantest Corporation

NOTE

Accounting Standards

- Our results and outlook, described in this presentation, have been prepared in accordance with IFRS.

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Financial Results for FY2023 3Q

Yasuo Mihashi

Senior Executive Officer, CFO & CSO (Chief Strategy Officer)

Executive Vice President, Corporate Strategy Group

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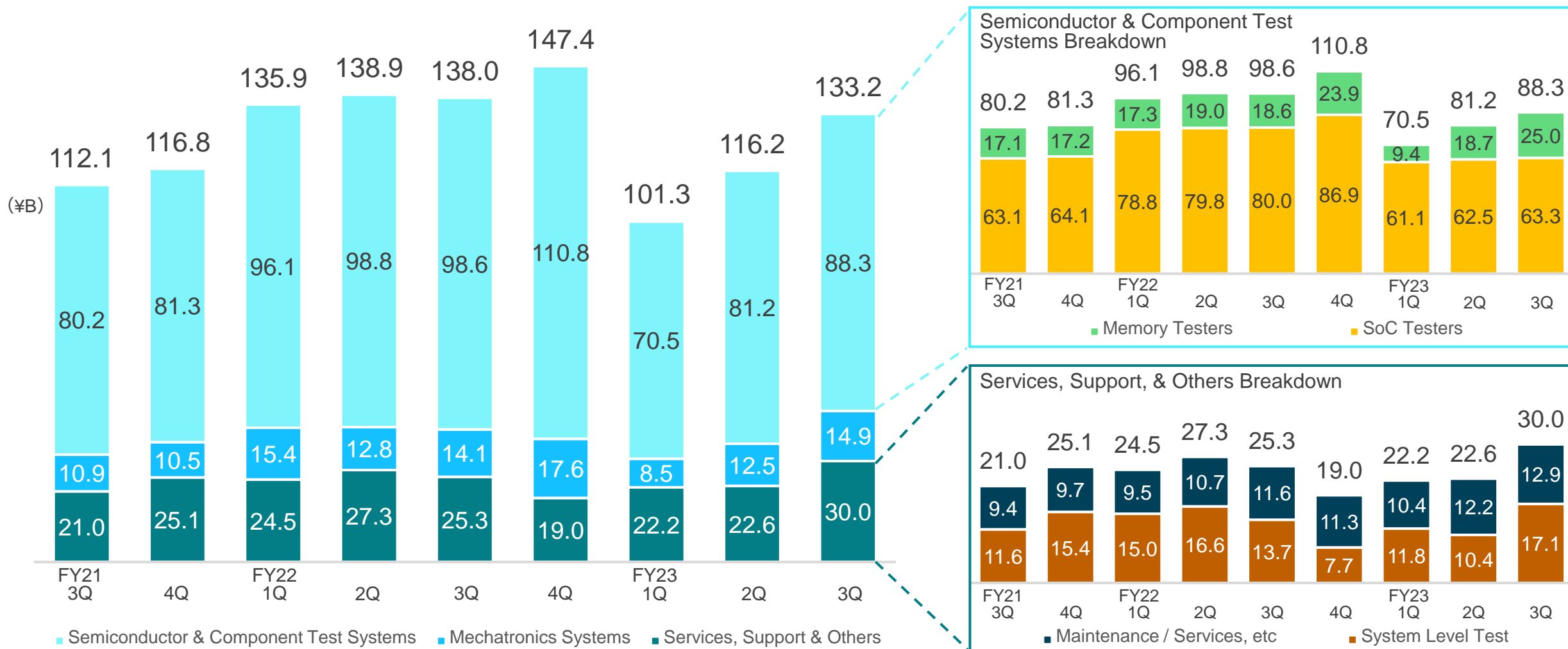
FY23 3Q Summary of Results

(¥B)

	FY22				FY23						
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	QoQ		YoY	
								Change	(%)	Change	(%)
Sales	135.9	138.9	138.0	147.4	101.3	116.2	133.2	+17.0	+14.6%	-4.8	-3.4%
Gross Profit	78.9	79.9	81.6	78.7	51.0	58.0	67.4	+9.3	+16.1%	-14.2	-17.4%
Gross Margin %	58.1%	57.5%	59.1%	53.4%	50.3%	49.9%	50.6%	+0.7pts		-8.5pts	
Operating Income	44.8	43.1	41.2	38.6	14.3	21.0	26.8	+5.8	+27.8%	-14.4	-34.9%
Operating Margin %	32.9%	31.1%	29.9%	26.2%	14.1%	18.1%	20.1%	+2.0pts		-9.8pts	
Income Before Tax	48.4	46.8	37.7	38.4	13.0	20.3	26.3	+5.9	+29.0%	-11.4	-30.2%
Net Income	36.5	34.7	28.6	30.6	9.2	16.7	21.2	+4.5	+26.7%	-7.4	-26.0%
Net Income Margin %	26.8%	25.0%	20.8%	20.8%	9.1%	14.4%	15.9%	+1.5pts		-4.9pts	
Exchange Rate	1 US\$	¥124	¥135	¥144	¥133	¥135	¥142	¥149	¥7 Depreciation		¥5 Depreciation
	1 Euro	¥134	¥139	¥144	¥142	¥146	¥156	¥159	¥3 Depreciation		¥15 Depreciation
Dividend Per Share*1	-	¥65	-	¥70	-	¥65	-	-	-	-	-

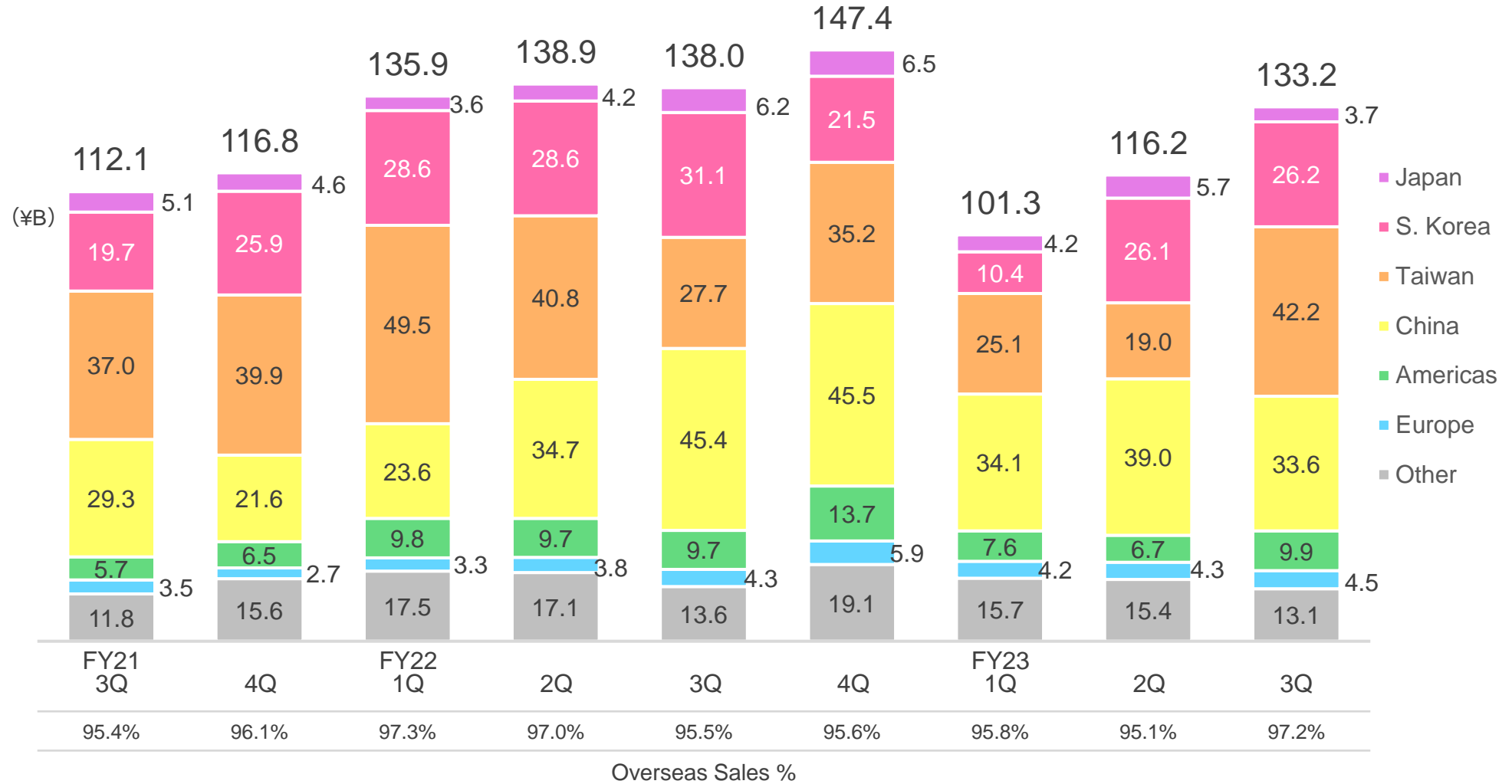
*1: Advantest enacted a 4-for-1 share split of its common share with an effective date of October 1, 2023. FY22 dividend and FY23 interim dividend present the amount prior to the share split.

Quarterly Sales by Segment

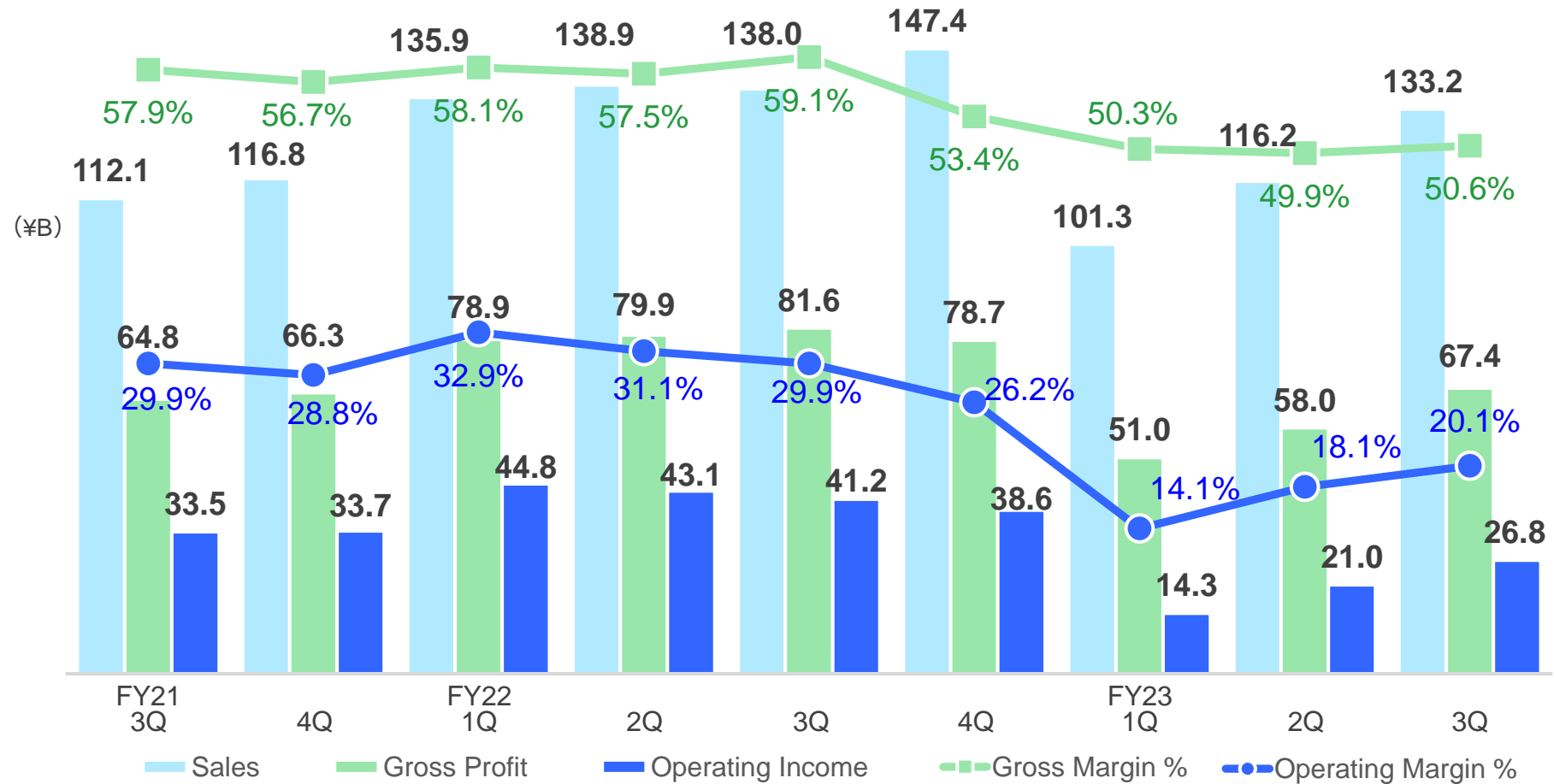


Note: Intersegment transactions have been eliminated from totals

Quarterly Sales by Region



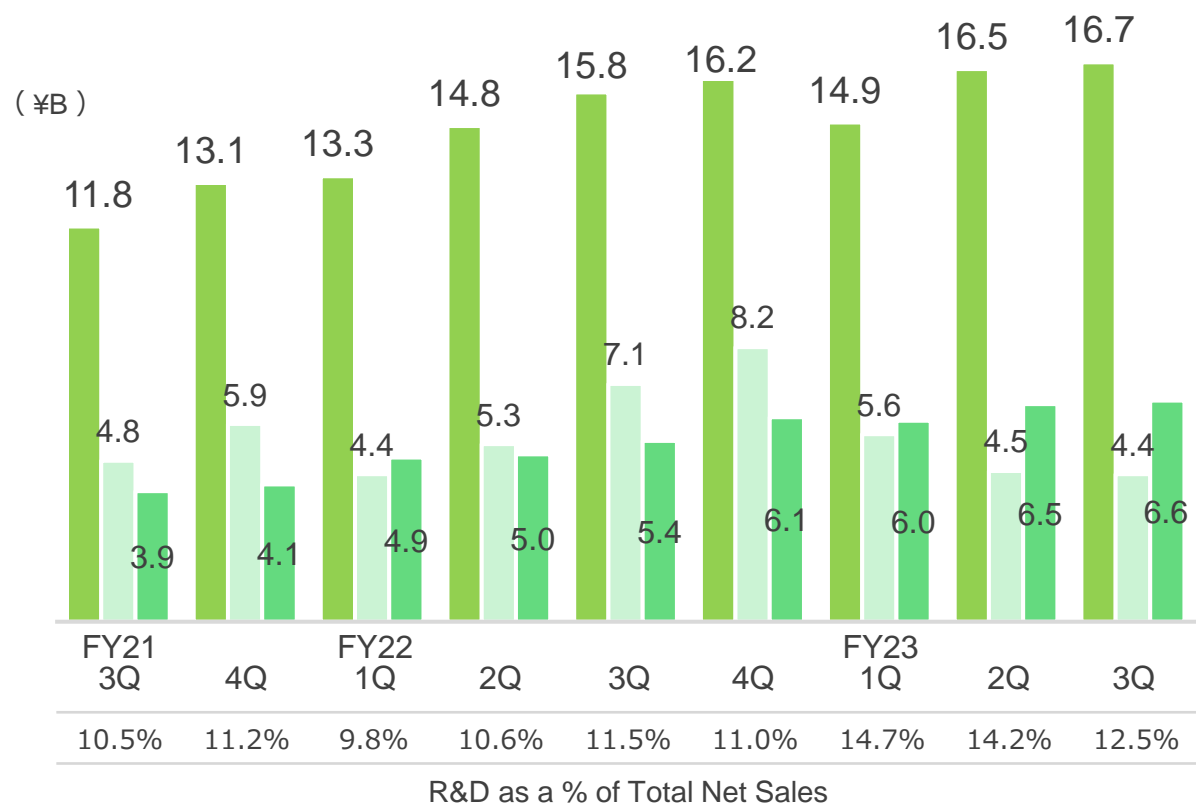
Sales / Gross Profit / Operating Income



Investments / Cash Flow

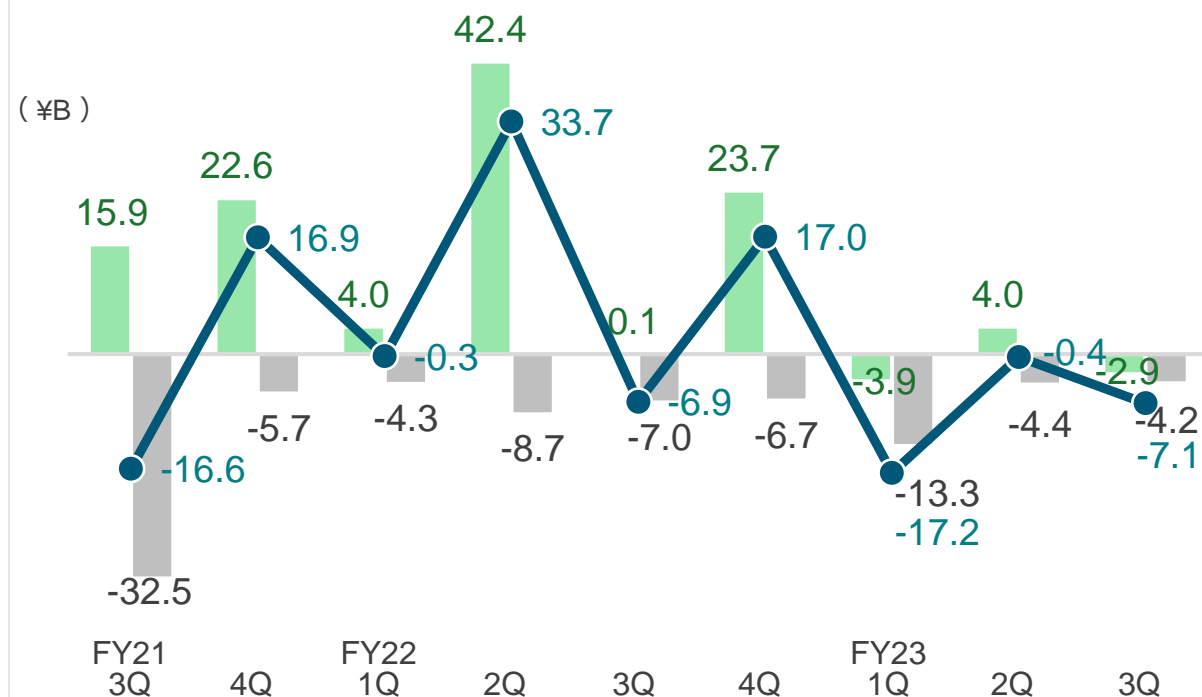
<Investments>

- R&D Expenses
- Capital Expenditure
- Depreciation & Amortization



<Cash Flow>

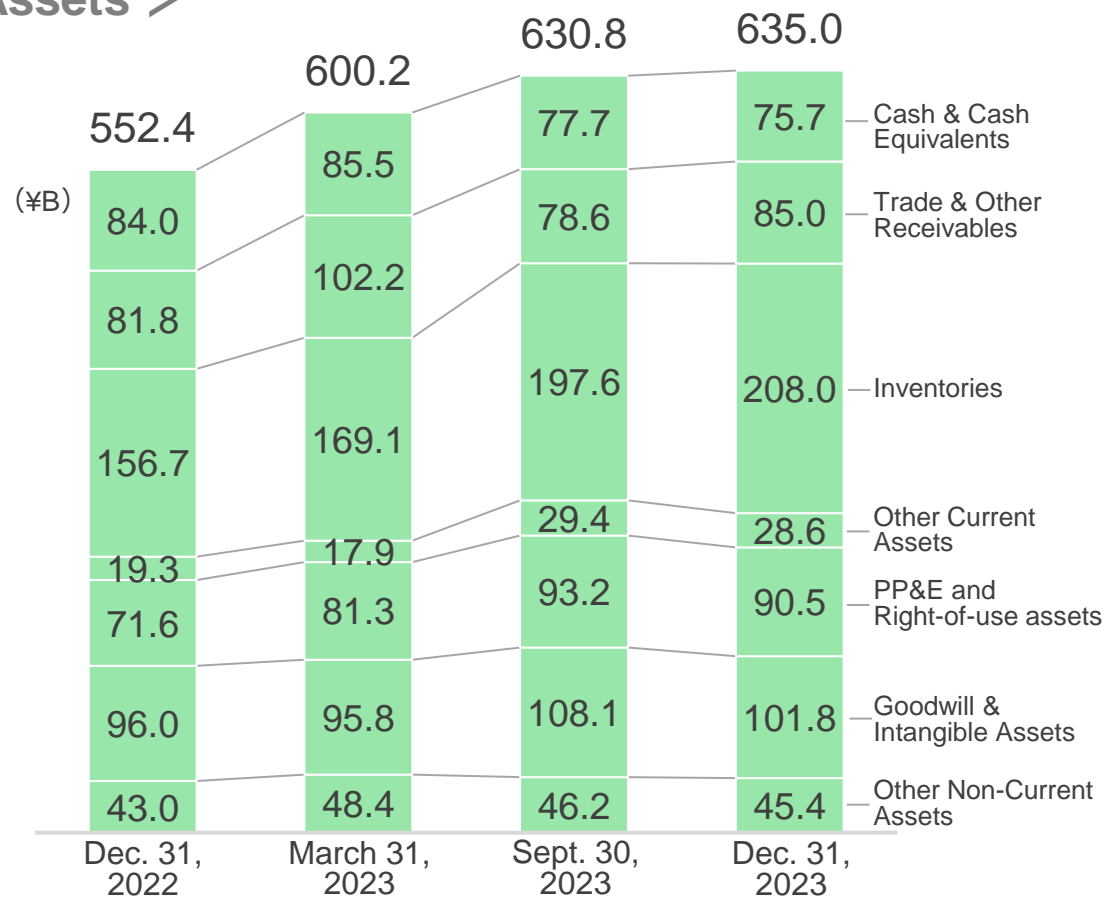
- Cash flows from operating activities
- Cash flows from investing activities
- Free cash flows



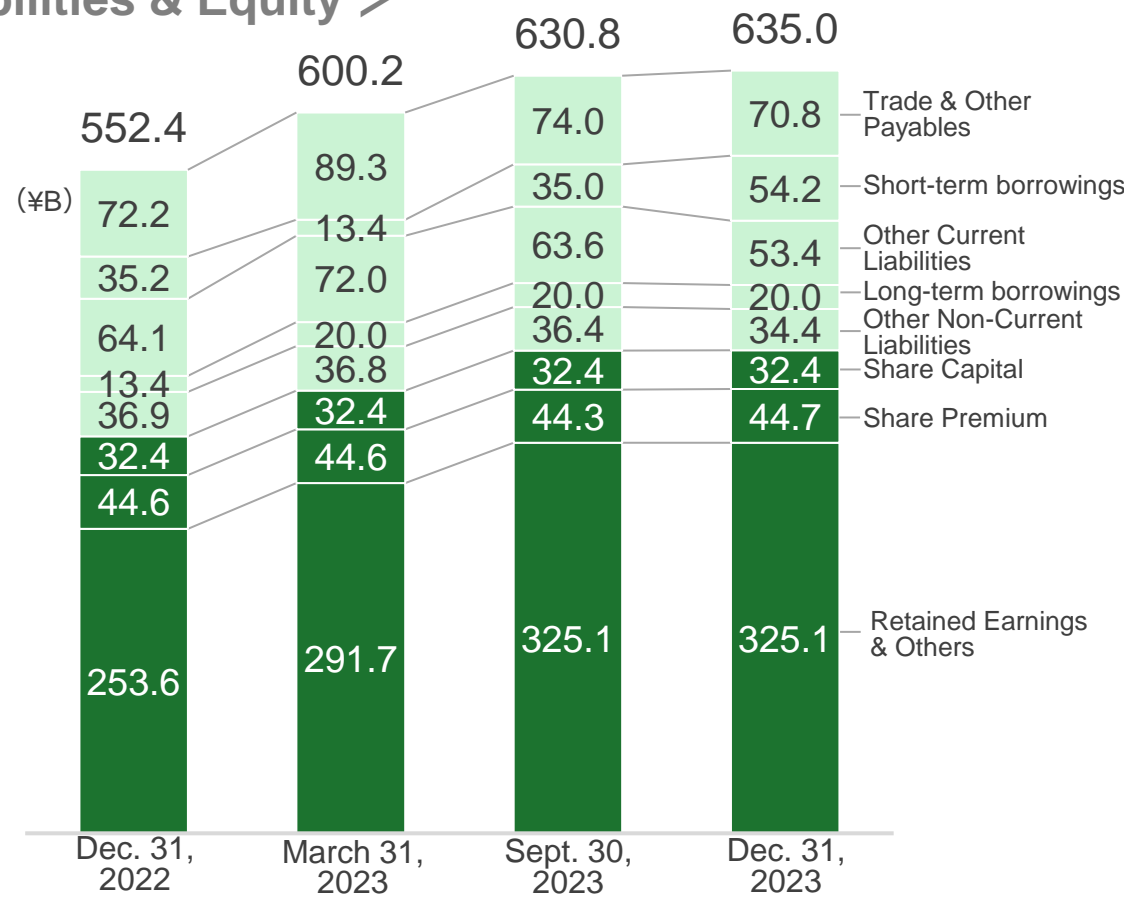
* Free Cash Flows = Cash flows from operating activities + Cash flows from investing activities

Financial Position

< Assets >



< Liabilities & Equity >



Equity Attributable to Owners of the Parent	330.6	368.7	401.8	402.2
Ratio of Equity Attributable to Owners of the Parent	59.8%	61.4%	63.7%	63.3%

FY2023 Outlook

Yoshiaki Yoshida
Representative Director, President, Group CEO

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Business Environment / Semiconductor Tester Market Trends: Jan. 2024 Outlook

< Business Environment >

- Despite the ongoing post-COVID normalization, the global economy remains highly uncertain in CY24 with recessionary concerns in the U.S. and elsewhere, the expansion of geopolitical risks, the risk of sharp exchange rate fluctuations, etc.
- The semiconductor market is finally showing signs of improvement for inventory adjustment, and investment related to generative AI expected to become active

< Semiconductor Tester Market >

- In CY23, the semiconductor tester market is experiencing prolonged demand stagnation in major consumer electronics applications such as smartphones and PCs, and cut back on CapEx on related semiconductors is lasting longer than expected. The recovery slope is expected to take place in the 2nd half of CY24
- Tester demand is expected to increase in tandem with growing demand for generative AI. The SoC tester market is expected to see a rise in demand in the 2nd half of CY24, centered on HPC/AI applications. The memory tester market is expected to rise rapidly, driven by demand for high-performance DRAM

	CY22 Actual	CY23 Actual (Prelim.)	CY24 Estimate
SoC Tester Market	Approx. \$4.0B	Approx. \$3.3B - 3.4B (October estimate: approx. \$3.3B - 3.4B)	Approx. \$3.3B - 3.6B
Memory Tester Market	Approx. \$1.2B	Approx. \$1.1B (October estimate: approx. \$1.0B - 1.1B)	Approx. \$1.3B - 1.6B

FY23 Forecast

(¥B)

	FY22	FY23							Change vs. Prior Full-Year Forecast		
	Results	1Q Results	2Q Results	3Q Results	4Q Forecast	Full-Year Forecast	vs. FY22		FY23 Forecast as of Oct.	Change	
							Change	(%)			
Sales*1	560.2	101.3	116.2	133.2	129.3	480.0	-80.2	-14.3%	470.0	+10.0	
Operating Income	167.7	14.3	21.0	26.8	22.9	85.0	-82.7	-49.3%	80.0	+5.0	
Operating Margin %	29.9%	14.1%	18.1%	20.1%	17.7%	17.7%	-12.2pts		17.0%	+0.7pts	
Income Before Tax	171.3	13.0	20.3	26.3	22.9	82.5	-88.8	-51.8%	78.5	+4.0	
Net Income	130.4	9.2	16.7	21.2	17.4	64.5	-65.9	-50.5%	60.0	+4.5	
Net Income Margin %	23.3%	9.1%	14.4%	15.9%	13.4%	13.4%	-9.9pts		12.8%	+0.6pts	
R&D Expenses	60.1	14.9	16.5	16.7	15.9	64.0	+3.9	+6.5%	64.0	-	
CapEx	25.0	5.6	4.5	4.4	6.5	21.0	-4.0	-16.0%	21.0	-	
D&A	21.4	6.0	6.5	6.6	6.9	26.0	+4.6	+21.5%	26.0	-	
Exchange Rate*2	1 US\$	¥134	¥135	¥142	¥149	¥145	¥143	¥9 Depreciation		¥142	¥1 Depreciation
	1 Euro	¥140	¥146	¥156	¥159	¥155	¥154	¥14 Depreciation		¥153	¥1 Depreciation

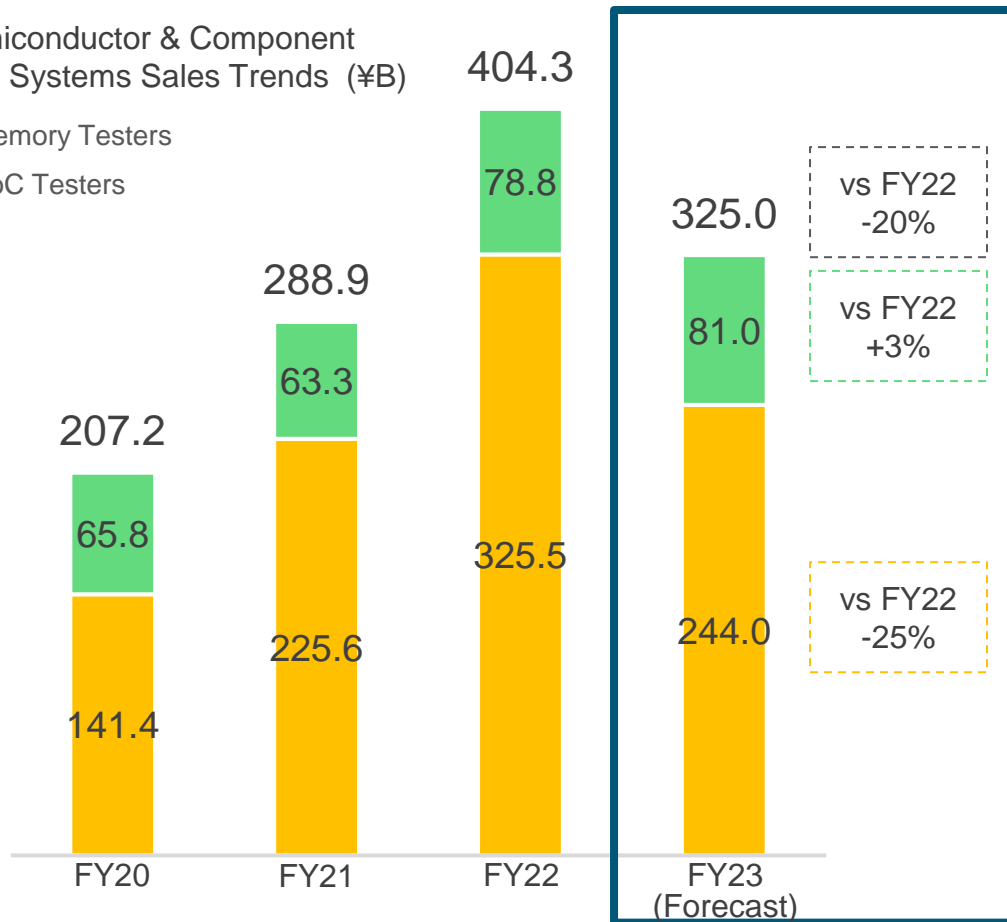
*1: Intersegment transactions have been eliminated from totals

*2: Our latest forecast for the impact of exchange rate fluctuations on FY23 operating income is plus ¥0.8 billion per 1 yen of JPY depreciation vs USD, and minus ¥0.3 billion per 1 yen of JPY depreciation vs the Euro

FY23 Outlook by Segment

Semiconductor & Component Test Systems Sales Trends (¥B)

- Memory Testers
- SoC Testers



Semiconductor & Component Test Systems

< SoC Testers > (-¥4.0B vs Oct. forecast)

- A gradual recovery in demand for high-performance semiconductors is observed, but full-fledged recovery is expected to take some time due to factors including weakening demand for automotive and industrial applications

Applications	FY20	FY21	FY22	FY23e
Computing / Comms	55%	60%	65%	55%
Automotive / Industrial / Consumer / DDIC*1	45%	40%	35%	45%

*1 DDIC : Display Driver IC

Numbers are rounded to the nearest 5%

< Memory Testers > (+¥5.0B vs Oct. forecast)

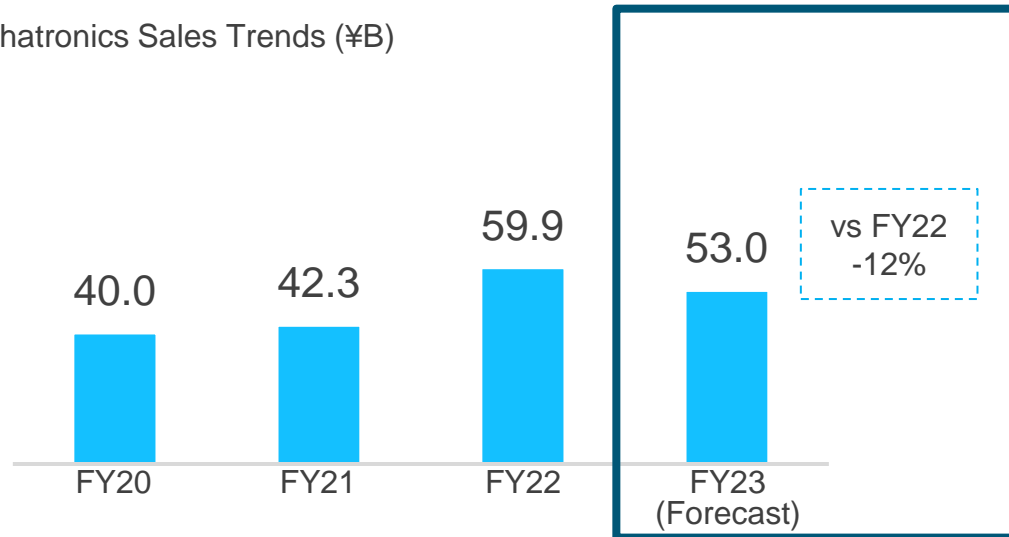
- An increase in sales is expected due to capacity expansion of tester supply, mainly for high-performance DRAM, where robust customer investment is expected

Applications	FY20	FY21	FY22	FY23e
DRAM	60%	60%	60%	90%
Non-Volatile Memory	40%	40%	40%	10%

Numbers are rounded to the nearest 5%

FY23 Outlook by Segment

Mechatronics Sales Trends (¥B)

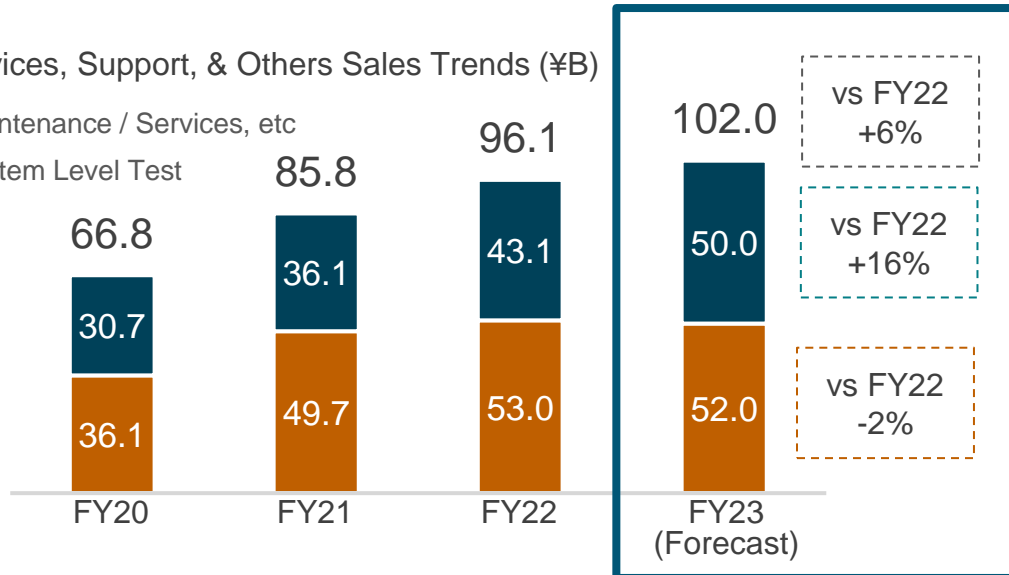


Mechatronics Systems (+¥5.0B vs Oct. forecast)

- Owing to an upward sales revision of memory testers, sales forecast for related device interface products is revised up

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

- Maintenance / Services, etc
- System Level Test



Services, Support, & Others (+¥4.0B vs Oct. forecast)

- Demand for maintenance service is solid due to the steady growth of our installed base
- Sales of the system level test business is expected to be flat year-on-year due to the impact of customers' investment trends affected by the sluggish semiconductor market environment

Summary

- Sales forecast is revised up by ¥10.0B. Given growing demand of testers for high-performance memory, supply capacity structure is being expanded
- Prolonged inventory adjustment of semiconductors for consumer applications has affected the pace of digesting excess capacity caused by the elevated level of SoC tester delivery in the last fiscal year
- In CY24, increasing demand for semiconductors related to generative AI is expected to drive related CapEx, leading to tester demand in the 2nd half
- Grasp the changes in the semiconductor value chain driven by further evolution of generative AI technology and provide new solutions to expand the customer base
- Promote measures to improve profitability
 - Refine our supply chain management to improve responsiveness to demand fluctuations
 - Step up efforts to provide higher value-added solutions, to review pricing, to reduce costs, etc.

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