

## FY2021 Second Quarter Consolidated Financial Results

(Advantest's consolidated financial statements are prepared in accordance with IFRS)  
(Period ended September 30, 2021)

October 28, 2021

Company Name : **Advantest Corporation**  
 (URL <https://www.advantest.com/investors>)  
 Stock Exchange on which shares are listed : First section of the Tokyo Stock Exchange  
 Stock Code Number : 6857  
 Company Representative : Yoshiaki Yoshida, Representative Director, President and CEO  
 Contact Person : Atsushi Fujita, Director, Senior Executive Officer  
 Executive Vice President, Corporate Administration Group  
 (03) 3214-7500  
 Quarterly Report Filing Date (as planned) : November 12, 2021  
 Dividend Payable Date (as planned) : December 1, 2021  
 Quarterly Results Supplemental Materials : Yes  
 Quarterly Results Presentation Meeting : Yes

(Rounded to the nearest million yen)

### 1. Consolidated Results of FY2021 Q2 (April 1, 2021 through September 30, 2021)

#### (1) Consolidated Financial Results (Accumulated)

(% changes as compared to the corresponding period of the previous fiscal year)

	Net sales		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent		Total comprehensive income for the period	
	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)
<b>FY2021 Q2</b>	<b>187,990</b>	<b>30.5</b>	<b>47,476</b>	<b>53.5</b>	<b>47,260</b>	<b>61.2</b>	<b>35,246</b>	<b>43.9</b>	<b>35,246</b>	<b>43.9</b>	<b>38,072</b>	<b>67.5</b>
FY2020 Q2	144,102	4.6	30,937	(5.9)	29,320	(11.9)	24,491	(8.5)	24,491	(8.5)	22,731	0.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
<b>FY2021 Q2</b>	<b>179.52</b>	<b>178.60</b>
FY2020 Q2	123.61	122.97

#### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
<b>FY2021 Q2</b>	<b>434,954</b>	<b>286,129</b>	<b>286,129</b>	<b>65.8</b>
FY2020	422,641	280,369	280,369	66.3

### 2. Dividends

	Dividend per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Annual total
	Yen	Yen	Yen	Yen	Yen
FY2020	—	38.00	—	80.00	118.00
FY2021	—	50.00	—	—	—
FY2021 (forecast)	—	—	—	—	—

(Note) Revision of dividends forecast for this period: **No**

### 3. Projected Results for FY2021 (April 1, 2021 through March 31, 2022)

(% changes as compared to the previous fiscal year)

	Net sales		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent	
	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)
FY2021	400,000	27.9	105,000	48.5	105,000	50.8	78,750	12.8	78,750	12.8

(Note) Revision of earnings forecast for this period: **Yes**

For details, please refer to the (4) Outlook, page 5.

### 4. Others

(1) Material changes in subsidiaries during this period (changes in scope of consolidation resulting from changes in subsidiaries): None

(2) Changes in accounting policies and accounting estimates  
 1) Changes in accounting policies required by IFRS: None  
 2) Changes arising from factors other than 1: None  
 3) Changes in accounting estimates: None

(3) Number of issued and outstanding share (ordinary share):  
 1) Number of issued and outstanding share at the end of each fiscal period (including treasury share):  
 FY2021 Q2 199,542,265 shares; FY2020 199,566,770 shares.  
 2) Number of treasury share at the end of each fiscal period:  
 FY2021 Q2 4,443,321 shares; FY2020 3,132,075 shares.  
 3) Average number of outstanding share for each period (cumulative term):  
 FY2021 Q2 196,337,662 shares; FY2020 Q2 198,130,909 shares.

(Note) Advantest's share (FY2021 Q2 426,227 shares, FY2020 694,832 shares), which is being kept as performance-based stock remuneration in trust account, is included in the number of treasury share at the end of each fiscal period. Shares used for stock remuneration plans are considered in calculating average number of outstanding share for each period.

### Status of Quarterly Review Procedures

This quarterly financial results report is not subject to quarterly review procedures by independent auditors.

### Explanation on the Appropriate Use of Future Earnings Projections and Other Special Instructions

This document 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.

**Contents**

1. Overview of Business Results	P. 2
(1) Overview of Business Results	P. 2
(2) Overview of Financial Condition	P. 4
(3) Overview of Cash Flows	P. 4
(4) Outlook	P. 5
2. Condensed Consolidated Financial Statements	P. 6
(1) Condensed Consolidated Statement of Financial Position	P. 6
(2) Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income	P. 8
(3) Condensed Consolidated Statement of Changes in Equity	P. 11
(4) Condensed Consolidated Statement of Cash Flows	P. 12
(5) Notes to the Condensed Consolidated Financial Statements	P. 13
(Notes on Going Concern)	P. 13
(Segment Information)	P. 13
 FY2021 Second Quarter Consolidated Financial Results Overview	 P. 15

## 1. Overview of Business Results

## (1) Overview of Business Results

Consolidated Financial Results of FY2021 Q2 (April 1, 2021 through September 30, 2021)

(in billion yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021	As compared to the corresponding period of the previous fiscal year increase (decrease)
Orders received	125.6	365.0	2.9 times
Net sales	144.1	188.0	30.5%
Operating income	30.9	47.5	53.5%
Income before income taxes	29.3	47.3	61.2%
Net income	24.5	35.2	43.9%

During Advantest's six-month period ended September 30, 2021, the global economy was burdened by the spread of new COVID-19 variants, shortages of semiconductors and other components, and price pressures. However, vaccine uptake, especially in developed economies, accelerated the relaxation of logistical and travel restrictions and other measures intended to prevent the spread of infection, encouraging people to resume their normal activities. As a result, the recovery from the historic recession triggered by COVID-19 continued overall.

In the semiconductor market, demand for semiconductors related to data centers, AI, and personal computers remained firm, thanks to continued high demand stemming from demand for at-home consumption and the ongoing digitalization of society overall. In addition, semiconductors for smartphones have become even more sophisticated and demand increased in response to continued 5G smartphone performance evolution and market expansion. As a result, semiconductor manufacturers maintained a high level of capital investment in leading-edge nodes. Moreover, the noted shortage of semiconductors for automobiles, industrial equipment, and consumer electronics, coupled with the post-Covid economic recovery, spurred active investment in production capacity increases for various semiconductors manufactured at trailing-edge nodes.

In response to these market trends, demand for semiconductor test equipment grew across the board, exceeding Advantest's expectations at the beginning of the period. In particular, test demand for semiconductors manufactured with advanced processes, which are remarkably complicated devices and becoming more so, trended strongly, driving the expansion of the semiconductor test equipment market.

In this environment, Advantest leveraged our broad product portfolio, which is one of Advantest's key strengths, to attract a wide range of inquiries for semiconductor test equipment. On the other hand, although Advantest endeavored to increase Advantest's product supply capacity to meet the ever-growing demand for test equipment, the semiconductor shortage had a broad impact on supply chains throughout many industries, forcing us to extend lead times on some products.

As a result, orders received were (Y) 365.0 billion (2.9 times increase the corresponding period in the previous fiscal year), lifting orders to a significant record high on a half-year basis. Sales were (Y) 188.0 billion (30.5% increase in comparison to the corresponding period in the previous fiscal year), slightly below the forecast announced in July 2021, due to parts procurement issues and logistical difficulties caused by COVID-19 restrictions. Nonetheless, as with orders, sales hit a record high on a half-year basis. In terms of profits, operating profit was (Y) 47.5 billion (53.5% increase in comparison to the corresponding period in the previous fiscal year), quarterly income before income taxes was (Y) 47.3 billion (61.2% increase in comparison to the corresponding period in the previous fiscal year), and quarterly net income was (Y) 35.2 billion (43.9% increase in comparison to the corresponding period in the previous fiscal year). Average currency exchange rates in the first half of the current consolidated cumulative period were 1 USD to 110 JPY (107 JPY in the corresponding period of the previous fiscal year) and 1 EUR to 131 JPY (120 JPY in the

corresponding period). The percentage of net sales to overseas customers was 96.4% (95.5% in the corresponding period in the previous fiscal year).

Conditions of business segments are described below.

<Semiconductor and Component Test System Segment>

(in billion yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021	As compared to the corresponding period of the previous fiscal year increase (decrease)
Orders received	87.2	285.8	3.3 times
Net sales	89.8	127.4	41.8%
Segment income	24.8	43.6	75.7%

In this segment, orders for SoC semiconductor test equipment significantly increased as several major semiconductor manufacturers invested in test capacity amidst a strengthening consensus that high-end SoC semiconductors utilizing leading-edge nodes, such as application processors and HPC (High Performance Computing) devices, will make further complexity gains in 2022 and beyond. In addition, test equipment sales to smartphone-related semiconductor manufacturers, who continue to improve the performance of their devices, and to manufacturers of automotive and industrial semiconductors, where demand is recovering, were strong. Memory semiconductor test equipment sales also held a high level amidst technical advances in memory semiconductor performance.

As a result of the above, orders received were (Y) 285.8 billion (3.3 times increase in comparison to the corresponding period in the previous fiscal year), net sales were (Y) 127.4 billion (41.8% increase in comparison to the corresponding period in the previous fiscal year), and segment income was (Y) 43.6 billion (75.7% increase in comparison to the corresponding period in the previous fiscal year).

< Mechatronics System Segment >

(in billion yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021	As compared to the corresponding period of the previous fiscal year increase (decrease)
Orders received	17.7	31.6	78.9%
Net sales	20.4	20.9	2.8%
Segment income (loss)	3.6	3.0	(17.8%)

In this segment, orders for device interfaces and test handlers for SoC and memory semiconductor test equipment increased on steady demand. Nanotechnology products gained strong traction due to the increasing adoption of EUV lithography technology. Due to product lead times, sales were at the same level as the corresponding period of the previous year. Note that segment income for the corresponding period of the previous year included a gain on the transfer of Advantest's probe card business of approximately (Y) 2.5 billion.

As a result of the above, orders received were (Y) 31.6 billion (78.9% increase in comparison to the corresponding period in the previous fiscal year), net sales were (Y) 20.9 billion (2.8% increase in comparison to the corresponding period in the previous fiscal year), and segment income was (Y) 3.0 billion (17.8% decrease in comparison to the corresponding period in the previous fiscal year).

## &lt;Services, Support and Others Segment&gt;

(in billion yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021	As compared to the corresponding period of the previous fiscal year increase (decrease)
Orders received	21.1	47.7	2.3 times
Net sales	34.2	39.7	16.1%
Segment income	7.0	7.7	10.5%

In this segment, demand for system-level test products grew significantly amidst strength in the server and personal computer markets, and smartphone performance gains. In addition, as Advantest's installed base grew, demand for maintenance services continued at a high level.

As a result of the above, orders received were (Y) 47.7 billion (2.3 times increase in comparison to the corresponding period in the previous fiscal year), net sales were (Y) 39.7 billion (16.1% increase in comparison to the corresponding period in the previous fiscal year), and segment income was (Y) 7.7 billion (10.5% increase in comparison to the corresponding period in the previous fiscal year).

## (2) Overview of Financial Condition

Total assets at September 30, 2021 amounted to (Y) 435.0 billion, an increase of (Y) 12.3 billion compared to the fiscal year ended March 31, 2021. This was primarily attributable to increases of (Y) 11.4 billion in inventories and (Y) 3.0 billion in other financial assets due to increases in invested securities, offset by a decrease of (Y) 2.4 billion in cash and cash equivalents. The amount of total liabilities was (Y) 148.8 billion, an increase of (Y) 6.6 billion compared to the fiscal year ended March 31, 2021. This was primarily attributable to increases of (Y) 5.7 billion in other current liabilities primarily due to an increase of advance receipt and (Y) 4.5 billion in income tax payables offset by a decrease of (Y) 3.0 billion in trade and other payables. Total equity was (Y) 286.1 billion. Ratio of equity attributable to owners of the parent was 65.8%, a decrease of 0.5 percentage points from March 31, 2021.

## (3) Overview of Cash Flows

Cash and cash equivalents held at September 30, 2021 were (Y) 146.7 billion, a decrease of (Y) 2.4 billion from March 31, 2021. Significant cash flows during the six-month period of this fiscal year and details are described below.

Net cash provided by operating activities was (Y) 40.4 billion (net cash inflow of (Y) 24.4 billion in the corresponding period of the previous fiscal year). This amount was primarily attributable to an increase of (Y) 11.4 billion in inventories, income tax paid of (Y) 8.4 billion and adjustments of non-cash items such as depreciation and amortization in addition to the income before income taxes of (Y) 47.3 billion.

Net cash used in investing activities was (Y) 8.7 billion (net cash outflow of (Y) 9.8 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) 7.5 billion.

Net cash used in financing activities was (Y) 34.5 billion (net cash outflow of (Y) 22.4 billion in the corresponding period of the previous fiscal year). This amount was primarily attributable to purchase of treasury shares of (Y) 18.0 billion, and dividends paid of (Y) 15.7 billion.

#### (4) Outlook

Looking at the future of our market environment, while demand for semiconductors is expected to grow in line with higher final product demand and functionality, Advantest also expects that investments in production capacity expansion to resolve semiconductor shortages will continue for the present. Amidst the advancing digital transformation and the need to improve energy efficiency, there is also an increasing need for investments in technology to achieve even higher semiconductor performance. These trends lead us to anticipate a favorable environment for semiconductors and related markets in the short and mid / long term.

Regarding our business environment for the fiscal year ending March 2022, Advantest anticipates a decline in reaction to the sharp increase in orders seen in the first half of the year, but baseline demand for semiconductor test itself is rising as semiconductor performance improves. Based on this reality, Advantest expects that orders will continue on a positive trajectory in the second half of the year. Regarding sales, Advantest aims to increase revenues in the future by stabilizing parts procurement and working on improving product supply as a priority issue.

Based on this market outlook and business results for the first half of the consolidated cumulative period, Advantest has revised our full-year consolidated business results forecast for FY2021 upwards, as follows. Orders received, (Y) 565.0 billion (was (Y) 400.0 billion in our forecast announced in July 2021); sales, (Y) 400.0 billion (was (Y) 385.0 billion), operating income and income before income taxes, both (Y) 105.0 billion (both were (Y) 100.0 billion); net income, (Y) 78.8 billion (was (Y) 75.0 billion). Our earnings forecast for the second half of the current fiscal year is based on exchange rate assumptions of 1 USD to 110 JPY and 1 EUR to 135 JPY, unchanged from the assumptions used in our July forecast.

Additionally, regarding the impact of COVID-19, business obstacles such as restrictions on movement and logistical difficulties continue. Advantest estimates that dislocations in international logistics had an approximately (Y) 3.0 billion impact on sales during the six-month period ended September 30, 2021. Uncertainty in the global economy and Advantest's business environment is still high due to the spread of new COVID-19 variants, the prolonged semiconductor shortage, and geopolitical risks. Therefore, Advantest has set flexible response to changes in Advantest's external environment as our foremost priority as Advantest continues to strive to achieve the goals of our second mid-term management plan, announced in May 2021.

## 2. Condensed Consolidated Financial Statements

## (1) Condensed Consolidated Statement of Financial Position

	Millions of Yen	
	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	149,164	146,716
Trade and other receivables	57,028	55,747
Inventories	64,340	75,742
Other current assets	8,563	9,922
Total current assets	279,095	288,127
Non-current assets		
Property, plant and equipment, net	41,613	43,334
Right-of-use assets	11,668	10,701
Goodwill and intangible assets, net	54,543	54,033
Other financial assets	10,211	13,196
Deferred tax assets	25,242	25,088
Other non-current assets	269	475
Total non-current assets	143,546	146,827
Total assets	422,641	434,954



	As of March 31, 2021	As of September 30, 2021
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	58,558	55,574
Income tax payables	8,619	13,114
Provisions	4,058	4,575
Lease liabilities	2,486	2,496
Other financial liabilities	3,509	4,740
Other current liabilities	12,581	18,292
Total current liabilities	<u>89,811</u>	<u>98,791</u>
Non-current liabilities		
Lease liabilities	9,364	8,390
Retirement benefit liabilities	36,891	35,958
Deferred tax liabilities	4,473	4,180
Other non-current liabilities	1,733	1,506
Total non-current liabilities	<u>52,461</u>	<u>50,034</u>
Total liabilities	<u>142,272</u>	<u>148,825</u>
Equity		
Share capital	32,363	32,363
Share premium	44,573	44,236
Treasury shares	(15,001)	(30,732)
Retained earnings	214,858	233,860
Other components of equity	3,576	6,402
Total equity attributable to owners of the parent	<u>280,369</u>	<u>286,129</u>
Total equity	<u>280,369</u>	<u>286,129</u>
Total liabilities and equity	<u><u>422,641</u></u>	<u><u>434,954</u></u>

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

## Condensed Consolidated Statement of Profit or Loss

	Millions of Yen	
	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	144,102	187,990
Cost of sales	<u>(64,476)</u>	<u>(83,237)</u>
Gross profit	79,626	104,753
Selling, general and administrative expenses	(51,253)	(57,071)
Other income	2,646	344
Other expenses	<u>(82)</u>	<u>(550)</u>
Operating income	30,937	47,476
Financial income	78	33
Financial expenses	<u>(1,695)</u>	<u>(249)</u>
Income before income taxes	29,320	47,260
Income taxes	<u>(4,829)</u>	<u>(12,014)</u>
Net income	<u>24,491</u>	<u>35,246</u>
Net income attributable to:		
Owners of the parent	24,491	35,246
Earnings per share:	Yen	Yen
Basic	<u>123.61</u>	<u>179.52</u>
Diluted	122.97	178.60

	Three months ended September 30, 2020	Three months ended September 30, 2021
Net sales	77,377	90,874
Cost of sales	(35,704)	(40,866)
Gross profit	41,673	50,008
Selling, general and administrative expenses	(26,721)	(28,801)
Other income	2,574	181
Other expenses	(47)	(37)
Operating income	17,479	21,351
Financial income	32	202
Financial expenses	(1,086)	(34)
Income before income taxes	16,425	21,519
Income taxes	(2,484)	(5,617)
Net income	13,941	15,902
Net income attributable to:		
Owners of the parent	13,941	15,902
Earnings per share:	Yen	Yen
Basic	70.48	81.08
Diluted	70.12	80.72

## Condensed Consolidated Statement of Comprehensive Income

	Millions of Yen	
	Six months ended September 30, 2020	Six months ended September 30, 2021
Net income	24,491	35,246
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	(333)	1,985
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	(1,427)	841
Total other comprehensive income (loss)	(1,760)	2,826
Total comprehensive income for the period	<u>22,731</u>	<u>38,072</u>
Comprehensive income attributable to:		
Owners of the parent	22,731	38,072

	Millions of Yen	
	Three months ended September 30, 2020	Three months ended September 30, 2021
Net income	13,941	15,902
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	(349)	1,713
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	(998)	582
Total other comprehensive income (loss)	(1,347)	2,295
Total comprehensive income for the period	<u>12,594</u>	<u>18,197</u>
Comprehensive income attributable to:		
Owners of the parent	12,594	18,197

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

Six months ended September 30, 2020

	Millions of Yen						
	Equity attributable to owners of the parent						Total Equity
	Share capital	Share premium	Treasury shares	Retained earnings	Other components of equity	Total	
Balance as of April 1, 2020	32,363	43,550	(4,179)	159,803	(85)	231,452	231,452
Net income				24,491		24,491	24,491
Other comprehensive income					(1,760)	(1,760)	(1,760)
Total comprehensive income for the period	—	—	—	24,491	(1,760)	22,731	22,731
Purchase of treasury shares		(13)	(11,732)			(11,745)	(11,745)
Disposal of treasury shares		(142)	1,357	(539)		676	676
Dividends				(8,135)		(8,135)	(8,135)
Share-based payments		518				518	518
Total transactions with the owners	—	363	(10,375)	(8,674)	—	(18,686)	(18,686)
Balance as of September 30, 2020	32,363	43,913	(14,554)	175,620	(1,845)	235,497	235,497

Six months ended September 30, 2021

	Millions of Yen						
	Equity attributable to owners of the parent						Total Equity
	Share capital	Share premium	Treasury shares	Retained earnings	Other components of equity	Total	
Balance as of April 1, 2021	32,363	44,573	(15,001)	214,858	3,576	280,369	280,369
Net income				35,246		35,246	35,246
Other comprehensive income					2,826	2,826	2,826
Total comprehensive income for the period	—	—	—	35,246	2,826	38,072	38,072
Purchase of treasury shares		(1)	(17,760)			(17,761)	(17,761)
Disposal of treasury shares		(978)	1,963	(468)		517	517
Cancellation of treasury shares			66	(66)		—	—
Dividends				(15,715)		(15,715)	(15,715)
Share-based payments		642				642	642
Other				5		5	5
Total transactions with the owners	—	(337)	(15,731)	(16,244)	—	(32,312)	(32,312)
Balance as of September 30, 2021	32,363	44,236	(30,732)	233,860	6,402	286,129	286,129

## (4) Condensed Consolidated Statement of Cash Flows

	Millions of Yen	
	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities:		
Income before income taxes	29,320	47,260
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,503	6,951
Changes in assets and liabilities:		
Trade and other receivables	1,748	1,668
Inventories	(6,326)	(11,382)
Trade and other payables	(3,169)	(2,564)
Warranty provisions	200	520
Advance receipt	1,605	5,456
Retirement benefit liabilities	695	(984)
Other	38	1,989
Subtotal	<u>29,614</u>	<u>48,914</u>
Interest and dividends received	87	35
Interest paid	(86)	(72)
Income taxes paid	<u>(5,199)</u>	<u>(8,432)</u>
Net cash provided by (used in) operating activities	<u>24,416</u>	<u>40,445</u>
Cash flows from investing activities:		
Proceeds from sale of debt instruments	—	124
Purchases of equity instruments	(6,817)	(881)
Purchases of property, plant and equipment	(5,841)	(7,461)
Purchases of intangible assets	(397)	(343)
Proceeds from transfer of business	3,295	—
Other	10	(143)
Net cash provided by (used in) investing activities	<u>(9,750)</u>	<u>(8,704)</u>
Cash flows from financing activities:		
Proceeds from disposal of treasury shares	701	506
Purchases of treasury shares	(13,866)	(18,006)
Dividends paid	(8,129)	(15,701)
Payments for lease liabilities	(1,107)	(1,263)
Other	—	—
Net cash provided by (used in) financing activities	<u>(22,401)</u>	<u>(34,464)</u>
Net effect of exchange rate changes on cash and cash equivalents	<u>(956)</u>	<u>275</u>
Net change in cash and cash equivalents	<u>(8,691)</u>	<u>(2,448)</u>
Cash and cash equivalents at the beginning of period	<u>127,703</u>	<u>149,164</u>
Cash and cash equivalents at the end of period	<u><u>119,012</u></u>	<u><u>146,716</u></u>

## (5) Notes to the Condensed Consolidated Financial Statements

(Notes on Going Concern): None

(Segment Information)

Six months ended September 30, 2020

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	89,499	20,381	34,222	—	144,102
Inter-segment sales	334	—	—	(334)	—
Total	89,833	20,381	34,222	(334)	144,102
Segment income (loss) (operating income (loss) before share-based compensation expense)	24,812	3,647	6,965	(3,884)	31,540
Adjustment: Share-based compensation expense	—	—	—	—	(603)
Operating income	—	—	—	—	30,937
Financial income	—	—	—	—	78
Financial expenses	—	—	—	—	(1,695)
Income before income taxes	—	—	—	—	29,320

Six months ended September 30, 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	127,312	20,944	39,734	—	187,990
Inter-segment sales	48	—	—	(48)	—
Total	127,360	20,944	39,734	(48)	187,990
Segment income (loss) (operating income (loss) before share-based compensation expense)	43,596	2,997	7,698	(6,062)	48,229
Adjustment: Share-based compensation expense	—	—	—	—	(753)
Operating income	—	—	—	—	47,476
Financial income	—	—	—	—	33
Financial expenses	—	—	—	—	(249)
Income before income taxes	—	—	—	—	47,260

Three months ended September 30, 2020					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	47,540	11,502	18,335	—	77,377
Inter-segment sales	2	—	—	(2)	—
Total	47,542	11,502	18,335	(2)	77,377
Segment income (loss) (operating income (loss) before share-based compensation expense)	12,998	3,464	3,252	(2,007)	17,707
Adjustment: Share-based compensation expense	—	—	—	—	(228)
Operating income	—	—	—	—	17,479
Financial income	—	—	—	—	32
Financial expenses	—	—	—	—	(1,086)
Income before income taxes	—	—	—	—	16,425

Three months ended September 30, 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	60,014	9,481	21,379	—	90,874
Inter-segment sales	28	—	—	(28)	—
Total	60,042	9,481	21,379	(28)	90,874
Segment income (loss) (operating income (loss) before share-based compensation expense)	19,202	999	4,453	(2,877)	21,777
Adjustment: Share-based compensation expense	—	—	—	—	(426)
Operating income	—	—	—	—	21,351
Financial income	—	—	—	—	202
Financial expenses	—	—	—	—	(34)
Income before income taxes	—	—	—	—	21,519

## (Notes)

- Advantest uses the operating income (loss) before share-based compensation expense for management's analysis of business segment results.
- Share-based compensation expense represents expenses for stock options and performance-based stock remuneration 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.
- 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.
- For the mechatronics system business, (Y) 2,451 million income is included for the six and three months ended September 30, 2020, respectively. This is due to the transfer of probe card business on July 30, 2020.



## FY2021 Second Quarter Consolidated Financial Results Overview

### 1. Orders received and Backlog

(in billion yen)

	FY2020	FY2021				
		1Q	2Q	vs. FY2021 1Q increase (decrease)	1H	vs. FY2020 1H increase (decrease)
Orders received	<b>330.6</b>	<b>161.2</b>	<b>203.8</b>	<b>26.4%</b>	<b>365.0</b>	<b>2.9 times</b>
Backlog	<b>108.8</b>	<b>172.9</b>	<b>285.8</b>	<b>65.3%</b>	<b>285.8</b>	<b>3.9 times</b>

Upper data is the forecast amount released on Jul 28, 2021.

FY2021 Forecast	
Annual total	vs. FY2020 increase (decrease)
400.0 <b>565.0</b>	<b>70.9%</b>
123.8 <b>273.8</b>	<b>2.5 times</b>

### 2. Profit or Loss

(in billion yen)

	FY2020	FY2021				
		1Q	2Q	vs. FY2021 1Q increase (decrease)	1H	vs. FY2020 1H increase (decrease)
Net sales	<b>312.8</b>	<b>97.1</b>	<b>90.9</b>	<b>(6.4%)</b>	<b>188.0</b>	<b>30.5%</b>
Cost of sales	(144.5)	(42.4)	(40.8)	(3.6%)	(83.2)	29.1%
Selling, general and administrative expenses	(105.9)	(28.2)	(28.9)	1.9%	(57.1)	11.4%
Other income - expenses	8.3	(0.4)	0.2	-	(0.2)	-
Operating income	<b>70.7</b>	<b>26.1</b>	<b>21.4</b>	<b>(18.3%)</b>	<b>47.5</b>	<b>53.5%</b>
Sales ratio	22.6%	26.9%	23.5%		25.3%	
Financial income - expenses	(1.1)	(0.4)	0.2	-	(0.2)	(86.6%)
Income before income taxes	69.6	25.7	21.6	(16.4%)	47.3	61.2%
Sales ratio	22.3%	26.5%	23.7%		25.1%	
Income taxes	0.2	(6.4)	(5.7)	(12.2%)	(12.1)	2.5 times
Net income	<b>69.8</b>	<b>19.3</b>	<b>15.9</b>	<b>(17.8%)</b>	<b>35.2</b>	<b>43.9%</b>
Sales ratio	22.3%	19.9%	17.5%		18.7%	

Upper data is the forecast amount released on Jul 28, 2021.

FY2021 Forecast	
Annual total	vs. FY2020 increase (decrease)
385.0 <b>400.0</b>	<b>27.9%</b>
-	-
-	-
100.0 <b>105.0</b>	<b>48.5%</b>
26.3%	
-	-
100.0 <b>105.0</b>	<b>50.8%</b>
26.3%	
-	-
75.0 <b>78.8</b>	<b>12.8%</b>
19.7%	

### 3. Financial Condition

(in billion yen)

	FY2020	FY2021		
	4Q End	1Q End	2Q End	vs. FY2021 1Q increase (decrease)
Total assets	<b>422.6</b>	<b>428.2</b>	<b>435.0</b>	<b>1.6%</b>
Equity attributable to owners of the parent	<b>280.4</b>	<b>285.0</b>	<b>286.1</b>	<b>0.4%</b>
Ratio of equity attributable to owners of the parent	<b>66.3%</b>	<b>66.6%</b>	<b>65.8%</b>	-

### 4. Dividends

(in yen)

(Record Date)	FY2020			FY2021		
	Interim	Year end	Annual total	Interim	Year end (Forecast)	Annual total (Forecast)
Dividend per share	<b>38.00</b>	<b>80.00</b>	<b>118.00</b>	50.00 <b>50.00</b>	<b>TBD</b>	<b>TBD</b>

1. Upper data is the forecast amount released on Jul 28, 2021.

2. The dividends forecast for FY2021 Year end hasn't been decided. We will disclose promptly after considering the results based on the business performance.