

FY2022 Consolidated Financial Results

(Advantest's consolidated financial statements are prepared in accordance with IFRS)

(Year ended March 31, 2023)

April 26, 2023

Company Name	: Advantest Corporation (URL https://www.advantest.com/investors)
Stock Exchange on which shares are listed	: Prime Market of the Tokyo Stock Exchange
Stock Code Number	: 6857
Company Representative	: Yoshiaki Yoshida, Representative Director, President & Group CEO
Contact Person	: Atsushi Fujita, Director, Senior Executive Officer, CFO & CCO (03)3214-7500
Date of General Shareholders' Meeting (as planned)	: June 27, 2023
Dividend Payable Date (as planned)	: June 5, 2023
Annual Report Filing Date (as planned)	: June 23, 2023
Financial Results Supplemental Materials	: Yes
Financial Results Presentation Meeting	: Yes

(Rounded to the nearest million yen)

1. Consolidated Results of FY2022 (April 1, 2022 through March 31, 2023)

(1) Consolidated Financial Results

(% 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		Total comprehensive income for the year	
	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)
FY2022	560,191	34.4	167,687	46.2	171,270	47.2	130,400	49.4	130,400	49.4	146,882	36.9
FY2021	416,901	33.3	114,734	62.2	116,343	67.1	87,301	25.1	87,301	25.1	107,286	41.6

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the parent	Ratio of income before taxes to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2022	697.41	694.70	39.3	31.3	29.9
FY2021	449.56	447.26	30.4	25.4	27.5

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity attributable to owners of the parent per share
	Million yen	Million yen	Million yen	%	Yen
FY2022	600,224	368,694	368,694	61.4	2,002.43
FY2021	494,696	294,621	294,621	59.6	1,551.72

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
FY2022	70,224	(26,706)	(77,434)	85,537
FY2021	78,889	(46,907)	(68,736)	116,582

2. Dividends

	Dividend per share					Total dividend paid (annual)	Payout ratio (consolidated)	Cash dividend rate for equity attributable to owners of the parent (consolidated)
	First quarter end	Second quarter end	Third quarter end	Year end	Annual total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2021	—	50.00	—	70.00	120.00	23,100	26.7	8.1
FY2022	—	65.00	—	70.00	135.00	25,057	19.4	7.6
FY2023 (forecast)	—	—	—	—	—		—	

(Note) The dividend forecast for FY2023 hasn't been decided yet.

3. Earnings Forecast for FY2023 (April 1, 2023 through March 31, 2024)

(% 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	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2023	480,000	(14.3)	105,000	(37.4)	103,500	(39.6)	78,000	(40.2)	78,000	(40.2)

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 (common share) :

1) Number of issued and outstanding share at the end of each fiscal period (including treasury share) :

FY2022 191,542,265 shares; FY2021 199,542,265 shares.

2) Number of treasury share at the end of each fiscal period :

FY2022 7,328,226 shares; FY2021 9,634,859 shares.

3) Average number of outstanding share for each period :

FY2022 186,978,031 shares; FY2021 194,193,275 shares.

(Note) Advantest's share (FY2022 162,183 shares, FY2021 425,495 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.

(Reference) Non-Consolidated Results of FY2022 (April 1, 2022 through March 31, 2023)

(1) Non-Consolidated Financial Results

(% changes as compared to the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)
FY2022	482,576	35.7	134,083	50.8	150,368	60.5	115,834	63.6
FY2021	355,575	30.8	88,923	97.2	93,667	71.1	70,814	33.5

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
FY2022	619.26	617.81
FY2021	364.61	363.54

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity-to-assets ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2022	533,860	305,989	57.2	1,658.61
FY2021	459,809	262,918	57.0	1,380.85

(Reference) Shareholders' Equity at the end of each fiscal period: FY2022 (Y) 305,539 million; FY2021 (Y) 262,234 million

Status of Audit Procedures

This consolidated financial results report is not subject to audit 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.

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1. Overview of Business Results

(1) Overview of Business Results for FY2022

1) Consolidated Financial Results of FY2022 (April 1, 2022 through March 31, 2023)

(in billion yen)

	FY2021	FY2022	As compared to the previous fiscal year increase (decrease)
Net sales	416.9	560.2	34.4%
Operating income	114.7	167.7	46.2%
Income before income taxes	116.3	171.3	47.2%
Net income	87.3	130.4	49.4%

During Advantest's fiscal year ended March 31, 2023, the global economy suffered from worldwide 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 responded with interest rate hikes, and as 2023 opened, news of financial instability emerged from the United States, further heightening recessionary concerns.

Amidst this global economic situation, the semiconductor market saw a decline in demand for chips used in cornerstone consumer electronics products such as smartphones, personal computers and televisions, and from mid-2022, semiconductor manufacturers increasingly took steps to adjust inventories and revise their CapEx 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 gradually accelerated.

Advantest's semiconductor test equipment sales were also affected by the decline in demand for chips used in consumer electronics. Rising demand for our products against the backdrop of higher semiconductor performance compensated for the demand decline caused by reduced production volumes of consumer devices. However, parts shortages and logistical dislocations affected a wide range of supply chains, and our difficulties in procuring needed parts continued from the previous fiscal year through the third quarter.

Under these circumstances, Advantest responded to this situation by reinforcing our strategic procurement capabilities and adjusting our production plans in order to meet customer delivery date requirements as closely as possible, while tailoring our efforts to the relative strength and weakness of test demand for various types of semiconductors, and achieved our sales target through these efforts.

As a result, in the consolidated fiscal year ended March 31, 2023, net sales were (Y) 560.2 billion (34.4% increase in comparison to the previous fiscal year), operating income was (Y) 167.7 billion (46.2% increase in comparison to the previous fiscal year), income before income taxes was (Y) 171.3 billion (47.2% increase in comparison to the previous fiscal year) and net income was (Y) 130.4 billion (49.4% increase in comparison to the previous fiscal year). Although procurement costs rose, higher sales and yen depreciation boosted our performance. As a result, all the above results reached record highs for the consolidated fiscal year. Average currency exchange rates in the consolidated fiscal year were 1 USD to 134 JPY (112 JPY in the previous fiscal year) and 1 EUR to 140 JPY (130 JPY in the previous fiscal year). The percentage of net sales to overseas customers was 96.3% (96.1% in the previous fiscal year).

Conditions of business segments are described below.

<Semiconductor and Component Test System Segment>

(in billion yen)

	FY2021	FY2022	As compared to the previous fiscal year increase (decrease)
Net sales	288.9	404.3	39.9%
Segment income (loss)	105.7	163.2	54.5%

In this segment, sales of SoC semiconductor test equipment for advanced process devices greatly exceeded results in the previous fiscal year amidst further technological evolution and performance gains in HPC (High Performance Computing) devices and application processors. Furthermore, sales of test equipment for mature process products such as automotive and industrial devices, which are in great demand, also increased. Regarding memory semiconductor test equipment, despite a significant slowdown in the memory semiconductor market, customer CapEx executions in high-performance memory semiconductor test equipment continued throughout FY2022, supporting continued strong sales of our products. It is estimated that the CY2022 semiconductor test equipment market shrank year-on-year, but Advantest expanded our sales, resulting in market share gains.

As a result of the above, net sales were (Y) 404.3 billion (39.9% increase in comparison to the previous fiscal year), and segment income was (Y) 163.2 billion (54.5% increase in comparison to the previous fiscal year).

< Mechatronics System Segment >

(in billion yen)

	FY2021	FY2022	As compared to the previous fiscal year increase (decrease)
Net sales	42.3	59.9	41.5%
Segment income (loss)	6.1	15.0	2.5 times

In this segment, sales of device interface products and test handlers increased due to strong customer demand for semiconductor test equipment. Sales of SEM metrology products also increased due to the adoption of EUV lithography technology by semiconductor manufacturers and rising demand for mature process photomasks. In terms of profit, increased sales and a more-favorable product mix contributed to higher segment profitability.

As a result of the above, net sales were (Y) 59.9 billion (41.5% increase in comparison to the previous fiscal year), and segment income was (Y) 15.0 billion (2.5 times increase in comparison to the previous fiscal year).

<Services, Support and Others Segment>

(in billion yen)

	FY2021	FY2022	As compared to the previous fiscal year increase (decrease)
Net sales	85.8	96.1	12.0%
Segment income (loss)	17.8	7.6	(57.2%)

In this segment, maintenance services delivered strong sales as Advantest's installed base grew. However, in our system-level test (SLT) business, which has high sales exposure to a limited number of customers, sales in the second half contracted rapidly due to a decline in consumer-related demand. Moreover, in addition to Advantest's ongoing investments in reinforcing SLT production and R&D capabilities in anticipation of mid/long-term business growth, which led costs to increase, the recording of inventory valuation losses for some products caused profit in this segment to decline significantly year-on-year.

As a result of the above, net sales were (Y) 96.1 billion (12.0% increase in comparison to the previous fiscal year), and segment income was (Y) 7.6 billion (57.2% decrease in comparison to the previous fiscal year).

2) Overview of Non-Consolidated Financial Results for FY2022

During FY2022, the semiconductor market decline accelerated along with recessionary concerns for global economy heightened. Advantest's semiconductor test equipment sales, however, saw a large increase backed by rising demand for our products against the backdrop of higher semiconductor performance and robust demands for automotive and industrial semiconductors, boosted by yen depreciation. As a result, net sales were (Y) 482.6 billion (35.7% increase in comparison to the previous fiscal year), operating income was (Y) 134.1 billion (50.8% increase in comparison to the previous fiscal year), ordinary income was (Y) 150.4 billion (60.5% increase in comparison to the previous fiscal year) and net income was (Y) 115.8 billion (63.6% increase in comparison to the previous fiscal year).

(2) Overview of Financial Condition for FY2022

Total assets at the end of FY2022 were (Y) 600.2 billion, an increase of (Y) 105.5 billion compared to the previous fiscal year, primarily due to increases of (Y) 74.1 billion in inventories, (Y) 20.0 billion in trade and other receivables, (Y) 12.7 billion in property, plant and equipment and (Y) 10.5 billion in goodwill and intangible assets, offset by a decrease of (Y) 31.0 billion in cash and cash equivalent. The total liabilities were (Y) 231.5 billion, an increase of (Y) 31.5 billion compared to the previous fiscal year, primarily due to increases of (Y) 18.9 billion in trade and other payables, (Y) 4.6 billion in lease liabilities, (Y) 3.8 billion in income taxes payable and (Y) 2.8 billion in borrowings. Total equity was (Y) 368.7 billion. Ratio of equity attributable to owners of the parent was 61.4%, an increase of 1.8 percentage points from March 31, 2022.

(3) Overview of Cash Flows for FY2022

Cash and cash equivalents held at the end of FY2022 were (Y) 85.5 billion, a decrease of (Y) 31.0 billion from the previous fiscal year.

Significant cash flows during this fiscal year and details are described below.

Net cash provided by operating activities was (Y) 70.2 billion (net cash inflow of (Y) 78.9 billion in the previous fiscal year). This amount was primarily attributable to an increase of (Y) 71.6 billion in inventories, income taxes paid of (Y) 40.2 billion, an increase of (Y) 16.5 billion in trade and other payables, an increase of (Y) 15.6 billion in trade and other receivables and adjustments of non-cash items such as depreciation and amortization in addition to the income before income taxes of (Y) 171.3 billion.

Net cash used in investing activities was (Y) 26.7 billion (net cash outflow of (Y) 46.9 billion in the previous fiscal year). This amount was primarily attributable to purchase of property, plant and equipment of (Y) 22.5 billion.

Net cash used in financing activities was (Y) 77.4 billion (net cash outflow of (Y) 68.7 billion in the previous fiscal year). This amount was primarily attributable to purchase of treasury shares of (Y) 50.0 billion and (Y) 25.4 billion in dividends paid.

(4) Outlook

Looking at Advantest's market environment going forward, Advantest anticipates that in the medium to long term, semiconductors will need to have even better functionality and reliability as they rise to the challenge of providing infrastructural support for the worldwide digital transformation and carbon-neutral movement. Advantest's expectations of mid/long-term growth remain unchanged. Indeed, the emergence of new AI-based applications has accelerated the digital transformation, while growing demand for Net Zero initiatives has increased the importance of semiconductor technology for better energy efficiency. Customers are also aggressively continuing to develop next-generation devices, including advances in miniaturization. Advantest expects demand for semiconductor test equipment, which ensures that semiconductors support our "safe, secure, and comfortable" environment and society, to grow in step with the growth of the semiconductor market.

In the short term, however, the outlook for our business environment is becoming increasingly uncertain due to global recessionary risks exacerbated by rising inflation and higher interest rates, as well as growing concerns about geopolitical risk factors and pronounced exchange rate fluctuations. As recessionary concerns intensify, semiconductor manufacturers are expected to continue their inventory and production adjustments for the time being. Therefore, Advantest expects the semiconductor tester market to contract year-on-year in CY2023. Regarding the tightening of restrictions on the export of semiconductor production equipment to China by the United States and its allies, the direct impact on our FY2023 earnings is currently expected to be minor, but Advantest will continue to closely monitor the situation.

Amidst this uncertain market outlook, based on our outlook for each of our business segments, our full-year consolidated earnings forecast for FY2023 calls for net sales of (Y) 480.0 billion, operating income of (Y) 105.0 billion, income before income taxes of (Y) 103.5 billion, and net income of (Y) 78.0 billion. This forecast is based on exchange rate assumptions of 1 USD to 130 JPY and 1 EUR to 140 JPY.

Advantest did not recognize more than a minor direct impact on business results from COVID-19 and the situation in Ukraine in the fiscal year ended March 31, 2023. However, as mentioned above, our business environment is becoming increasingly uncertain. Advantest will pay close attention to changes in the external environment and respond quickly and flexibly with measures that may include cost controls as necessary.

2. Basic Approach to the Selection of Accounting Standards

Advantest has adopted International Financial Reporting Standards ("IFRS") since the fiscal year ended March 31, 2016 for the improvement of international comparability of its financial information in the capital markets as well as homogenization and efficiency of its financial information of its group companies.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Statement of Financial Position

Millions of Yen

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	116,582	85,537
Trade and other receivables	82,155	102,152
Inventories	95,013	169,082
Other current assets	11,007	17,924
Subtotal	304,757	374,695
Assets held for sale	188	—
Total current assets	304,945	374,695
Non-current assets		
Property, plant and equipment, net	51,392	64,046
Right-of-use assets	12,645	17,312
Goodwill and intangible assets, net	85,307	95,767
Other financial assets	14,565	21,488
Deferred tax assets	25,494	26,522
Other non-current assets	348	394
Total non-current assets	189,751	225,529
Total assets	494,696	600,224

Millions of Yen

	As of March 31, 2022	As of March 31, 2023
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	70,352	89,262
Short-term borrowings	18,359	13,357
Income tax payables	26,814	30,635
Provisions	6,536	9,093
Lease liabilities	2,918	4,587
Other financial liabilities	3,276	4,903
Other current liabilities	22,627	22,852
Total current liabilities	150,882	174,689
Non-current liabilities		
Long-term borrowings	12,239	20,000
Lease liabilities	9,947	12,900
Retirement benefit liabilities	22,341	16,812
Deferred tax liabilities	3,445	5,773
Other non-current liabilities	1,221	1,356
Total non-current liabilities	49,193	56,841
Total liabilities	200,075	231,530
Equity		
Share capital	32,363	32,363
Share premium	44,995	44,622
Treasury shares	(81,547)	(59,099)
Retained earnings	279,828	319,171
Other components of equity	18,982	31,637
Total equity attributable to owners of the parent	294,621	368,694
Total equity	294,621	368,694
Total liabilities and equity	494,696	600,224

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

Millions of Yen

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	416,901	560,191
Cost of sales	(180,994)	(241,130)
Gross profit	235,907	319,061
Selling, general and administrative expenses	(121,132)	(152,042)
Other income	606	1,003
Other expenses	(647)	(335)
Operating income	114,734	167,687
Financial income	1,912	4,458
Financial expenses	(303)	(875)
Income before income taxes	116,343	171,270
Income taxes	(29,042)	(40,870)
Net income	87,301	130,400
Net income attributable to:		
Owners of the parent	87,301	130,400
Earnings per share:	Yen	Yen
Basic	449.56	697.41
Diluted	447.26	694.70

Consolidated Statement of Comprehensive Income

Millions of Yen

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net income	87,301	130,400
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plan	4,509	3,327
Net change in fair value measurements of equity instruments at fair value through other comprehensive income	3,296	5,062
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	12,180	8,093
Total other comprehensive income (loss)	19,985	16,482
Total comprehensive income for the year	107,286	146,882
Comprehensive income attributable to:		
Owners of the parent	107,286	146,882

(3) Consolidated Statement of Changes in Equity

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				87,301		87,301	87,301
Other comprehensive income (loss), net of tax					19,985	19,985	19,985
Total comprehensive income for the year	—	—	—	87,301	19,985	107,286	107,286
Purchase of treasury shares		(85)	(70,013)			(70,098)	(70,098)
Disposal of treasury shares		(1,057)	3,401	(1,379)		965	965
Cancellation of treasury shares			66	(66)		—	—
Dividends				(25,470)		(25,470)	(25,470)
Share-based payments		1,574				1,574	1,574
Other		(10)		5		(5)	(5)
Transfer from other components of equity to retained earnings				4,579	(4,579)	—	—
Total transactions with the owners	—	422	(66,546)	(22,331)	(4,579)	(93,034)	(93,034)
Balance as of March 31, 2022	32,363	44,995	(81,547)	279,828	18,982	294,621	294,621
Net income				130,400		130,400	130,400
Other comprehensive income (loss), net of tax					16,482	16,482	16,482
Total comprehensive income for the year	—	—	—	130,400	16,482	146,882	146,882
Purchase of treasury shares		(23)	(50,006)			(50,029)	(50,029)
Disposal of treasury shares		(1,835)	4,175	(1,171)		1,169	1,169
Cancellation of treasury shares			68,279	(68,279)		—	—
Dividends				(25,434)		(25,434)	(25,434)
Share-based payments		1,426				1,426	1,426
Other		59				59	59
Transfer from other components of equity to retained earnings				3,827	(3,827)	—	—
Total transactions with the owners	—	(373)	22,448	(91,057)	(3,827)	(72,809)	(72,809)
Balance as of March 31, 2023	32,363	44,622	(59,099)	319,171	31,637	368,694	368,694

(4) Consolidated Statement of Cash Flows

Millions of Yen

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities:		
Income before income taxes	116,343	171,270
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:		
Depreciation and amortization	14,968	21,396
Share-based payment expense	1,782	1,520
Changes in assets and liabilities:		
Trade and other receivables	(19,368)	(15,582)
Inventories	(28,004)	(71,638)
Trade and other payables	9,823	16,484
Warranty provisions	2,437	2,536
Advance receipts	8,937	(2,328)
Retirement benefit liabilities	(10,808)	(2,832)
Other	(2,658)	(10,302)
Subtotal	93,452	110,524
Interests and dividends received	143	459
Interests paid	(220)	(593)
Income taxes paid	(14,486)	(40,166)
Net cash provided by (used in) operating activities	78,889	70,224
Cash flows from investing activities:		
Proceeds from sale of equity instruments	920	—
Purchases of equity instruments	(881)	—
Proceeds from sale of debt instruments	404	—
Proceeds from sale of property, plant and equipment	45	356
Purchases of property, plant and equipment	(17,158)	(22,535)
Purchases of intangible assets	(1,061)	(1,053)
Acquisition of subsidiaries	(28,976)	(3,505)
Other	(200)	31
Net cash provided by (used in) investing activities	(46,907)	(26,706)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	16,967	(19,968)
Proceeds from long-term borrowings	11,501	20,000
Proceeds from disposal of treasury shares	955	1,134
Purchases of treasury shares	(70,148)	(50,042)
Dividends paid	(25,456)	(25,418)
Payments for lease liabilities	(2,555)	(3,140)
Other	—	—
Net cash provided by (used in) financing activities	(68,736)	(77,434)
Net effect of exchange rate changes on cash and cash equivalents	4,172	2,871
Net change in cash and cash equivalents	(32,582)	(31,045)
Cash and cash equivalents at the beginning of year	149,164	116,582
Cash and cash equivalents at the end of year	116,582	85,537

(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern) : None

(Segment Information)

1. Operating Segment Information

Fiscal year ended March 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	288,793	42,305	85,803	—	416,901
Inter-segment sales	66	—	—	(66)	—
Total	288,859	42,305	85,803	(66)	416,901
Segment income (loss)					
(operating income (loss) before share- based compensation expense)	105,655	6,101	17,813	(13,053)	116,516
Adjustment:					
Share-based compensation expense	—	—	—	—	(1,782)
Operating income	—	—	—	—	114,734
Financial income	—	—	—	—	1,912
Financial expenses	—	—	—	—	(303)
Income before income taxes	—	—	—	—	116,343

Fiscal year ended March 31, 2023

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	404,213	59,874	96,104	—	560,191
Inter-segment sales	39	—	—	(39)	—
Total	404,252	59,874	96,104	(39)	560,191
Segment income (loss) (operating income (loss) before share- based compensation expense)	163,186	14,964	7,629	(16,572)	169,207
Adjustment:					
Share-based compensation expense	—	—	—	—	(1,520)
Operating income	—	—	—	—	167,687
Financial income	—	—	—	—	4,458
Financial expenses	—	—	—	—	(875)
Income before income taxes	—	—	—	—	171,270

(Notes)

1. Advantest uses the operating income (loss) before share-based compensation expense for management's analysis of business segment results.
2. Share-based compensation expense represents expenses for stock options, performance-based stock remuneration expense and restricted stock compensation expense.
3. Segment income (loss) is presented on the basis of operating income (loss) before share-based compensation expense.
4. Inter-segment sales are based on market prices.
5. 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.

2. Consolidated Net Sales by Geographical Areas

Millions of Yen

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Japan	16,381	20,522
Americas	20,250	42,882
Europe	11,580	17,328
Asia	368,690	479,459
Total	416,901	560,191

(Notes)

1. Net sales to unaffiliated customers are based on the customer's location.
2. Each of the segment includes primarily the following countries or regions:
 - (1) Americas U.S.A., Costa Rica etc.
 - (2) Europe Germany, Italy etc.
 - (3) Asia Taiwan, China, South Korea, Malaysia etc.

(Per Share Information)

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

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net income attributable to owners of the parent (Millions of Yen)	87,301	130,400
Net income not attributable to owners of the parent (Millions of Yen)	—	—
Net income to calculate basic earnings per share (Millions of Yen)	87,301	130,400
Net income adjustment (Millions of Yen)	—	—
Net income to calculate diluted earnings per share (Millions of Yen)	87,301	130,400
Weighted average number of common shares-basic	194,193,275	186,978,031
Dilutive effect of stock options	548,325	338,857
Dilutive effect of performance-based stock remuneration	422,937	287,614
Dilutive effect of restricted stock compensation	25,143	102,880
Weighted average number of common shares-diluted	195,189,680	187,707,382
Basic earnings per share (Yen)	449.56	697.41
Diluted earnings per share (Yen)	447.26	694.70
Financial Instruments not included in the calculation of diluted earnings per share because they have anti-dilutive effect	—	—

(Significant Subsequent Events) : None

Change in Directors and Executive Officers
(To be effective on June 27, 2023)

1. Nominees for Directors (excluding Directors who are Audit and Supervisory Committee members)

Director	Yoshiaki Yoshida
Director	Douglas Lefever
Director	Koichi Tsukui
Director	Toshimitsu Urabe
Director	Nicholas Benes
Director	Naoto Nishida (to be newly elected)

Mr. Yoshida, Mr. Lefever and Mr. Tsukui are to be elected as Representative Director at the extraordinary meeting of the board of directors meeting to be held on June 27, 2023 after the 81st ordinary general meeting of shareholders of Advantest Corporation.

2. Expiration of term of office of Directors

Director	Osamu Karatsu
Director	Soichi Tsukakoshi
Director	Atsushi Fujita

3. Nominees for Directors who are Audit and Supervisory Committee members

Director who is an Audit and Supervisory Committee member	Yuichi Kurita
Director who is an Audit and Supervisory Committee member	Tomoko Nakada (to be newly elected)

4. Expiration of term of office of Director who is an Audit and Supervisory Committee member

Director who is an Audit and Supervisory Committee member	Kouichi Nanba
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5. Nominee for Director who is a substitute Audit and Supervisory Committee member

Director who is a substitute Audit and Supervisory Committee member	Nicholas Benes
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6. Executive Officers

President	Yoshiaki Yoshida	
Corporate Vice President	Douglas Lefever	
Corporate Vice President	Koichi Tsukui	
Senior Executive Officer	Soichi Tsukakoshi	
Senior Executive Officer	Keith Hardwick	
Senior Executive Officer	Yasuo Mihashi	
Senior Executive Officer	Juergen Serrer	
Senior Executive Officer	Sanjeev Mohan	
Senior Executive Officer	Richard Junger	
Senior Executive Officer	Yong Xu	
Senior Executive Officer	Makoto Nakahara	(to be promoted)
Executive Officer	Michael Stichlmair	
Executive Officer	Suan Seng Sim (Ricky Sim)	
Executive Officer	Masayuki Suzuki	
Executive Officer	Naruo Tanaka	

Executive Officer	Toshiaki Adachi	
Executive Officer	Wan-Kun Wu (Alex Wu)	
Executive Officer	Chien-Hua Chang (Titan Chang)	
Executive Officer	Akio Osawa	
Executive Officer	Yasushi Yoshimoto	
Executive Officer	Jaehyuk Cha	
Executive Officer	Daisuke Watanabe	(to be newly elected)
Executive Officer	Ralf Stoffels	(to be newly elected)
Executive Officer	Katsuhiko Tsunetsugu	(to be newly elected)
Executive Officer	Andre Vachenauer	(to be newly elected)

7. Expiration of term of office of Executive Officers

Senior Executive Officer	Atsushi Fujita
Senior Executive Officer	Kimiya Sakamoto
Executive Officer	Kazuhiro Yamashita

Nominee for New Board of Directors [Biography]

Naoto Nishida (Date of Birth: February 11, 1954)

- Mar. 1978 Completed Master's program in Electrical Engineering, Graduate School of Engineering, Keio University
- Apr. 1978 Joined Toshiba Corporation
- 1991 Doctor of Engineering, Keio University
- Jun. 2007 Director, Production Engineering Center, Toshiba Corporation
- Apr. 2009 General Manager, Productivity Planning Division, Toshiba Corporation
- Apr. 2011 General Manager, Technology Planning Division, Toshiba Corporation
- Jun. 2012 Executive Officer, Corporate Vice President (General Manager, Technology Planning Division), Toshiba Corporation
- Jun. 2013 Executive Officer, Corporate Senior Vice President (In charge of Procurement & Logistics Group, In charge of Production Control Group), Toshiba Corporation
- Jun. 2014 Board of Director, Executive Officer, Corporate Executive Vice President (In charge of Technology & Innovation Dept., New Business Dept., Research & Development Center, Software Technology Center Software Technology Center), Toshiba Corporation
- Sep. 2015 Executive Officer, Corporate Executive Vice President (In charge of Research & Development Management Dept.), Toshiba Corporation
- Apr. 2016 Executive Officer, Corporate Executive Vice President (In charge of Technology Management Dept.), Toshiba Corporation
- Nov. 2017 Special Commission, Toshiba Corporation (present position)

Nominee for New Director who is an Audit and Supervisory Committee member [Biography]

Tomoko Nakada (Date of Birth: January 20, 1972)

- Mar. 1995 Graduated from Faculty of Law, Tokyo University, Bachelor of Law
- Apr. 1995 Entered Legal Training and Research Institute
- Apr. 1997 Judge, Tokyo District Court
- Jun. 2000 Attorney-at-law Registration in Japan
- Jun. 2000 Takahashi Norikatsu Law Office (currently, Hokusei Law Office, P.C.)
- May 2001 Completed Master's program at New York University School of Law, Master of Law
- Sep. 2001 Visiting Research Fellow, Harvard Law School
- Aug. 2002 Attorney-at-law Registration in New York State
- Mar. 2015 International Fellow, The American College of Trust and Estate Counsel (ACTEC) (present position)
- Apr. 2017 Academician, The International Academy of Estate and Trust Law (TIAETL) (present position)
- Sep. 2017 Completed degree in tax laws of the programs for development of specialized attorneys at Keio University Law School.
- Dec. 2020 Founder and Representative, Tokyo Heritage Law Firm (present position)
- Jun. 2021 Director, Audit and Supervisory Committee Member, TS Tech Co., Ltd. (present position)

New Executive Officers [Biography]

Daisuke Watanabe (Date of Birth: May 9, 1975)

- Mar. 2000 Completed Master's program in Department of Applied Electronics, Graduate School of Advanced Engineering, Tokyo University of Science
- Apr. 2000 Joined Advantest Corporation
- Jun. 2018 Department Manager, 5th Department, Technology Division, Business Promotion Group
- Jun. 2019 Department Manager, 5th Department, Technology Division, Technology Development Group, ATE Business Group (present position)
- Feb. 2023 Deputy Division Manager, Technology Division, Technology Development Group, ATE Business Group (present position)

Ralf Stoffels (Date of Birth: April 25, 1965)

- May 1987 Finished Education "Informationselektroniker" Technician Electronics
- Sep. 1993 Dipl-Ing. Electrical Engineering RWTH-Aachen, Germany
- May 1994 Joined HP in Boeblingen - Application Engineer HP83000
- Jan. 1999 Manager Product Application Team - Agilent Technologies
- May 2001 Product Marketing Manager "Wired Communications"
- Jun. 2002 Product Marketing Manager for Agilent 93000 - Digital test solutions
- Jun. 2005 Product Marketing Manager RF in Santa Rosa/CA U.S.
- Jan. 2006 Product Marketing Manager all V93000 at Verigy Inc.
- Sep. 2011 Director Product Marketing and Solution Architecture V93000 at Advantest
- Jun. 2014 Senior Director Product Marketing and Solution Architecture
Included strategic planning for all marketing since 2016
- Jun. 2018 VP Marketing 93000 BU (present position)

Katsuhiko Tsunetsugu (Date of Birth: August 31, 1975)

- Mar. 1999 Graduated from Division of Accounting, Faculty of Business Administration, Kobe University
- Apr. 1999 Joined Advantest Corporation
- Jun. 2020 Department Manager, Finance and Accounting Department, Corporate Administration Group
- Jul. 2022 Division Manager, Finance and Accounting Division, Corporate Administration Group (present position)
- Jul. 2022 Department Manager, Finance and Accounting Department, Finance and Accounting Division, Corporate Administration Group (present position)

Andre Vachenauer (Date of Birth: June 20, 1965)

- Jul. 1990 Master of Business Administration, University Munich
- Nov. 1990 Joined Advantest Europe GmbH, Trainee General Business Administration
- Apr. 2000 Manager, IT & Administration, Advantest Europe GmbH
- Dec. 2002 Manager, Corporate Services, Advantest Europe GmbH
- Apr. 2009 Department Manager, Business Administration, Advantest Europe GmbH
- Jun. 2013 Global IT Manager, Advantest America, Inc.
- Jun. 2016 Vice President, Information Technologies, Advantest America, Inc.
- Jul. 2017 Vice President, Information Technologies, Advantest Europe GmbH (present position)
- Oct. 2022 Senior Vice President, Corporate IT Group, Advantest Corporation (present position)

FY2022 Consolidated Financial Results Overview

1. Profit or Loss

(in billion yen)

	FY2021	FY2022				550.0	vs. FY2021 increase (decrease)		FY2023 Forecast	
		1Q	2Q	3Q	4Q		Annual total	vs. FY2022 increase (decrease)		
Net sales	416.9	135.9	138.9	138.0	147.4	560.2	143.3	34.4%	480.0	(14.3%)
Cost of sales	(181.0)	(57.0)	(59.0)	(56.4)	(68.7)	(241.1)	(60.1)	33.2%	—	—
Selling, general and administrative expenses	(121.2)	(34.0)	(37.1)	(40.5)	(40.5)	(152.1)	(30.9)	25.5%	—	—
Other income - expenses	0	(0.1)	0.3	0.1	0.4	0.7	0.7	—	—	—
Operating income	114.7	44.8	43.1	41.2	38.6	167.7	53.0	46.2%	105.0	(37.4%)
Sales ratio	27.5%	32.9%	31.1%	29.9%	26.2%	29.9%			21.9%	
Financial income - expenses	1.6	3.6	3.7	(3.5)	(0.2)	3.6	2.0	2.2 times	—	—
Income before income taxes	116.3	48.4	46.8	37.7	38.4	171.3	54.9	47.2%	103.5	(39.6%)
Sales ratio	27.9%	35.6%	33.7%	27.3%	26.1%	30.6%			21.6%	
Income taxes	(29.0)	(11.9)	(12.1)	(9.1)	(7.8)	(40.9)	(11.8)	40.7%	—	—
Net income	87.3	36.5	34.7	28.6	30.6	130.4	43.1	49.4%	78.0	(40.2%)
Sales ratio	20.9%	26.8%	25.0%	20.8%	20.8%	23.3%			16.3%	

Note. Upper data is the forecast amount released on Jan 31, 2023.

2. Financial Condition

(in billion yen)

	FY2021	FY2022				vs. FY2021 increase (decrease)
	4Q End	1Q End	2Q End	3Q End	4Q End	
Total assets	494.7	531.1	567.3	552.4	600.2	21.3%
Equity attributable to owners of the parent	294.6	327.9	342.4	330.6	368.7	25.1%
Ratio of equity attributable to owners of the parent	59.6%	61.7%	60.4%	59.8%	61.4%	—

3. Dividends

(in yen)

(Record Date)	FY2021	FY2022			FY2023 Forecast		
	Annual total	Interim	Year end	Annual total	Interim	Year end	Annual total
Dividend per share	120.00	65.00	70.00	135.00	TBD	TBD	TBD

Note 1. FY2022 Year end dividend will be resolved by the Board of Directors on May 19th.

Note 2. The dividend forecast for FY2023 hasn't been decided yet. We will disclose promptly after considering the results based on the business performance.