

## FY2020 Consolidated Financial Results

(Advantest's consolidated financial statements are prepared in accordance with IFRS)  
(Year ended March 31, 2021)

April 27, 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 and Managing Executive Officer  
Executive Vice President, Corporate Administration Group  
(03) 3214-7500

Date of General Shareholders' Meeting (as planned) : June 23, 2021

Dividend Payable Date (as planned) : June 3, 2021

Annual Report Filing Date (as planned) : June 24, 2021

Financial Results Supplemental Materials : Yes

Financial Results Presentation Meeting : Yes

(Rounded to the nearest million yen)

### 1. Consolidated Results of FY2020 (April 1, 2020 through March 31, 2021)

#### (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)
<b>FY2020</b>	<b>312,789</b>	<b>13.4</b>	<b>70,726</b>	<b>20.5</b>	<b>69,618</b>	<b>18.9</b>	<b>69,787</b>	<b>30.4</b>	<b>69,787</b>	<b>30.4</b>	<b>75,757</b>	<b>58.7</b>
FY2019	275,894	(2.3)	58,708	(9.2)	58,574	(11.5)	53,532	(6.1)	53,532	(6.1)	47,729	(15.7)

	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	%	%	%
<b>FY2020</b>	<b>353.87</b>	<b>351.82</b>	<b>27.3</b>	<b>17.9</b>	<b>22.6</b>
FY2019	270.12	268.96	24.9	17.7	21.3

#### (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
<b>FY2020</b>	<b>422,641</b>	<b>280,369</b>	<b>280,369</b>	<b>66.3</b>	<b>1,427.29</b>
FY2019	355,777	231,452	231,452	65.1	1,166.51

#### (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
<b>FY2020</b>	<b>67,830</b>	<b>(16,831)</b>	<b>(30,415)</b>	<b>149,164</b>
FY2019	66,475	(38,819)	(17,916)	127,703

**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	%	%
FY2019	—	41.00	—	41.00	82.00	16,308	30.4	7.6
FY2020	—	38.00	—	80.00	118.00	23,263	33.3	9.1
FY2021 (forecast)	—	—	—	—	—	N/A	—	N/A

(Note) The dividend forecast for FY2021 hasn't been decided yet.

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

(% 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021	350,000	11.9	85,000	20.2	85,000	22.1	64,000	(8.3)	64,000	(8.3)

**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):  
FY2020 199,566,770 shares; FY2019 199,566,770 shares.
- 2) Number of treasury share at the end of each fiscal period:  
FY2020 3,132,075 shares; FY2019 1,152,069 shares.
- 3) Average number of outstanding share for each period:  
FY2020 197,207,848 shares; FY2019 198,180,901 shares.

(Note) Advantest's share (FY2020 694,832 shares, FY2019 537,830 shares), which is being kept as performance share option compensation in trust account, is included in the number of treasury share at the end of each fiscal period. Moreover, the Advantest's share that mentioned above is also included in the treasury share which is deducted during the calculation of average number of outstanding share for each period.

**(Reference) Non-Consolidated Results of FY2020 (April 1, 2020 through March 31, 2021)**

(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)
<b>FY2020</b>	<b>271,875</b>	<b>7.1</b>	<b>45,098</b>	<b>(13.6)</b>	<b>54,736</b>	<b>(7.4)</b>	<b>53,031</b>	<b>(3.7)</b>
FY2019	253,795	(2.8)	52,193	9.9	59,096	11.2	55,066	14.0

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
<b>FY2020</b>	<b>268.91</b>	<b>267.89</b>
FY2019	277.86	276.78

## (2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity-to-assets ratio	Net assets per share
	Million yen	Million yen	%	Yen
<b>FY2020</b>	<b>414,128</b>	<b>285,409</b>	<b>68.8</b>	<b>1,449.74</b>
FY2019	372,821	260,243	69.6	1,308.66

(Reference) Shareholders' Equity at the end of each fiscal period: FY2020 (Y) 284,779 million; FY2019 (Y) 259,658 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.

**Contents**

1. Overview of Business Results	P. 2
(1) Overview of Business Results for FY2020	P. 2
(2) Overview of Financial Condition for FY2020	P. 4
(3) Overview of Cash Flows for FY2020	P. 4
(4) Near-term Prospects	P. 5
2. Basic Approach to the Selection of Accounting Standards	P. 6
3. Consolidated Financial Statements and Main Notes	P. 7
(1) Consolidated Statement of Financial Position	P. 7
(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income	P. 9
(3) Consolidated Statement of Changes in Equity	P. 11
(4) Consolidated Statement of Cash Flows	P. 12
(5) Notes to the Consolidated Financial Statements	P. 13
(Notes on Going Concern)	P. 13
(Segment Information)	P. 14
(Per Share Information)	P. 15
(Significant Subsequent Events)	P. 15
Changes in Directors and Executive Officers	P. 16
FY2020 Consolidated Financial Results Overview	P. 19

## 1. Overview of Business Results

## (1) Overview of Business Results for FY2020

## 1) Consolidated Financial Results of FY2020 (April 1, 2020 through March 31, 2021)

(in billion yen)

	FY2019	FY2020	As compared to the previous fiscal year increase (decrease)
Orders received	287.8	330.6	14.9%
Net sales	275.9	312.8	13.4%
Operating income	58.7	70.7	20.5%
Income before income taxes	58.6	69.6	18.9%
Net income	53.5	69.8	30.4%

During the consolidated fiscal year of 2020, the global economy was severely impacted by the COVID-19 pandemic. Although efforts were made in each country to balance public health and economic activity in order to save the economy, a historic recession set in, and the pace of recovery remains slow.

In Advantest's core semiconductor test equipment business, the mainstreaming of remote work and increased domestic consumption due to COVID-19 restrictions supported firm demand related to data centers and game consoles throughout the year. Automotive and industrial-related test demand continued to stagnate from early spring under the influence of lockdowns intended to contain COVID-19, and other restrictions on movement, but market conditions improved from the second half of the fiscal year due to the recovery of final-product manufacturing. Meanwhile, in smartphone-related markets, the intensifying friction between the United States and China triggered a significant adjustment in test equipment demand, but Advantest compensated for this impact by striving to capture the demand for new test equipment that has arisen as a result of competition in handset performance. Advantest also endeavored to boost sales of integrated test solutions such as mechatronics business products and system level test business products, amid further advances in semiconductor performance and reliability assurance needs.

As a result, Advantest achieved record-high orders, sales, and net income. This enabled us to achieve all the management targets set under our first medium-term management plan, which covered the three years starting from FY2018. Orders received for the current consolidated fiscal year were (Y) 330.6 billion (14.9% increase in comparison to the previous fiscal year), and sales were (Y) 312.8 billion (13.4% increase in comparison to the previous fiscal year). In terms of profit, although our sales composition ratio saw a decline in products with a high gross profit margin, a one-time profit of approximately (Y) 8.1 billion was recorded, consisting of gains on business transfers and gains due to the transfer to one defined benefit corporate pension plan at Advantest's German subsidiary. As a result, operating income was (Y) 70.7 billion (20.5% increase in comparison to the previous fiscal year) and income before income taxes was (Y) 69.6 billion (18.9% increase in comparison to the previous fiscal year). In addition, with the inclusion of deferred tax assets likely to be realized during a certain fixed period in the future that were recorded in the fourth quarter, net income was (Y) 69.8 billion (30.4% increase in comparison to the previous fiscal year). Average currency exchange rates in the current consolidated fiscal year were 1 USD to 106 JPY (109 JPY in the previous fiscal year) and 1 EUR to 123 JPY (121 JPY in the previous fiscal year). The percentage of net sales to overseas customers was 95.5% (94.6% in the previous fiscal year).

Conditions of business segments are described below.

<Semiconductor and Component Test System Segment>

(in billion yen)

	FY2019	FY2020	As compared to the previous fiscal year increase (decrease)
Orders received	192.6	227.2	18.0%
Net sales	197.2	207.2	5.1%
Segment income	65.2	61.6	(5.4%)

In this segment, the mainstreaming of remote work helped to support a strong demand environment for SoC semiconductor test equipment for HPC (High Performance Computing) devices. In addition, the transition to higher functionality for display driver ICs and image sensors used in new smartphones with improved performance has greatly increased test demand for these types of devices, and contributed to an increase in orders. The movement to secure inventories of automotive and other types of semiconductors, which gathered momentum toward the end of the fiscal year, also boosted orders for SoC semiconductor test equipment. On the other hand, due to the exacerbation of friction between the United States and China, Advantest experienced a significant demand adjustment related to the business of some smartphone-related SoC semiconductor customers over last summer, which somewhat depressed sales and profit in this segment. Sales of test equipment for memory semiconductors remained high amidst growing test demand for memory semiconductors for data servers and game consoles.

As a result of the above, orders received were (Y) 227.2 billion (18.0% increase in comparison to the previous fiscal year), net sales were (Y) 207.2 billion (5.1% increase in comparison to the previous fiscal year), and segment income was (Y) 61.6 billion (5.4% decrease in comparison to the previous fiscal year).

< Mechatronics System Segment >

(in billion yen)

	FY2019	FY2020	As compared to the previous fiscal year increase (decrease)
Orders received	36.2	42.1	16.1%
Net sales	36.3	40.0	10.2%
Segment income	(0.5)	5.0	—

In this segment, sales of device and interface products that closely track demand for test equipment for memory semiconductors grew in step with memory test equipment sales. In addition, a one-time gain on the transfer of Advantest's probe card business of approximately (Y) 2.5 billion was recorded as part of this segment's profit.

As a result of the above, orders received were (Y) 42.1 billion (16.1% increase in comparison to the previous fiscal year), net sales were (Y) 40.0 billion (10.2% increase in comparison to the previous fiscal year), and segment income was (Y) 5.0 billion ((Y) 5.5 billion improvement in comparison to the previous fiscal year).

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

(in billion yen)

	FY2019	FY2020	As compared to the previous fiscal year increase (decrease)
Orders received	59.1	62.5	5.8%
Net sales	42.5	66.8	57.0%
Segment income	3.0	10.4	3.5 times

In this segment, demand for Advantest's services remained strong against the backdrop of the robust semiconductor market. In addition, Advantest's acquisition of Essai, Inc., in January 2020 boosted segment sales due to the effect of consolidation. Furthermore, market needs for semiconductors with better performance and reliability raised demand for various system level test equipment, including Essai's products, contributing to a significant increase in sales.

As a result of the above, orders received were (Y) 62.5 billion (5.8% increase in comparison to the previous fiscal year), net sales were (Y) 66.8 billion (57.0% increase in comparison to the previous fiscal year), and segment income was (Y) 10.4 billion (3.5 times increase in comparison to the previous fiscal year).

## 2) Overview of Non-Consolidated Financial Results for FY2020

During FY2020, demand for semiconductor test systems remained at high level throughout the year due to the growing in test demands for semiconductors related to data servers and game consoles despite an adjustment in test equipment demand related to smart-phones due to the intensifying friction between the United States and China. As a result, net sales were (Y) 271.9 billion (7.1% increase in comparison to the previous fiscal year), while operating income was (Y) 45.1 billion (13.6% decrease in comparison to the previous fiscal year) due to a decline in sales composition ratio of products with a high gross profit margin and an increase in selling, general and administrative expense for strengthening customer support. As a result of dividend income from subsidiaries, ordinary income was (Y) 54.7 billion (7.4% decrease in comparison to the previous fiscal year). Net income was (Y) 53.0 billion (3.7% decrease in comparison to the previous fiscal year) due to the inclusion of deferred tax assets likely to be realized during a certain fixed period in the future that were recorded.

## (2) Overview of Financial Condition for FY2020

Total assets at the end of FY2020 were (Y) 422.6 billion, an increase of (Y) 66.9 billion compared to the previous fiscal year, primarily due to an increase of (Y) 21.5 billion, (Y) 10.6 billion, (Y) 9.9 billion, (Y) 7.3 billion and (Y) 6.5 billion in cash and cash equivalents, trade and other receivables, deferred tax assets, other financial assets and property, plant and equipment, respectively.

The total liabilities were (Y) 142.3 billion, an increase of (Y) 17.9 billion compared to the previous fiscal year, primarily due to the increase of (Y) 11.9 billion in trade and other payables and (Y) 4.0 billion in other current liabilities. The increase in other financial assets derives from acquisition of invested securities, and the increase in other current liabilities derives from an increase in advance receipt. Total equity was (Y) 280.4 billion. Ratio of equity attributable to owners of the parent was 66.3%, an increase of 1.2 percentage points from March 31, 2020.

## (3) Overview of Cash Flows for FY2020

Cash and cash equivalents held at the end of FY2020 were (Y) 149.2 billion, an increase of (Y) 21.5 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) 67.8 billion ((Y) 66.5 billion inflow in the previous fiscal year). This amount was primarily attributable to an increase of (Y) 11.0 billion in trade and other payables, an increase of (Y) 9.4 billion in trade and other receivables, income tax paid of (Y) 9.2 billion and adjustments of non-cash items such as depreciation and amortization in addition to the income before income taxes of (Y) 69.6 billion.

Net cash used in investing activities was (Y) 16.8 billion (net cash outflow of (Y) 38.8 billion in the previous fiscal year). This amount was primarily attributable to purchase of property, plant and equipment of (Y) 12.4 billion, purchase of equity instruments of (Y) 6.8 billion and proceeds from transfer of business of (Y) 3.3 billion.

Net cash used in financing activities was (Y) 30.4 billion (net cash outflow of (Y) 17.9 billion in the previous fiscal year). This amount was primarily attributable to dividends paid of (Y) 15.6 billion and purchase of treasury shares of (Y) 14.0 billion.

#### (4) Near-term Prospects

Looking at Advantest's business environment in FY2021, in the SoC semiconductor test equipment business, Advantest anticipates an increase in test demand for advanced SoC semiconductors for smartphones and HPC amidst ongoing active technology investments in leading-edge devices. In addition, test demand for analog semiconductors is expected to increase, reflecting needs for lower electronic device power consumption and the recovery of the automobile industry. Meanwhile, in memory semiconductors, in addition to strong underlying demand, investments in miniaturization, multilayer technology, and other areas are expected to progress in 2021. Advantest anticipates that these will drive memory semiconductor test demand, contributing to steady performance in our memory semiconductor test equipment business.

Regarding Advantest's full-year consolidated earnings forecast for FY2021, based on the future outlook of each business and the exchange rate situation, Advantest anticipates orders of (Y) 350.0 billion, sales of (Y) 350.0 billion, operating income of (Y) 85.0 billion, income before income taxes of (Y) 85.0 billion, and net income of (Y) 64.0 billion for the period. This forecast is based on exchange rate assumptions of 1USD to 105 JPY and 1 EUR to 130 JPY.

Regarding the impact of the COVID-19 pandemic, while measures intended to control the spread of infections have prolonged the stagnation of semiconductor test equipment investment in the automotive and industrial sectors, demand for test equipment for semiconductors used in electronics and computing has been boosted by the mainstreaming of remote work and increased domestic consumption. Taken together, these changes had a net positive impact on Advantest's business results for the consolidated fiscal year of 2020.

However, in the absence of notable signals that measures related to COVID-19 are being relaxed, lack of visibility in the global economy remains high. In addition, there exist increasingly complex risks that may affect Advantest's business, such as intensifying friction between the United States and China, supply capacity uncertainty, and unexpected natural disasters. Responding flexibly to changes in our external environment will continue to be Advantest's top priority whilst Advantest conducts our business activities.

The response to the COVID-19 pandemic continues to have a profound impact on the global economy, while at the same time accelerating the digital revolution. This transformation, centered on 5G communications, will stimulate demand for higher-performance, higher-reliability semiconductors over the medium to long term. Advantest anticipates that the digital revolution will also expand Advantest's business opportunities over the medium to long term as customers experience growing needs for higher value-added semiconductor testing solutions.

Thus far, Advantest has not only strengthened our existing businesses, such as semiconductor wafer level testing and package level testing, but have also entered the fields of test solutions at the system / module level, and have expanded into the data analytics field with semiconductor test data analysis for semiconductor



process improvement. Furthermore, as the digital revolution progresses, Advantest will continue to work on growth measures to achieve the sales target of (Y) 400.0 billion yen set forth in our "Grand Design" medium-to long-term management policy, which concludes in fiscal year of 2027. Advantest is currently formulating a new three-year mid-term management plan starting in fiscal year of 2021, and will announce it as soon as it is finalized.

## 2. Basic Approach to the Selection of Accounting Standards

Advantest adopted International Financial Reporting Standards ("IFRS") 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, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	127,703	149,164
Trade and other receivables	46,426	57,028
Inventories	58,943	64,340
Other current assets	6,871	8,563
Subtotal	<u>239,943</u>	<u>279,095</u>
Assets held for sale	199	-
Total current assets	<u>240,142</u>	<u>279,095</u>
Non-current assets		
Property, plant and equipment, net	35,072	41,613
Right-of-use assets	11,184	11,668
Goodwill and intangible assets, net	51,025	54,543
Other financial assets	2,867	10,211
Deferred tax assets	15,351	25,242
Other non-current assets	136	269
Total non-current assets	<u>115,635</u>	<u>143,546</u>
Total assets	<u><u>355,777</u></u>	<u><u>422,641</u></u>

	Millions of Yen	
	As of March 31, 2020	As of March 31, 2021
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	46,660	58,558
Income tax payables	7,793	8,619
Provisions	3,335	4,058
Lease liabilities	2,275	2,486
Other financial liabilities	1,892	3,509
Other current liabilities	8,582	12,581
Total current liabilities	<u>70,537</u>	<u>89,811</u>
Non-current liabilities		
Lease liabilities	9,013	9,364
Retirement benefit liabilities	40,622	36,891
Deferred tax liabilities	1,563	4,473
Other non-current liabilities	2,590	1,733
Total non-current liabilities	<u>53,788</u>	<u>52,461</u>
Total liabilities	<u>124,325</u>	<u>142,272</u>
Equity		
Share capital	32,363	32,363
Share premium	43,550	44,573
Treasury shares	(4,179)	(15,001)
Retained earnings	159,803	214,858
Other components of equity	(85)	3,576
Total equity attributable to owners of the parent	<u>231,452</u>	<u>280,369</u>
Total equity	<u>231,452</u>	<u>280,369</u>
Total liabilities and equity	<u><u>355,777</u></u>	<u><u>422,641</u></u>

## (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, 2020	Fiscal year ended March 31, 2021
Net sales	275,894	312,789
Cost of sales	<u>(119,397)</u>	<u>(144,498)</u>
Gross profit	156,497	168,291
Selling, general and administrative expenses	(97,751)	(105,870)
Other income	335	8,499
Other expenses	<u>(373)</u>	<u>(194)</u>
Operating income	58,708	70,726
Financial income	1,045	767
Financial expenses	<u>(1,179)</u>	<u>(1,875)</u>
Income before income taxes	58,574	69,618
Income taxes	<u>(5,042)</u>	<u>169</u>
Net income	<u><u>53,532</u></u>	<u><u>69,787</u></u>
Net income attributable to:		
Owners of the parent	53,532	69,787
Earnings per share:	Yen	Yen
Basic	<u>270.12</u>	<u>353.87</u>
Diluted	268.96	351.82

## Consolidated Statement of Comprehensive Income

	Millions of Yen	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net income	53,532	69,787
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plan	(2,144)	2,309
Net change in fair value measurements of equity instruments at fair value through other comprehensive income	(169)	(666)
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	(3,490)	4,327
Total other comprehensive income (loss)	<u>(5,803)</u>	<u>5,970</u>
Total comprehensive income for the year	<u>47,729</u>	<u>75,757</u>
Comprehensive income attributable to:		
Owners of the parent	47,729	75,757

## (3) Consolidated Statement of Changes in Equity

	Millions of Yen						
	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, 2019	32,363	43,018	(6,262)	125,927	3,685	198,731	198,731
Net income				53,532		53,532	53,532
Other comprehensive income (loss), net of tax					(5,803)	(5,803)	(5,803)
Total comprehensive income for the year	—	—	—	53,532	(5,803)	47,729	47,729
Purchase of treasury shares			(1,124)			(1,124)	(1,124)
Disposal of treasury shares		(315)	3,207	(1,185)		1,707	1,707
Dividends				(16,438)		(16,438)	(16,438)
Share-based payments		772				772	772
Other		75				75	75
Transfer from other components of equity to retained earnings				(2,033)	2,033	—	—
Total transactions with the owners	—	532	2,083	(19,656)	2,033	(15,008)	(15,008)
Balance as of March 31, 2020	32,363	43,550	(4,179)	159,803	(85)	231,452	231,452
Net income				69,787		69,787	69,787
Other comprehensive income (loss), net of tax					5,970	5,970	5,970
Total comprehensive income for the year	—	—	—	69,787	5,970	75,757	75,757
Purchase of treasury shares		(47)	(13,954)			(14,001)	(14,001)
Disposal of treasury shares		(302)	3,132	(1,439)		1,391	1,391
Dividends				(15,602)		(15,602)	(15,602)
Share-based payments		1,170				1,170	1,170
Other		202				202	202
Transfer from other components of equity to retained earnings				2,309	(2,309)	—	—
Total transactions with the owners	—	1,023	(10,822)	(14,732)	(2,309)	(26,840)	(26,840)
Balance as of March 31, 2021	32,363	44,573	(15,001)	214,858	3,576	280,369	280,369

## (4) Consolidated Statement of Cash Flows

	Millions of Yen	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities:		
Income before income taxes	58,574	69,618
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:		
Depreciation and amortization	10,892	11,756
Share-based payment expense	882	1,624
Changes in assets and liabilities:		
Trade and other receivables	6,125	(9,365)
Inventories	(1,907)	(4,457)
Trade and other payables	1,444	11,048
Warranty provisions	460	707
Retirement benefit liabilities	1,665	(3,176)
Other	(831)	(735)
Subtotal	<u>77,304</u>	<u>77,020</u>
Interest and dividends received	836	152
Interest paid	(155)	(183)
Income taxes paid	<u>(11,510)</u>	<u>(9,159)</u>
Net cash provided by (used in) operating activities	<u>66,475</u>	<u>67,830</u>
Cash flows from investing activities:		
Proceeds from sale of equity instruments	111	—
Purchases of equity instruments	—	(6,817)
Purchases of debt instruments	(548)	—
Proceeds from sale of property, plant and equipment	234	109
Purchases of property, plant and equipment	(8,141)	(12,415)
Purchases of intangible assets	(741)	(862)
Proceed from transfer of business	—	3,295
Acquisition of subsidiary	(29,665)	(156)
Other	(69)	15
Net cash provided by (used in) investing activities	<u>(38,819)</u>	<u>(16,831)</u>
Cash flows from financing activities:		
Proceeds from disposal of treasury shares	1,708	1,415
Purchases of treasury shares	(1,124)	(14,028)
Dividends paid	(16,427)	(15,594)
Payments for lease liabilities	(2,073)	(2,208)
Other	—	—
Net cash provided by (used in) financing activities	<u>(17,916)</u>	<u>(30,415)</u>
Net effect of exchange rate changes on cash and cash equivalents	<u>(1,980)</u>	<u>877</u>
Net change in cash and cash equivalents	<u>7,760</u>	<u>21,461</u>
Cash and cash equivalents at the beginning of year	<u>119,943</u>	<u>127,703</u>
Cash and cash equivalents at the end of year	<u><u>127,703</u></u>	<u><u>149,164</u></u>

(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern): None



## (Segment Information)

## 1. Operating Segment Information

Fiscal year ended March 31, 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	197,084	36,293	42,517	—	275,894
Inter-segment sales	70	—	9	(79)	—
Total	197,154	36,293	42,526	(79)	275,894
Segment income (loss) (operating income (loss) before share-based compensation expense)	65,155	(497)	2,966	(8,034)	59,590
Adjustment:					
Share-based compensation expense	—	—	—	—	(882)
Operating income	—	—	—	—	58,708
Financial income	—	—	—	—	1,045
Financial expenses	—	—	—	—	(1,179)
Income before income taxes	—	—	—	—	58,574

Fiscal year ended March 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	206,031	40,005	66,753	—	312,789
Inter-segment sales	1,172	—	—	(1,172)	—
Total	207,203	40,005	66,753	(1,172)	312,789
Segment income (loss) (operating income (loss) before share-based compensation expense)	61,617	4,955	10,419	(4,641)	72,350
Adjustment:					
Share-based compensation expense	—	—	—	—	(1,624)
Operating income	—	—	—	—	70,726
Financial income	—	—	—	—	767
Financial expenses	—	—	—	—	(1,875)
Income before income taxes	—	—	—	—	69,618

## (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. Moreover, due to the transfer to one defined benefit corporate pension plan at Advantest Europe GmbH, the Company's subsidiary in Germany, (Y) 5,569 million income is included for the fiscal year ended March 31, 2021.
- For the mechatronics system business, (Y) 2,451 million income is included for the fiscal year ended March 31, 2021. This is due to the transfer of probe card business on July 30, 2020.

## 2. Consolidated Net Sales by Geographical Areas

	Millions of Yen	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Japan	14,789	14,021
Americas	18,521	30,164
Europe	6,064	8,002
Asia	236,520	260,602
Total	<u>275,894</u>	<u>312,789</u>

## (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, France etc.
  - (3) Asia China, Taiwan, 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, 2020	Fiscal year ended March 31, 2021
Net income attributable to owners of the parent (Millions of Yen)	53,532	69,787
Net income not attributable to owners of the parent (Millions of Yen)	—	—
Net income to calculate basic earnings per share (Millions of Yen)	53,532	69,787
Net income to calculate diluted earnings per share (Millions of Yen)	53,532	69,787
Weighted average number of ordinary shares—basic	198,180,901	197,207,848
Dilutive effect of stock options	770,946	746,925
Dilutive effect of performance-based stock remuneration	77,264	401,433
Weighted average number of ordinary shares—diluted	199,029,111	198,356,206
Basic earnings per share (Yen)	270.12	353.87
Diluted earnings per share (Yen)	268.96	351.82
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 23, 2021)

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

Director	Yoshiaki Yoshida
Director	Osamu Karatsu
Director	Toshimitsu Urabe
Director	Nicholas Benes
Director	Soichi Tsukakoshi
Director	Atsushi Fujita
Director	Koichi Tsukui
Director	Douglas Lefever

Mr. Yoshida is to be elected as Representative Director at the extraordinary meeting of the board of directors meeting to be held on June 23, 2021 after the 79<sup>th</sup> ordinary general meeting of shareholders of Advantest Corporation.

2. Nominee for Director who is an Audit and Supervisory Committee member

Director who is an Audit and Supervisory Committee member	Yuichi Kurita
Director who is an Audit and Supervisory Committee member	Kouichi Nanba

3. Nominee for Substitute Director who is an Audit and Supervisory Committee member

Director who is an Audit and Supervisory Committee member	Osamu Karatsu
---	---------------

4. Nominees for Executive Officers

President and CEO	Yoshiaki Yoshida	
Senior Executive Officer	Soichi Tsukakoshi	
Senior Executive Officer	Atsushi Fujita	
Senior Executive Officer	Koichi Tsukui	
Senior Executive Officer	Douglas Lefever	
Senior Executive Officer	Keith Hardwick	
Senior Executive Officer	Kimiya Sakamoto	
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	
Executive Officer	Kazuhiro Yamashita	
Executive Officer	Isao Sasaki	
Executive Officer	Toshiyuki Okayasu	
Executive Officer	Michael Stichlmair	
Executive Officer	Toshio Goto	
Executive Officer	Suan Seng Sim (Ricky Sim)	
Executive Officer	Makoto Nakahara	
Executive Officer	Masayuki Suzuki	
Executive Officer	Naruo Tanaka	
Executive Officer	Toshiaki Adachi	(to be newly elected)
Executive Officer	Wan-Kun Wu (Alex Wu)	(to be newly elected)

Executive Officer                      Chien-Hua Chang (Titan Chang) (to be newly elected)

5. Expiration of term of office

Executive Officer	CH Wu
Executive Officer	Jinhee Lee
Executive Officer	Akira Ono

\*note:

In order to further global management, Advantest plans to replace the Managing Executive Officers Committee (Jomukai) with the Management Council (Keiei kaigi), which discusses and decides on important matters related to the Group's overall management strategy and business execution. Advantest We will appoint suitable Executive Officers for discussing the direction of group management as Senior Executive Officers and make them members of the Management Council. Half of the committee members will be non-Japanese. Corporate Vice President (Fuku-Shacho), Senior Executive Officer (Senmu Shikko Yakuin) and Managing Executive Officers (Jomu Shikko Yakuin) will be abolished.

## Nominees for New Executive Officers [Biography]

Toshiaki Adachi (Date of Birth: January 13, 1968)

- Mar. 1990 Graduated from Department of Computer Science, Faculty of Engineering, Gunma University
- Apr. 1990 Joined Advantest Corporation
- Aug. 2012 Department Manager, 5<sup>th</sup> SoC Software Department, Software Development Group
- Feb. 2020 Division Manager, Software Division, T2000 Business Unit, ATE Business Group
- Aug. 2020 Senior Vice President, T2000 Business Unit, ATE Business Group (present position)  
Leader, EGL Project, T2000 Business Unit, ATE Business Group (present position)

Wan-Kun Wu (Alex Wu) (Date of Birth: March 16, 1968)

- Jun. 2002 Completed Master of Business Administration, Saginaw Valley State University
- Aug. 1992 Joined Advantest Taiwan Inc.
- Jun. 2003 Test Service Director, Advantest Taiwan Inc.
- Oct. 2008 Non-Memory BU Director, Advantest Taiwan Inc.
- Jun. 2010 SoC BU VP, Advantest Taiwan Inc.
- Apr. 2012 System Solution Group VP, Advantest Taiwan Inc.
- Dec. 2012 SoC Group VP, Advantest Taiwan Inc.
- Apr. 2015 ATE Group VP (Memory & SoC), Advantest Taiwan Inc.
- Jun. 2015 ATE Group SVP (Memory & SoC), Advantest Taiwan Inc.
- May 2017 ATE Group SVP (Memory & SoC & DI), Advantest Taiwan Inc.
- Jan. 2021 ATE Group SVP (Memory & SoC & DI & Service), Advantest Taiwan Inc. (present position)

Chien-Hua Chang (Titan Chang) (Date of Birth: November 21, 1964)

- Jun. 2002 Completed Master of Business Administration, Saginaw Valley State University
- Nov. 1998 Joined Advantest Taiwan Inc.
- Jun. 2006 Non-Memory Division Director, Advantest Taiwan Inc.
- Oct. 2008 Memory BU Director, Advantest Taiwan Inc.
- Jun. 2010 Memory BU VP, Advantest Taiwan Inc.
- Aug. 2010 Memory & DI VP, Advantest Taiwan Inc.
- Apr. 2012 Memory Group VP, Advantest Taiwan Inc.
- Dec. 2012 Field Service Group VP, Advantest Taiwan Inc.
- Apr. 2015 Service Group VP (Field Service & System Solution), Advantest Taiwan Inc.
- Jun. 2015 Service Group SVP (Field Service & System Solution), Advantest Taiwan Inc. (present position)
- Dec. 2018 Vice president, Field Service Group, Advantest Corporation
- Jun. 2019 Senior Vice President, Field Service Group, Advantest Corporation (present position)

## FY2020 Consolidated Financial Results Overview

### 1. Orders received and Backlog

(in billion yen)

	FY2019	FY2020				310.0	vs. FY2019 increase (decrease)		FY2021 Forecast	
		1Q	2Q	3Q	4Q		Annual total	vs. FY2020 increase (decrease)		
Orders received	<b>287.8</b>	<b>61.5</b>	<b>64.1</b>	<b>95.1</b>	<b>109.9</b>	<b>330.6</b>	<b>42.8</b>	<b>14.9%</b>	<b>350.0</b>	<b>5.9%</b>
Backlog	<b>91.0</b>	<b>85.7</b>	<b>72.5</b>	<b>89.5</b>	<b>108.8</b>	<b>108.8</b>	<b>17.8</b>	<b>19.6%</b>	<b>108.8</b>	<b>0.0%</b>

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

### 2. Profit or Loss

(in billion yen)

	FY2019	FY2020				305.0	vs. FY2019 increase (decrease)		FY2021 Forecast	
		1Q	2Q	3Q	4Q		Annual total	vs. FY2020 increase (decrease)		
Net sales	<b>275.9</b>	<b>66.7</b>	<b>77.4</b>	<b>78.1</b>	<b>90.6</b>	<b>312.8</b>	<b>36.9</b>	<b>13.4%</b>	<b>350.0</b>	<b>11.9%</b>
Cost of sales	(119.4)	(28.7)	(35.8)	(37.9)	(42.1)	(144.5)	(25.1)	21.0%	-	-
Selling, general and administrative expenses	(97.8)	(24.5)	(26.8)	(24.9)	(29.7)	(105.9)	(8.1)	8.3%	-	-
Other income - expenses	0.0	0.0	2.6	0.0	5.7	8.3	8.3	-	-	-
Operating income	<b>58.7</b>	<b>13.5</b>	<b>17.4</b>	<b>15.3</b>	<b>24.5</b>	<b>70.7</b>	<b>12.0</b>	<b>20.5%</b>	<b>85.0</b>	<b>20.2%</b>
Sales ratio	21.3%	20.2%	22.6%	19.5%	27.1%	22.6%			24.3%	
Financial income - expenses	(0.1)	(0.6)	(1.0)	(1.4)	1.9	(1.1)	(1.0)	<b>8.3 times</b>	-	-
Income before income taxes	58.6	12.9	16.4	13.9	26.4	69.6	11.0	18.9%	85.0	22.1%
Sales ratio	21.2%	19.3%	21.2%	17.7%	29.2%	22.3%			24.3%	
Income taxes	(5.1)	(2.3)	(2.5)	(1.9)	6.9	0.2	5.3	-	-	-
Net income	<b>53.5</b>	<b>10.6</b>	<b>13.9</b>	<b>12.0</b>	<b>33.3</b>	<b>69.8</b>	<b>16.3</b>	<b>30.4%</b>	<b>64.0</b>	<b>(8.3%)</b>
Sales ratio	19.4%	15.8%	18.0%	15.4%	36.7%	22.3%			18.3%	

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

### 3. Financial Condition

(in billion yen)

	FY2019	FY2020				vs. FY2019 increase (decrease)
		4Q End	1Q End	2Q End	3Q End	
Total assets	<b>355.8</b>	<b>359.1</b>	<b>361.3</b>	<b>362.7</b>	<b>422.6</b>	<b>18.8%</b>
Equity attributable to owners of the parent	<b>231.5</b>	<b>234.2</b>	<b>235.5</b>	<b>238.7</b>	<b>280.4</b>	<b>21.1%</b>
Ratio of equity attributable to owners of the parent	<b>65.1%</b>	<b>65.2%</b>	<b>65.2%</b>	<b>65.8%</b>	<b>66.3%</b>	-

### 4. Dividends

(in yen)

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

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

Note 2. Refer to "Revisions of Dividends Forecast for the Fiscal Year Ended March 31, 2021" regarding FY2020 year end dividend.

Note 3. The dividend forecast for FY2021 hasn't been decided yet. We will disclose promptly after considering the results based on the business performance.