

(Translation)

This document has been translated from the Semi-Annual Securities Report for the six-month period ended September 30, 2024, pursuant to the Financial Instruments and Exchange Act. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.

# **Semi-Annual Securities Report**

From April 1, 2024 to September 30, 2024  
(The Semi-Annual Accounting Period of the 83<sup>rd</sup> term)

**Advantest Corporation**

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|   |   |
|---|---|
| [Document Filed]                              | Semi-Annual Securities Report (“Hanki Hokokusho”)   |
| [Applicable Law]                              | Item 1 of the table in paragraph 1 of Article 24-5 of the Financial Instruments and Exchange Act          |
| [Filed to]                                    | Director, Kanto Local Finance Bureau  |
| [Filing Date]                                 | November 13, 2024   |
| [Semi-Annual Accounting Period]               | The Semi-Annual Accounting Period of the 83 <sup>rd</sup> Term (from April 1, 2024 to September 30, 2024) |
| [Company Name]                                | Kabushiki Kaisha Advantest  |
| [Company Name in English]                     | ADVANTEST CORPORATION   |
| [Title and Name of Representative]            | Koichi Tsukui, Representative Director, Senior Executive Officer and President, Group COO                 |
| [Address of Registered Office]                | 1-6-2, Marunouchi, Chiyoda-ku, Tokyo  |
| [Phone No.]                                   | +81-3-3214-7500   |
| [Contact Person]                              | Yasuo Mihashi, Senior Executive Officer, CFO & CSO  |
| [Contact Address]                             | 1-6-2, Marunouchi, Chiyoda-ku, Tokyo  |
| [Phone No.]                                   | +81-3-3214-7500   |
| [Contact Person]                              | Yasuo Mihashi, Senior Executive Officer, CFO & CSO  |
| [Place Where Available for Public Inspection] | Tokyo Stock Exchange, Inc.<br>(2-1, Nihombashi Kabuto-cho, Chuo-ku, Tokyo)                                |

This is an English translation of the Semi-Annual Securities Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors’ NETwork (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan.

In this report, “we,” “our,” “us,” “Advantest” and “Advantest Group” refer to Advantest Corporation and its consolidated subsidiaries, or, as the context requires, “the Company” and “Advantest Corporation” on a non-consolidated basis.

“¥”, “yen”, “JPY” or (Y) means Japanese yen.

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

This Semi-Annual Securities Report contains “forward-looking statements” that are based on Advantest’s current expectations, estimates and projections. These statements include, among other things, the discussion of Advantest’s business strategy, outlook and expectations as to market and business developments, production and capacity plans. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “project,” “should” and similar expressions. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause Advantest’s actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including:

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

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

## Part I. Information on the Company

### Item1. Company Overview

#### 1. Trends in Main Management Indicators

| Business Term  |                    | The 82nd                               | The 83rd                               | The 82nd                            |
|--|--------------------|--|--|-------------------------------------|
| Accounting Period  |                    | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 | Fiscal Year ended<br>March 31, 2024 |
| Net sales  | Millions<br>of Yen | 217,511                                | 329,206                                | 486,507                             |
| Income before income taxes                                   | Millions<br>of Yen | 33,317                                 | 92,645                                 | 78,170                              |
| Net income attributable to owners<br>of the parent           | Millions<br>of Yen | 25,938                                 | 69,343                                 | 62,290                              |
| Comprehensive income attributable<br>to owners of the parent | Millions<br>of Yen | 44,628                                 | 56,478                                 | 84,441                              |
| Equity attributable to owners of the parent                  | Millions<br>of Yen | 401,813                                | 475,811                                | 431,178                             |
| Total assets   | Millions<br>of Yen | 630,766                                | 762,110                                | 671,229                             |
| Basic earnings per share                                     | Yen                | 35.18                                  | 93.92                                  | 84.45                               |
| Diluted earnings per share                                   | Yen                | 35.06                                  | 93.64                                  | 84.16                               |
| Ratio of equity attributable to owners<br>of the parent      | %                  | 63.7                                   | 62.4                                   | 64.2                                |
| Cash flows from operating activities                         | Millions<br>of Yen | 97                                     | 92,868                                 | 32,668                              |
| Cash flows from investing activities                         | Millions<br>of Yen | (17,725)                               | (11,848)                               | (27,940)                            |
| Cash flows from financing activities                         | Millions<br>of Yen | 5,249                                  | (16,100)                               | 10,760                              |
| Cash and cash equivalents at the end of period               | Millions<br>of Yen | 77,725                                 | 167,164                                | 106,702                             |

(Notes) 1. Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (hereinafter referred to as the “IFRS”).

2. The Company enacted a 4-for-1 share split of its common share with an effective date of October 1, 2023. “Basic earnings per share” and “Diluted earnings per share” are calculated based on the assumption that the share split was implemented at the beginning of the previous fiscal year.

#### 2. Description of Business

There are no significant changes in the business operated by the Company and Advantest during the six months ended September 30, 2024. There are also no transfer changes in major affiliated companies.

## Item2. Business Overview

### 1. Risk Factors

There were no risks newly identified during the six months ended September 30, 2024.

There was no material change in risk factors which were described in the Annual Securities Report for the fiscal year ended March 31, 2024.

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

#### (1) Overview of Business Results

Consolidated Financial Results of FY2024 Q2 (Semi-Annual) (April 1, 2024 through September 30, 2024)

(in billion yen)

|                            | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 | As compared to the<br>corresponding period<br>of the previous<br>fiscal year<br>increase (decrease) |
|----------------------------|--|--|---|
| Net sales                  | 217.5                                  | 329.2                                  | 51.4%   |
| Operating income           | 35.3                                   | 94.9                                   | 2.7 times   |
| Income before income taxes | 33.3                                   | 92.6                                   | 2.8 times   |
| Net income                 | 25.9                                   | 69.3                                   | 2.7 times   |

During Advantest's six-month period ended September 30, 2024, the global economy as a whole trended firmly, amidst the easing of monetary tightening policies particularly in Europe and the U.S. On the other hand, concerns about the future have increased due to rising geopolitical risks, such as the escalating tensions in the Middle East, in addition to the prolonged Ukrainian situation.

Under such global economic conditions, the demand for semiconductors related to the proliferation of AI, including HPC devices and high-performance DRAMs such as HBM for data centers, drove the growth of the semiconductor market. This led the semiconductor market to move out of the correction phase experienced in the corresponding period of the previous fiscal year and showed a recovery trend. On the other hand, the demand for semiconductors used in applications other than AI remained soft, therefore the overall recovery in the semiconductor market presented a mixed picture.

In Advantest's semiconductor test equipment business, demand for high-performance semiconductors related to AI increased significantly. Advantest has worked to secure the procurement of parts and materials and its product supply capabilities to the greatest extent possible to meet customers' delivery requirements.

As a result of the above, net sales were (Y) 329.2 billion (51.4% increase in comparison to the corresponding period of the previous fiscal year), operating income was (Y) 94.9 billion (2.7 times increase in comparison to the corresponding period of the previous fiscal year), income before income taxes was (Y) 92.6 billion (2.8 times increase in comparison to the corresponding period of the previous fiscal year) and net income was (Y) 69.3 billion (2.7 times increase in comparison to the corresponding period of the previous fiscal year). Net sales and operating income reached record highs for the semi-annual consolidated accounting period due to factors such as strong customer demand, an improved sales mix of higher-margin products, and yen depreciation, which boosted both sales and income. Average currency exchange rates in the semi-annual consolidated accounting period were 1 USD to 154 JPY (139 JPY in the corresponding period of the previous fiscal year) and 1 EUR to 167 JPY (151 JPY in the corresponding period of the previous fiscal year). The percentage of net sales to overseas customers was 97.0% (95.4% in the corresponding period of the previous fiscal year).

Conditions of business segments are described below.

<Semiconductor and Component Test System Segment>

(in billion yen)

|                       | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 | As compared to the<br>corresponding period<br>of the previous<br>fiscal year<br>increase (decrease) |
|-----------------------|--|--|---|
| Net sales             | 151.7                                  | 246.6                                  | 62.5%   |
| Segment income (loss) | 39.6                                   | 94.7                                   | 2.4 times   |

In this segment, while demand for mature semiconductors in the automotive and industrial equipment sectors remained soft, sales of test equipment for SoC semiconductors increased significantly with higher demands for advanced process products, driven by performance enhancement of semiconductors such as HPC devices. With regards to test equipment for memory semiconductors, sales grew on the back of strong demand for high-performance DRAM such as HBM.

As a result of the above, net sales were (Y) 246.6 billion (62.5% increase in comparison to the corresponding period of the previous fiscal year), and segment income was (Y) 94.7 billion (2.4 times increase in comparison to the corresponding period of the previous fiscal year).

<Mechatronics System Segment>

(in billion yen)

|                       | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 | As compared to the<br>corresponding period<br>of the previous<br>fiscal year<br>increase (decrease) |
|-----------------------|--|--|---|
| Net sales             | 21.0                                   | 31.5                                   | 50.2%   |
| Segment income (loss) | 1.7                                    | 6.3                                    | 3.6 times   |

In this segment, robust customer demand for semiconductor test equipment led to growth in sales of related device interfaces. Sales of nano-technology products also increased.

As a result of the above, net sales were (Y) 31.5 billion (50.2% increase in comparison to the corresponding period of the previous fiscal year), and segment income was (Y) 6.3 billion (3.6 times increase in comparison to the corresponding period of the previous fiscal year).

<Services, Support and Others Segment>

(in billion yen)

|                       | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 | As compared to the<br>corresponding period<br>of the previous<br>fiscal year<br>increase (decrease) |
|-----------------------|--|--|---|
| Net sales             | 44.8                                   | 51.1                                   | 14.1%   |
| Segment income (loss) | 1.9                                    | 4.1                                    | 2.2 times   |

In this segment, support services sales increased as the installed base grew. In terms of profit, an increase in sales and a change in the sales mix contributed to improved profitability in this segment. The segment income in the corresponding period of the previous fiscal year includes approximately (Y) 3.2 billion in settlement income, mainly related to a dispute with a counterparty.

As a result of the above, net sales were (Y) 51.1 billion (14.1% increase in comparison to the corresponding period of the previous fiscal year), and segment income was (Y) 4.1 billion (2.2 times increase in comparison to the corresponding period of the previous fiscal year).

## (2) Analysis of Financial Condition

Total assets at September 30, 2024 amounted to (Y) 762.1 billion, an increase of (Y) 90.9 billion compared to the fiscal year ended March 31, 2024. This was primarily attributable to increases of (Y) 60.5 billion in cash and cash equivalents, (Y) 25.2 billion in trade and other receivables and (Y) 14.1 billion in inventories. The amount of total liabilities was (Y) 286.3 billion, an increase of (Y) 46.2 billion compared to the fiscal year ended March 31, 2024. This was primarily attributable to increases of (Y) 21.5 billion in income taxes payables and (Y) 19.2 billion in trade and other payables. Total equity was (Y) 475.8 billion. Ratio of equity attributable to owners of the parent was 62.4%, a decrease of 1.8 percentage point from March 31, 2024.

## (3) Overview of Cash Flows

Cash and cash equivalents held at September 30, 2024 were (Y) 167.2 billion, an increase of (Y) 60.5 billion from March 31, 2024. Significant cash flows during the six-month period of this fiscal year and the details are described below.

Net cash provided by operating activities was (Y) 92.9 billion (net cash inflow of (Y) 0.1 billion in the corresponding period of the previous fiscal year). This amount was primarily attributable to an increase of (Y) 29.2 billion in trade and other receivables, an increase of (Y) 19.9 billion in trade and other payables and adjustments of non-cash items such as depreciation and amortization in addition to the income before income taxes of (Y) 92.6 billion.

Net cash used in investing activities was (Y) 11.8 billion (net cash outflow of (Y) 17.7 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) 7.1 billion and acquisition of subsidiaries of (Y) 3.8 billion.

Net cash used in financing activities was (Y) 16.1 billion (net cash inflow of (Y) 5.2 billion in the corresponding period of the previous fiscal year). This amount was primarily attributable to dividends paid of (Y) 13.3 billion and payment for lease liabilities of (Y) 2.7 billion.

(4) Business and Financial Issues to be Addressed

There were no material changes in issues to be addressed by Advantest for the six months ended September 30, 2024.

(5) Research and Development

Research and development expenses were ¥34.4 billion for the six months ended September 30, 2024.

There were no material changes in Advantest's research and development activities during the six months ended September 30, 2024.

(6) Management Policy and Management Indicators

There were no material changes in Advantest's management policy and management indicators during the six months ended September 30, 2024.

**3. Material Contracts**

There were no material contracts relating to Advantest's operations that were agreed upon or entered during six months ended September 30, 2024.



### Item3. Status of the Company

#### 1. Status of Shares

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

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

| Class         | Total number of shares authorized to be issued (shares) |
|---------------|---|
| Common shares | 1,760,000,000   |
| Total         | 1,760,000,000   |

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

| Class         | Number of issued shares as of the end of the semi-annual accounting period (shares)<br>(September 30, 2024) | Number of issued shares as of the filing date (shares)<br>(November 13, 2024) | Stock exchange on which the Company is listed | Description                               |
|---------------|---|---|---|---|
| Common shares | 766,141,256   | 766,141,256   | Tokyo Stock Exchange Prime Market             | One unit of shares constitutes 100 shares |
| Total         | 766,141,256   | 766,141,256   | —   | —   |

(Note) Number of issued shares as of the filing date of this Semi-Annual Securities Report does not include the number of issued shares between November 1, 2024 and such filing date.

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

###### 1) Stock Acquisition Rights

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

| Date                                     | Changes in the total number of issued shares (shares) | Balance of the total number of issued shares (shares) | Changes in common stock (Millions of Yen) | Balance of common stock (Millions of Yen) | Changes in legal capital reserve (Millions of Yen) | Balance of legal capital reserve (Millions of Yen) |
|--|---|---|---|---|--|--|
| April 1, 2024 through September 30, 2024 | —   | 766,141,256   | —   | 32,363                                    | —  | 32,973   |

## (5) Major Shareholders

As of September 30, 2024

| Name   | Address  | Number of shares held (1000 shares) | Percentage of shares held to the total number of issued shares, less treasury shares(%) |
|--|--|-------------------------------------|---|
| The Master Trust Bank of Japan, Ltd.<br>(Trust Account)  | 1-8-1, Akasaka, Minato-ku, Tokyo   | 221,859                             | 30.00   |
| Custody Bank of Japan, Ltd.<br>(Trust Account)   | 1-8-12, Harumi, Chuo-ku, Tokyo   | 103,908                             | 14.05   |
| HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES<br>(Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch) | 1 QUEEN'S ROAD CENTRAL, HONG KONG<br>(3-11-1, Nihonbashi, Chuo-ku, Tokyo)                                    | 17,057                              | 2.30  |
| STATE STREET BANK WEST CLIENT - TREATY 505234<br>(Standing proxy: Mizuho Bank, Ltd.)   | 1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A.<br>(2-15-1, Konan, Minato-ku, Tokyo)                     | 15,774                              | 2.13  |
| STATE STREET BANK AND TRUST COMPANY 505001<br>(Standing proxy: Mizuho Bank, Ltd.)  | ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS<br>(2-15-1, Konan, Minato-ku, Tokyo)                     | 15,281                              | 2.06  |
| THE BANK OF NEW YORK MELLON 140042<br>(Standing proxy: Mizuho Bank, Ltd.)  | 240 GREENWICH STREET, NEW YORK, NY 10286, U.S.A.<br>(2-15-1, Konan, Minato-ku, Tokyo)                        | 10,713                              | 1.44  |
| JP MORGAN CHASE BANK 385781<br>(Standing proxy: Mizuho Bank, Ltd.)   | 25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM<br>(2-15-1, Konan, Minato-ku, Tokyo)           | 10,459                              | 1.41  |
| JPMorgan Securities Japan Co., Ltd.  | 2-7-3, Marunouchi, Chiyoda-ku, Tokyo   | 9,940                               | 1.34  |
| BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)<br>(Standing proxy: MUFG Bank, Ltd.)  | PETERBOROUGH COURT 133 FLEET STREET LONDON EC4A 2BB UNITED KINGDOM<br>(1-4-5, Marunouchi, Chiyoda-ku, Tokyo) | 7,494                               | 1.01  |
| GOVERNMENT OF NORWAY<br>(Standing proxy: Citibank, N.A., Tokyo Branch)   | BANKPLASSEN 2, 0107 OSLO 1 OSLO 0107 NO<br>(6-27-30, Shinjuku, Shinjuku-ku, Tokyo)                           | 7,427                               | 1.00  |
| Total  | —  | 419,915                             | 56.79   |

(Notes) 1. The number of shares held is rounded down to the nearest thousand shares.

2. According to the large shareholding report “change report” made available for public inspection on April 21, 2020, the following large shareholder is stated to jointly hold the following shares as of April 15, 2020, but the portion for which the Company cannot confirm the actual number of shares held by each shareholder is not included in the above table. The details of the report on large shareholding report “change report” are as follows.

The Company enacted a 4-for-1 share split of its common share with an effective date of October 1, 2023, but the following number of shares held shows the number of shares before the share split.

|                               |                                 |
|-------------------------------|---------------------------------|
| Large Shareholder “Co-Owners” | Daiwa Asset Management Co. Ltd. |
| Number of shares held         | 12,269,000 shares               |
| Shareholding ratio            | 6.15%                           |

3. According to the large shareholding report “change report” made available for public inspection on May 19, 2022, the following large shareholders are stated to jointly hold the following shares as of May 13, 2022, but the portion for which the Company cannot confirm the actual number of shares held by each shareholder is not included in the above table. The details of the report on large shareholding report “change report” are as follows.

The Company enacted a 4-for-1 share split of its common share with an effective date of October 1, 2023, but the following number of shares held shows the number of shares before the share split.

|                                |   |
|--------------------------------|---|
| Large Shareholders “Co-Owners” | BlackRock Japan Co., Ltd. and 9 other companies |
| Number of shares held          | 15,459,133 shares                               |
| Shareholding ratio             | 7.75%   |

4. According to the large shareholding report “change report” made available for public inspection on December 4, 2023, the following large shareholders are stated to jointly hold the following shares as of November 28, 2023, but the portion for which the Company cannot confirm the actual number of shares held by each shareholder is not included in the above table. The details of the report on large shareholding report “change report” are as follows.

|                                |   |
|--------------------------------|---|
| Large Shareholders “Co-Owners” | Sumitomo Mitsui Trust Asset Management Co., Ltd.<br>and 1 other company |
| Number of shares held          | 70,635,400 shares   |
| Shareholding ratio             | 9.22%   |

5. According to the large shareholding report “change report” made available for public inspection on December 4, 2023, the following large shareholder is stated to jointly hold the following shares as of November 27, 2023, but the portion for which the Company cannot confirm the actual number of shares held by each shareholder is not included in the above table. The details of the report on large shareholding report “change report” are as follows.

|                               |                                   |
|-------------------------------|-----------------------------------|
| Large Shareholder “Co-Owners” | Nomura Asset Management CO., Ltd. |
| Number of shares held         | 94,513,840 shares                 |
| Shareholding ratio            | 12.34%                            |

6. According to the large shareholding report “change report” made available for public inspection on April 1, 2024, the following large shareholders are stated to jointly hold the following shares as of March 25, 2024, but the portion for which the Company cannot confirm the actual number of shares held by each shareholder is not included in the above table. The details of the report on large shareholding report “change report” are as follows.

|                                |   |
|--------------------------------|---|
| Large Shareholders “Co-Owners” | Mitsubishi UFJ Trust and Banking Corporation<br>and 2 other companies |
| Number of shares held          | 46,475,410 shares   |
| Shareholding ratio             | 6.07%   |

## (6) Status of Voting Rights

### 1) Issued Shares

As of September 30, 2024

| Classification   | Number of shares (shares) | Number of voting rights (units) | Description |
|--|---------------------------|---------------------------------|-------------|
| Shares without voting rights                           | —                         | —                               | —           |
| Shares with restricted voting rights (treasury shares) | —                         | —                               | —           |
| Shares with restricted voting rights (others)          | —                         | —                               | —           |
| Shares with full voting rights (treasury shares)       | Common shares 26,802,800  | —                               | —           |
| Shares with full voting rights (others)                | Common shares 739,016,000 | 7,390,160                       | —           |
| Less than one unit shares                              | Common shares 322,456     | —                               | —           |
| Total number of issued shares                          | 766,141,256               | —                               | —           |
| Total voting rights held by all shareholders           | —                         | 7,390,160                       | —           |

(Note) In the column of “Shares with full voting rights (others),” there are 13,700 shares in the name of Japan Securities Depository Center (137 voting rights) and in the column of “Less than one unit shares,” 84 shares in the name of Japan Securities Depository Center.

### 2) Treasury Shares

As of September 30, 2024

| Shareholder           | Address of shareholder               | Number of shares held under own name (shares) | Number of shares held under the names of others (shares) | Total number of shares held (shares) | Percentage of shares held to the total number of issued shares (%) |
|-----------------------|--------------------------------------|---|--|--------------------------------------|--|
| Advantest Corporation | 1-6-2, Marunouchi, Chiyoda-ku, Tokyo | 26,802,800                                    | —  | 26,802,800                           | 3.49   |
| Total                 | —                                    | 26,802,800                                    | —  | 26,802,800                           | 3.49   |

## 2. Directors

Not applicable.

## **Item4. Financial Information**

### **1. Basis of Preparation of the Condensed Semi-Annual Consolidated Financial Statements**

The condensed semi-annual consolidated financial statements of Advantest Corporation (the “Company”) and its subsidiaries are prepared in accordance with International Accounting Standards (“IAS”) No. 34, “Interim Financial Reporting”, pursuant to Article 312 of the “Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements” (Regulation of the Ministry of Finance of Japan No. 28 of 1976, hereinafter “Regulation on Consolidated Financial Statements.”)

Additionally, the Company falls under the category of companies listed in the upper column of item 1 of the table in paragraph 1 of Article 24-5 of the Financial Instruments and Exchange Act, and the Company prepares type-1 semi-annual consolidated financial statements in accordance with the provisions of Chapters 1 and 5 of the Regulation on Consolidated Financial Statements.

The condensed semi-annual consolidated financial statements are rounded to the nearest million yen.

### **2. Audit Certification**

Pursuant to Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act, the condensed semi-annual consolidated financial statements for the semi-annual accounting period (from April 1, 2024 to September 30, 2024) were reviewed by Ernst & Young ShinNihon LLC.

# 1. Condensed Semi-Annual Consolidated Financial Statements

## (1) Condensed Semi-Annual Consolidated Statement of Financial Position

Millions of Yen

|   | Note | As of<br>March 31, 2024 | As of<br>September 30, 2024 |
|---|------|-------------------------|-----------------------------|
| <b>Assets</b>                                     |      |                         |                             |
| Current assets                                    |      |                         |                             |
| Cash and cash equivalents                         |      | 106,702                 | 167,164                     |
| Trade and other receivables                       |      | 88,855                  | 114,098                     |
| Inventories                                       |      | 204,389                 | 218,526                     |
| Other current assets                              | 10   | 20,315                  | 19,837                      |
| Total current assets                              |      | 420,261                 | 519,625                     |
| Non-current assets                                |      |                         |                             |
| Property, plant and equipment, net                |      | 78,884                  | 74,764                      |
| Right-of-use assets                               |      | 19,106                  | 17,312                      |
| Goodwill and intangible assets, net               | 11   | 98,514                  | 96,162                      |
| Other financial assets                            | 10   | 20,139                  | 18,280                      |
| Deferred tax assets                               |      | 33,423                  | 34,869                      |
| Other non-current assets                          |      | 902                     | 1,098                       |
| Total non-current assets                          |      | 250,968                 | 242,485                     |
| Total assets                                      |      | 671,229                 | 762,110                     |
| <b>Liabilities and Equity</b>                     |      |                         |                             |
| <b>Liabilities</b>                                |      |                         |                             |
| Current liabilities                               |      |                         |                             |
| Trade and other payables                          |      | 76,863                  | 96,039                      |
| Income taxes payable                              |      | 10,262                  | 31,750                      |
| Provisions  |      | 8,668                   | 9,223                       |
| Lease liabilities                                 |      | 5,147                   | 5,180                       |
| Other financial liabilities                       | 10   | 1,868                   | 2,206                       |
| Other current liabilities                         | 10   | 23,469                  | 29,944                      |
| Total current liabilities                         |      | 126,277                 | 174,342                     |
| Non-current liabilities                           |      |                         |                             |
| Long-term borrowings                              | 10   | 75,143                  | 74,275                      |
| Lease liabilities                                 |      | 14,153                  | 12,347                      |
| Retirement benefit liabilities                    |      | 19,134                  | 18,967                      |
| Deferred tax liabilities                          |      | 3,934                   | 4,111                       |
| Other non-current liabilities                     | 10   | 1,410                   | 2,257                       |
| Total non-current liabilities                     |      | 113,774                 | 111,957                     |
| Total liabilities                                 |      | 240,051                 | 286,299                     |
| <b>Equity</b>                                     |      |                         |                             |
| Share capital                                     |      | 32,363                  | 32,363                      |
| Share premium                                     |      | 45,441                  | 45,047                      |
| Treasury shares                                   |      | (56,353)                | (54,465)                    |
| Retained earnings                                 |      | 355,299                 | 411,076                     |
| Other components of equity                        |      | 54,428                  | 41,790                      |
| Total equity attributable to owners of the parent |      | 431,178                 | 475,811                     |
| Total equity                                      |      | 431,178                 | 475,811                     |
| Total liabilities and equity                      |      | 671,229                 | 762,110                     |

**(2) Condensed Semi-Annual Consolidated Statement of Profit or Loss and Condensed Semi-Annual Consolidated Statement of Comprehensive Income**

**Condensed Semi-Annual Consolidated Statement of Profit or Loss**

Millions of Yen

|   | Note | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|---|------|--|--|
| Net sales                                       | 5,7  | 217,511                                | 329,206                                |
| Cost of sales                                   |      | (108,502)                              | (142,209)                              |
| Gross profit                                    |      | 109,009                                | 186,997                                |
| Selling, general and<br>administrative expenses |      | (77,164)                               | (92,374)                               |
| Other income                                    | 8    | 3,616                                  | 671                                    |
| Other expenses                                  |      | (192)                                  | (435)                                  |
| Operating income                                | 5    | 35,269                                 | 94,859                                 |
| Financial income                                |      | 546                                    | 959                                    |
| Financial expenses                              |      | (2,498)                                | (3,173)                                |
| Income before income taxes                      |      | 33,317                                 | 92,645                                 |
| Income taxes                                    |      | (7,379)                                | (23,302)                               |
| Net income                                      |      | 25,938                                 | 69,343                                 |
| Net income attributable to:                     |      |  |  |
| Owners of the parent                            |      | 25,938                                 | 69,343                                 |
| Earnings per share:                             | 9    | Yen                                    | Yen                                    |
| Basic   |      | 35.18                                  | 93.92                                  |
| Diluted   |      | 35.06                                  | 93.64                                  |

# Condensed Semi-Annual Consolidated Statement of Comprehensive Income

Millions of Yen

|  | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|--|--|--|
| Net income   | 25,938                                 | 69,343                                 |
| Other comprehensive income (loss), net of tax  |  |  |
| Items that will not be reclassified to profit or loss  |  |  |
| Remeasurements of defined benefit pension plan   | —                                      | (227)                                  |
| Net change in fair value measurements of equity<br>instruments at fair value through other comprehensive<br>income | (3,683)                                | (662)                                  |
| Items that may be subsequently reclassified to profit or loss  |  |  |
| Exchange differences on translation of foreign operations  | 22,373                                 | (11,976)                               |
| Total other comprehensive income (loss)  | 18,690                                 | (12,865)                               |
| Total comprehensive income for the period  | 44,628                                 | 56,478                                 |
| Comprehensive income attributable to:  |  |  |
| Owners of the parent   | 44,628                                 | 56,478                                 |



### (3) Condensed Semi-Annual Consolidated Statement of Changes in Equity

Six months ended September 30, 2023

Millions of Yen

|   | Note | Equity attributable to owners of the parent |               |                 |                   |                            | Total Equity |
|---|------|---|---------------|-----------------|-------------------|----------------------------|--------------|
|   |      | Share capital                               | Share premium | Treasury shares | Retained earnings | Other components of equity |              |
| Balance as of April 1, 2023                   |      | 32,363                                      | 44,622        | (59,099)        | 319,171           | 31,637                     | 368,694      |
| Net income                                    |      |   |               |                 | 25,938            |                            | 25,938       |
| Other comprehensive income (loss), net of tax |      |   |               |                 |                   | 18,690                     | 18,690       |
| Total comprehensive income for the period     |      | —   | —             | —               | 25,938            | 18,690                     | 44,628       |
| Purchase of treasury shares                   |      |   |               | (12)            |                   | (12)                       | (12)         |
| Disposal of treasury shares                   |      |   | (1,128)       | 2,149           | (435)             | 586                        | 586          |
| Cancellation of treasury shares               |      |   |               | 36              | (36)              | —                          | —            |
| Dividends                                     | 6    |   |               |                 | (12,895)          | (12,895)                   | (12,895)     |
| Share-based payments                          |      |   | 812           |                 |                   | 812                        | 812          |
| Total transactions with the owners            |      | —   | (316)         | 2,173           | (13,366)          | —                          | (11,509)     |
| Balance as of September 30, 2023              |      | 32,363                                      | 44,306        | (56,926)        | 331,743           | 50,327                     | 401,813      |

Six months ended September 30, 2024

Millions of Yen

|   | Note | Equity attributable to owners of the parent |               |                 |                   |                            | Total Equity |
|---|------|---|---------------|-----------------|-------------------|----------------------------|--------------|
|   |      | Share capital                               | Share premium | Treasury shares | Retained earnings | Other components of equity |              |
| Balance as of April 1, 2024                                   |      | 32,363                                      | 45,441        | (56,353)        | 355,299           | 54,428                     | 431,178      |
| Net income  |      |   |               |                 | 69,343            |                            | 69,343       |
| Other comprehensive income (loss), net of tax                 |      |   |               |                 |                   | (12,865)                   | (12,865)     |
| Total comprehensive income for the period                     |      | —   | —             | —               | 69,343            | (12,865)                   | 56,478       |
| Purchase of treasury shares                                   |      |   |               | (3)             |                   | (3)                        | (3)          |
| Disposal of treasury shares                                   |      |   | (1,653)       | 1,891           | (48)              | 190                        | 190          |
| Dividends   | 6    |   |               |                 | (13,291)          | (13,291)                   | (13,291)     |
| Share-based payments  |      |   | 1,259         |                 |                   | 1,259                      | 1,259        |
| Transfer from other components of equity to retained earnings |      |   |               |                 | (227)             | 227                        | —            |
| Total transactions with the owners                            |      | —   | (394)         | 1,888           | (13,566)          | 227                        | (11,845)     |
| Balance as of September 30, 2024                              |      | 32,363                                      | 45,047        | (54,465)        | 411,076           | 41,790                     | 475,811      |

#### (4) Condensed Semi-Annual Consolidated Statement of Cash Flows

Millions of Yen

|  | Note | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|--|------|--|--|
| Cash flows from operating activities:  |      |  |  |
| Income before income taxes   |      | 33,317                                 | 92,645                                 |
| Adjustments to reconcile income before income taxes to<br>net cash provided by (used in) operating activities: |      |  |  |
| Depreciation and amortization  |      | 12,492                                 | 14,258                                 |
| Changes in assets and liabilities:   |      |  |  |
| Trade and other receivables  |      | 27,098                                 | (29,231)                               |
| Inventories  |      | (24,835)                               | (13,245)                               |
| Trade and other payables   |      | (18,254)                               | 19,928                                 |
| Warranty provisions  |      | (199)                                  | 577                                    |
| Advance receipts   |      | 7,729                                  | 8,159                                  |
| Retirement benefit liabilities   |      | (381)                                  | 47                                     |
| Other  |      | (10,672)                               | 1,266                                  |
| Subtotal   |      | 26,295                                 | 94,404                                 |
| Interest and dividends received  |      | 500                                    | 940                                    |
| Interest paid  |      | (720)                                  | (911)                                  |
| Income taxes paid  |      | (25,978)                               | (1,565)                                |
| Net cash provided by (used in) operating activities  |      | 97                                     | 92,868                                 |
| Cash flows from investing activities:  |      |  |  |
| Proceeds from sale of equity instruments   |      | 1,150                                  | —                                      |
| Purchases of property, plant and equipment   |      | (9,957)                                | (7,142)                                |
| Purchases of intangible assets   |      | (382)                                  | (1,028)                                |
| Acquisition of subsidiaries  | 11   | (8,260)                                | (3,815)                                |
| Other  |      | (276)                                  | 137                                    |
| Net cash provided by (used in) investing activities  |      | (17,725)                               | (11,848)                               |
| Cash flows from financing activities:  |      |  |  |
| Increase (decrease) in short-term borrowings   |      | 20,000                                 | —                                      |
| Proceeds from disposal of treasury shares  |      | 542                                    | 191                                    |
| Purchases of treasury shares   |      | (12)                                   | (3)                                    |
| Dividends paid   | 6    | (12,893)                               | (13,278)                               |
| Payments for lease liabilities   |      | (2,387)                                | (2,684)                                |
| Other  |      | (1)                                    | (326)                                  |
| Net cash provided by (used in) financing activities  |      | 5,249                                  | (16,100)                               |
| Net effect of exchange rate changes on cash and cash<br>equivalents  |      | 4,567                                  | (4,458)                                |
| Net change in cash and cash equivalents  |      | (7,812)                                | 60,462                                 |
| Cash and cash equivalents at the beginning of period   |      | 85,537                                 | 106,702                                |
| Cash and cash equivalents at the end of period   |      | 77,725                                 | 167,164                                |

## **Notes to the Condensed Semi-Annual Consolidated Financial Statements**

### **1. Reporting Entity**

Advantest Corporation is a public company located in Japan.

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

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

### **2. Basis of Preparation**

#### **(1) Compliance with IFRS**

As the Company meets the requirements of a "Specified Companies applying Designated IFRS" pursuant to Article 1-2 of the "Regulation on Consolidated Financial Statements", Advantest prepares the condensed consolidated financial statements in accordance with IAS 34 under Article 312 of the same regulation.

As the condensed semi-annual consolidated financial statements do not contain all the information required in annual consolidated financial statements, they should be read in combination with the consolidated financial statements for the fiscal year ended March 31, 2024.

The condensed semi-annual consolidated financial statements were approved on November 13, 2024 by Koichi Tsukui, Representative Director, Senior Executive Officer and President, Group COO and Yasuo Mihashi, Senior Executive Officer, CFO & CSO of the Company.

#### **(2) Functional Currency and Presentation Currency**

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

### **3. Material Accounting Policies**

The condensed semi-annual consolidated financial statements are prepared based on the same accounting policies as those applied in the Advantest's consolidated financial statements for the fiscal year ended March 31, 2024.

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

The preparation of the condensed semi-annual consolidated financial statements requires Advantest to make judgments, accounting estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on the best judgment of management in light of historical experience and various factors deemed to be reasonable according to the situation. Given their nature, however, actual results may differ from those estimates and assumptions. There is no material change from the estimates and assumptions used for the fiscal year ended March 31, 2024.

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

## **5. Segment Information**

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

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

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

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

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

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

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

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

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

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

Inter-segment sales are based on market prices.

## Six months ended September 30, 2023

Millions of Yen

|   | Semiconductor<br>and Component<br>Test System<br>Business | Mechatronics<br>System<br>Business | Services,<br>Support and<br>Others | Elimination<br>and<br>Corporate | Consolidated |
|---|---|------------------------------------|------------------------------------|---------------------------------|--------------|
| Net sales   |   |                                    |                                    |                                 |              |
| Net sales to unaffiliated customers   | 151,717   | 20,976                             | 44,818                             | —                               | 217,511      |
| Inter-segment sales   | —   | —                                  | —                                  | —                               | —            |
| Total   | 151,717   | 20,976                             | 44,818                             | —                               | 217,511      |
| Segment income (loss)<br>(operating income (loss) before<br>share-based compensation expense) | 39,568  | 1,719                              | 1,854                              | (6,930)                         | 36,211       |
| Adjustment:<br>Share-based compensation<br>expense  | —   | —                                  | —                                  | —                               | (942)        |
| Operating income  | —   | —                                  | —                                  | —                               | 35,269       |
| Financial income  | —   | —                                  | —                                  | —                               | 546          |
| Financial expenses  | —   | —                                  | —                                  | —                               | (2,498)      |
| Income before income taxes  | —   | —                                  | —                                  | —                               | 33,317       |

## Six months ended September 30, 2024

Millions of Yen

|   | Semiconductor<br>and Component<br>Test System<br>Business | Mechatronics<br>System<br>Business | Services,<br>Support and<br>Others | Elimination<br>and<br>Corporate | Consolidated |
|---|---|------------------------------------|------------------------------------|---------------------------------|--------------|
| Net sales   |   |                                    |                                    |                                 |              |
| Net sales to unaffiliated customers   | 246,578   | 31,506                             | 51,122                             | —                               | 329,206      |
| Inter-segment sales   | —   | —                                  | —                                  | —                               | —            |
| Total   | 246,578   | 31,506                             | 51,122                             | —                               | 329,206      |
| Segment income (loss)<br>(operating income (loss) before<br>share-based compensation expense) | 94,723  | 6,265                              | 4,106                              | (8,976)                         | 96,118       |
| Adjustment:<br>Share-based compensation<br>expense  | —   | —                                  | —                                  | —                               | (1,259)      |
| Operating income  | —   | —                                  | —                                  | —                               | 94,859       |
| Financial income  | —   | —                                  | —                                  | —                               | 959          |
| Financial expenses  | —   | —                                  | —                                  | —                               | (3,173)      |
| Income before income taxes  | —   | —                                  | —                                  | —                               | 92,645       |

(Notes) 1. 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. For services, support and others, the segment income for the six months ended September 30, 2023 includes (Y) 3,179 million income. This is mainly due to the settlement of a dispute with the counterparty.

## 6. Dividends

### (1) Dividends Paid

Six months ended September 30, 2023

| Resolution                                       | Class of shares | Amount of dividend<br>(Millions of Yen) | Dividend per share<br>(Yen) | Record date    | Effective date |
|--|-----------------|---|-----------------------------|----------------|----------------|
| Board of Directors' meeting held on May 19, 2023 | Common shares   | 12,906                                  | 70                          | March 31, 2023 | June 5, 2023   |

(Notes) 1. Dividend of ¥11 million to the Company Shares for the BIP Trust and the ESOP Trust is included in the amount of dividend which was resolved at the Board of Directors' meeting held on May 19, 2023.

2. The Company enacted a 4-for-1 share split of its common share with an effective date of October 1, 2023. "Dividend per share" presents the amount prior to the share split.

Six months ended September 30, 2024

| Resolution                                       | Class of shares | Amount of dividend<br>(Millions of Yen) | Dividend per share<br>(Yen) | Record date    | Effective date |
|--|-----------------|---|-----------------------------|----------------|----------------|
| Board of Directors' meeting held on May 21, 2024 | Common shares   | 13,291                                  | 18                          | March 31, 2024 | June 7, 2024   |

(Note) The Company enacted a 4-for-1 share split of its common share with an effective date of October 1, 2023.

"Dividend per share" presents the amount after the share split.

### (2) Dividends Whose Record Date is in the Six Months Ended September 30, 2024 but Whose Effective Date is after September 30, 2024

| Resolution   | Class of shares | Amount of dividend<br>(Millions of Yen) | Dividend per share<br>(Yen) | Record date        | Effective date   |
|--|-----------------|---|-----------------------------|--------------------|------------------|
| Board of Directors' meeting held on October 30, 2024 | Common shares   | 14,047                                  | 19                          | September 30, 2024 | December 2, 2024 |

(Note) The Company enacted a 4-for-1 share split of its common share with an effective date of October 1, 2023.

"Dividend per share" presents the amount after the share split.

## 7. Revenue

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

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

Six months ended September 30, 2023

Millions of Yen

|              | Semiconductor<br>and<br>Component<br>Test System<br>Business | Mechatronics<br>System<br>Business | Services,<br>Support and<br>Others | Elimination<br>and<br>Corporate | Consolidated |
|--------------|--|------------------------------------|------------------------------------|---------------------------------|--------------|
| Main regions |  |                                    |                                    |                                 |              |
| Japan        | 6,170  | 1,558                              | 2,196                              | —                               | 9,924        |
| Americas     | 4,377  | 266                                | 9,655                              | —                               | 14,298       |
| Europe       | 5,405  | 671                                | 2,405                              | —                               | 8,481        |
| Asia         | 135,765  | 18,481                             | 30,562                             | —                               | 184,808      |
| Total        | 151,717  | 20,976                             | 44,818                             | —                               | 217,511      |

Six months ended September 30, 2024

Millions of Yen

|              | Semiconductor<br>and<br>Component<br>Test System<br>Business | Mechatronics<br>System<br>Business | Services,<br>Support and<br>Others | Elimination<br>and<br>Corporate | Consolidated |
|--------------|--|------------------------------------|------------------------------------|---------------------------------|--------------|
| Main regions |  |                                    |                                    |                                 |              |
| Japan        | 6,679  | 1,458                              | 1,802                              | —                               | 9,939        |
| Americas     | 10,603   | 1,328                              | 9,551                              | —                               | 21,482       |
| Europe       | 5,138  | 752                                | 3,371                              | —                               | 9,261        |
| Asia         | 224,158  | 27,968                             | 36,398                             | —                               | 288,524      |
| Total        | 246,578  | 31,506                             | 51,122                             | —                               | 329,206      |

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

Six months ended September 30, 2023

Millions of Yen

|  | SoC     | Memory | Total   |
|--|---------|--------|---------|
| Semiconductor and Component Test System Business | 123,579 | 28,138 | 151,717 |

Six months ended September 30, 2024

Millions of Yen

|  | SoC     | Memory | Total   |
|--|---------|--------|---------|
| Semiconductor and Component Test System Business | 178,597 | 67,981 | 246,578 |

## 8. Other Income

The breakdown of other income was as follows:

Millions of Yen

|  | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|--|--|--|
| Settlement of a dispute and others with the counterparty <sup>(Note)</sup> | 3,179                                  | —                                      |
| Others   | 437                                    | 671                                    |
| Total  | 3,616                                  | 671                                    |

(Note) Other income for six months ended September 2023 mainly includes the settlement of a dispute with the counterparty which is in relation to the service, support and others segment.



## 9. Earnings per Share

### (1) Earnings per Share

Basic earnings per share is calculated by dividing net income or loss attributable to owners of the parent by the weighted average number of shares outstanding during the semi-annual accounting period. Diluted earnings per share reflects the maximum possible dilution from conversion, exercise, or contingent issuance of securities. All potentially dilutive securities are excluded from the calculation in a situation where there is a net loss attributable to owners of the parent.

### (2) The basis of calculation of basic earnings per share and diluted earnings per share

|  | Six months ended<br>September 30, 2023                            | Six months ended<br>September 30, 2024 |
|--|---|--|
| Net income attributable to owners of the parent<br>(Millions of Yen)   | 25,938  | 69,343                                 |
| Net income not attributable to owners of the parent<br>(Millions of Yen)   | —   | —                                      |
| Net income to calculate basic earnings per share<br>(Millions of Yen)  | 25,938  | 69,343                                 |
| Net income adjustment (Millions of Yen)  | —   | —                                      |
| Net income to calculate diluted earnings per share<br>(Millions of Yen)  | 25,938  | 69,343                                 |
| Weighted average number of common shares—basic   | 737,318,084   | 738,334,137                            |
| Dilutive effect of stock options   | 745,780   | 373,376                                |
| Dilutive effect of performance-based stock remuneration  | 789,592   | 422,763                                |
| Dilutive effect of restricted stock compensation   | 1,002,648   | 1,398,822                              |
| Weighted average number of common shares—diluted   | 739,856,104   | 740,529,098                            |
| Basic earnings per share (Yen)   | 35.18   | 93.92                                  |
| Diluted earnings per share (Yen)   | 35.06   | 93.64                                  |
| Financial instruments not included in the calculation of diluted earnings per share because they have anti-dilutive effect | Certain financial instruments related to share-based compensation | —                                      |

(Note) The Company enacted a 4-for-1 share split of its common share with an effective date of October 1, 2023.

“Basic earnings per share” and “Diluted earnings per share” are calculated based on the assumption that the share split was implemented at the beginning of the previous fiscal year.

## **10. Financial Instruments**

### **(1) Carrying Amount and Fair Value of Financial Instruments**

#### **(Borrowings)**

Short-term borrowings are settled on a short-term basis, and their fair value approximates their carrying amount. The fair value of long-term borrowings with floating rates is assumed to be quite similar to the carrying amount, because it reflects market interest rates in a short period of time and the Advantest's credit status is not significantly different after the execution. The fair value of long-term borrowings with fixed rates is calculated by the total sum of the principal and interest discounted by using the interest rates that would be applied if similar new borrowings were conducted.

#### **(Other accounts payable)**

The fair value of other accounts payable measured at amortized cost is calculated based on the present value discounted by interest rate reflecting the effect of credit risk.

The fair value of other accounts payable measured at fair value through profit or loss is calculated based on the present value of the expected payment amount. The expected payment amount is calculated based on factors such as share price and discounted by interest rate reflecting the effect of credit risk to find the present value.

#### **(Others)**

Financial instruments other than above are settled mainly on a short-term basis, and their fair value approximates their carrying amount.

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

Financial instruments are classified into three levels of the fair value hierarchy based on the measurement inputs' observability and materiality as follows:

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

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

Level 3: Fair value measured by significant unobservable inputs

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

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

There were no transfers of financial instruments between levels during the year ended March 31, 2024 and the six months ended September 30, 2024.

1) The financial assets and financial liabilities measured at amortized cost were classified by hierarchy as follows. The table does not include financial instruments whose fair values approximate their carrying amounts or are immaterial:

As of March 31, 2024

Millions of Yen

|  | Carrying<br>amount | Fair value |         |         |        |
|--|--------------------|------------|---------|---------|--------|
|  |                    | Level 1    | Level 2 | Level 3 | Total  |
| Financial liabilities measured at amortized cost |                    |            |         |         |        |
| Long-term borrowings                             | 75,141             | —          | 74,954  | —       | 74,954 |
| Other non-current accounts payable               | 638                | —          | 605     | —       | 605    |
| Total financial liabilities                      | 75,779             | —          | 75,559  | —       | 75,559 |

As of September 30, 2024

Millions of Yen

|  | Carrying<br>amount | Fair value |         |         |        |
|--|--------------------|------------|---------|---------|--------|
|  |                    | Level 1    | Level 2 | Level 3 | Total  |
| Financial liabilities measured at amortized cost |                    |            |         |         |        |
| Long-term borrowings                             | 74,273             | —          | 74,201  | —       | 74,201 |
| Other non-current accounts payable               | 625                | —          | 604     | —       | 604    |
| Total financial liabilities                      | 74,898             | —          | 74,805  | —       | 74,805 |

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

As of March 31, 2024

Millions of Yen

|   | Fair value |         |         |        |
|---|------------|---------|---------|--------|
|   | Level 1    | Level 2 | Level 3 | Total  |
| Financial assets that are measured at fair value through other comprehensive income |            |         |         |        |
| Equity instruments <sup>(Note)</sup>  | 17,079     | —       | 929     | 18,008 |
| Total financial assets  | 17,079     | —       | 929     | 18,008 |
| Financial liabilities that are measured at fair value through profit or loss        |            |         |         |        |
| Derivatives   | —          | 3,030   | —       | 3,030  |
| Total financial liabilities   | —          | 3,030   | —       | 3,030  |

As of September 30, 2024

Millions of Yen

|   | Fair value |         |         |        |
|---|------------|---------|---------|--------|
|   | Level 1    | Level 2 | Level 3 | Total  |
| Financial assets that are measured at fair value through profit or loss             |            |         |         |        |
| Derivatives   | —          | 271     | —       | 271    |
| Financial assets that are measured at fair value through other comprehensive income |            |         |         |        |
| Equity instruments <sup>(Note)</sup>  | 15,046     | —       | 1,056   | 16,102 |
| Total financial assets  | 15,046     | 271     | 1,056   | 16,373 |
| Financial liabilities that are measured at fair value through profit or loss        |            |         |         |        |
| Other current accounts payable  | —          | 203     | —       | 203    |
| Other non-current accounts payable  | —          | 805     | —       | 805    |
| Derivatives   | —          | 1,940   | —       | 1,940  |
| Total financial liabilities   | —          | 2,948   | —       | 2,948  |

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

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

Millions of Yen

|  | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|--|--|--|
| Balance at beginning of period               | 866                                    | 929                                    |
| Gains or losses                              |  |  |
| Other comprehensive income <sup>(Note)</sup> | 156                                    | 145                                    |
| Others                                       | 21                                     | (18)                                   |
| Balance at end of period                     | 1,043                                  | 1,056                                  |

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

## **11. Business Combinations**

Six months ended September 30, 2023

(Business combination through acquisition)

### **(1) Overview of Acquired Business**

Name of Company: Shin Puu Technology Co., Ltd.

Business Description of acquired company:

Manufacture of printed circuit boards (PCBs) and printed circuit board assemblies (PCBAs)

Voting rights ratio after acquisition of shares: 100%

### **(2) Overview of Business Combination**

R&D Altanova, the Company's subsidiary, acquired all outstanding shares of Taiwan-based company, Shin Puu Technology Co., Ltd. ("Shin Puu") on April 28, 2023, and Shin Puu became a wholly owned subsidiary of R&D Altanova.

Shin Puu is a supplier of PCBs that manufactures PCBs and PCBAs, key components used in electronics, in Taiwan, a global hub of the electronics industry. By combining R&D Altanova's high-performance, high-density PCB design technology with Shin Puu's manufacturing capabilities, Advantest will expand its manufacturing footprint for high-end test boards in the Asia region, enhancing Advantest's ability to provide turnkey solutions to its customers.

### **(3) Acquisition Date**

April 28, 2023

### **(4) Legal Form of Business Combination**

Acquisition of shares

### **(5) Acquisition-related Expense**

Acquisition-related expense of ¥595 million is included in Selling, general and administrative expenses in the condensed semi-annual consolidated statement of profit or loss for the six months ended September 30, 2023.

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

The fair value of the assets acquired, liabilities assumed and consideration paid as of the acquisition date were provisional as of Sep 30, 2023, but they were revised because the purchase price allocation was completed by the end of the fiscal year ended March 31, 2024.

Millions of Yen

|                                  | Provisional fair value | Revision | Revised fair value |
|----------------------------------|------------------------|----------|--------------------|
| Current assets                   | 1,899                  | 19       | 1,918              |
| Non-current assets               | 5,866                  | 458      | 6,324              |
| Total assets                     | 7,765                  | 477      | 8,242              |
| Current Liabilities              | 1,135                  | —        | 1,135              |
| Non-current liabilities          | 2,031                  | 101      | 2,132              |
| Total liabilities                | 3,166                  | 101      | 3,267              |
| Goodwill                         | 2,948                  | (426)    | 2,522              |
| Total                            | 7,547                  | (50)     | 7,497              |
| Fair value of consideration paid |                        |          |                    |
| Cash and cash equivalents        | 7,547                  | (50)     | 7,497              |

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

**(7) Acquisition of subsidiary**

Millions of Yen

|  | Amount |
|--|--------|
| Consideration paid                                   | 7,497  |
| Cash and cash equivalents of the acquired subsidiary | (539)  |
| Repayments of the long-term borrowings and others    | 1,302  |
| Acquisition of subsidiary                            | 8,260  |

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

Disclosure of profit and loss information from the acquisition date and pro forma profit and loss information assuming the business combination was conducted at the beginning of the fiscal year ended March 31, 2024 (unaudited information), was omitted because of its immateriality for the condensed semi-annual consolidated statement of profit or loss.

Six months ended September 30, 2024

(Business combination through acquisition)

**(1) Overview of Acquired Business**

Name of Company: Salland Engineering International B.V.

Business Description of acquired company:

Development and manufacture of embedded measurement systems and small measurement instruments for ATE, and provision of semiconductor testing services

Voting rights ratio after acquisition of shares: 100%

**(2) Overview of Business Combination**

Advantest Netherlands B.V., a newly established entity of Advantest Europe GmbH, the Company's European subsidiary, acquired all outstanding shares of the Netherlands-based company, Salland Engineering International B.V. ("Salland") on April 2, 2024, and Salland became a wholly owned subsidiary of Advantest Netherlands B.V.

Salland is a developer and manufacturer of embedded measurement systems and small measurement instruments for ATE and a semiconductor test service provider that has an outstanding history of enabling semiconductor manufacturers to improve the efficiency and quality of their testing. By integrating Advantest's test systems with Salland's expertise, Advantest aims to strengthen test engineering services in Europe, enabling Advantest to offer test and measurement solutions to a broader range of customers. Additionally, by providing custom test services to emerging European startups and fabless companies, Advantest can expand its customer base and deliver services to global customers.

**(3) Acquisition Date**

April 2, 2024

**(4) Legal Form of Business Combination**

Acquisition of shares

**(5) Acquisition-related Expense**

Acquisition-related expense of ¥566 million is included in Selling, general and administrative expenses in the condensed semi-annual consolidated statement of profit or loss for the six months ended September 30, 2024.

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

With the purchase price allocation completed during the first half of the fiscal year ending March 31, 2025, the fair value of the assets acquired, liabilities assumed and consideration paid as of the acquisition date were as follows:

Millions of Yen

|                                  | Fair Value |
|----------------------------------|------------|
| Current assets                   | 853        |
| Non-current assets               | 1,918      |
| Total assets                     | 2,771      |
| Current Liabilities              | 571        |
| Non-current liabilities          | 386        |
| Total liabilities                | 957        |
| Goodwill                         | 3,004      |
| Total                            | 4,818      |
| Fair value of consideration paid |            |
| Cash and cash equivalents        | 3,815      |
| Accounts payable                 | 1,003      |
| Total                            | 4,818      |

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

**(7) Acquisition of subsidiary**

The amount, after deducting the cash and cash equivalents held by Salland from the consideration paid of ¥3,815 million is included in Acquisition of subsidiaries in the condensed semi-annual consolidated statement of cash flows for the six months ended September 30, 2024.

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

Disclosure of profit and loss information from the acquisition date and pro forma profit and loss information assuming the business combination was conducted at the beginning of the fiscal year ending March 31, 2025 (unaudited information), was omitted because of its immateriality for the condensed semi-annual consolidated statement of profit or loss.



## **12. Subsequent Events**

### **(Share repurchase)**

The Company resolved to acquire its own shares under Article 459, paragraph 1 of the Companies Act, at the Board of Directors' meeting held on October 30, 2024 as follows:

#### **(1) Reason for acquisition of own shares**

The shareholder return policy of the Company is cumulative total return ratio (\*) of 50% or more over the three years of the third mid-term management plan. Operating cash flow is expected to increase steadily as the earnings for the fiscal year ending March 31, 2025 are performing well. In consideration of the situation of cash on hand, the Company acquires treasury shares for the purpose of shareholder returns and improving capital efficiency.

(\*) Total return ratio: (Dividend + Share repurchase)/Consolidated net income

#### **(2) Details of acquisition**

##### **1) Type of shares to be acquired**

The Company's common shares

##### **2) Total number of shares to be acquired**

Up to 9 million shares (Equivalent to 1.2% of outstanding shares excluding treasury shares as of September 30, 2024)

##### **3) Total cost of acquisition**

Up to 50 billion yen

##### **4) Period of acquisition**

From November 1, 2024 to February 26, 2025

##### **5) Acquisition method**

Purchase on the Tokyo Stock Exchange

## **2. Others**

### **(1) Year-end Dividends**

The board of directors resolved on May 21, 2024 to pay the year-end dividend of 18 yen per share (Total amount of 13,291 million yen) to shareholders listed or recorded in the shareholder list as of March 31, 2024.

### **(2) Interim Dividends**

The board of directors resolved on October 30, 2024 to pay the interim dividend of 19 yen per share (Total amount of 14,047 million yen) to shareholders listed or recorded in the shareholder list as of September 30, 2024

**Part II. Information on the Guarantee Companies of the Company**

Not applicable.

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

November 13, 2024

The Board of Directors  
Advantest Corporation

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Toshiyuki Matsumoto  
Designated Engagement Partner  
Certified Public Accountant

Minoru Ota  
Designated Engagement Partner  
Certified Public Accountant

Hiroyuki Nakada  
Designated Engagement Partner  
Certified Public Accountant

**Auditor's Conclusion**

Pursuant to Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act, we have reviewed the accompanying condensed semi-annual consolidated financial statements of Advantest Corporation and its subsidiaries (the Group), which comprise the condensed semi-annual consolidated statement of financial position as of September 30, 2024, and the condensed semi-annual consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period ended September 30, 2024, and notes to the condensed semi-annual consolidated financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed semi-annual consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and its consolidated financial performance and cash flows for the six-month period ended September 30, 2024 in accordance with *International Accounting Standard 34, Interim Financial Reporting*, as provided for in Article 312 of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements.

**Basis for Auditor's Conclusion**

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

**Responsibilities of Management, the Audit and Supervisory Committee for the Condensed Semi-annual Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these condensed semi-annual consolidated

financial statements in accordance with *International Accounting Standard 34, Interim Financial Reporting*, and for the internal controls as management determines are necessary to enable the preparation of condensed semi-annual consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Review of the Condensed Semi-annual Consolidated Financial Statements**

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

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

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

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

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our review of the condensed semi-annual consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

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

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

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

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

[Cover]

|   |   |
|---|---|
| [Document Filed]                              | Confirmation Letter   |
| [Applicable Law]                              | Paragraph 1 of Article 24-5-2 of the Financial Instruments and Exchange Act               |
| [Filed to]                                    | Director, Kanto Local Finance Bureau  |
| [Filing Date]                                 | November 13, 2024   |
| [Company Name]                                | Kabushiki Kaisha Advantest  |
| [Company Name in English]                     | ADVANTEST CORPORATION   |
| [Title and Name of Representative]            | Koichi Tsukui, Representative Director, Senior Executive Officer and President, Group COO |
| [Title and Name of CFO]                       | Yasuo Mihashi, Senior Executive Officer, CFO & CSO  |
| [Address of Registered Office]                | 1-6-2, Marunouchi, Chiyoda-ku, Tokyo  |
| [Place Where Available for Public Inspection] | Tokyo Stock Exchange, Inc.<br>(2-1, Nihombashi, Kabuto-cho, Chuo-ku, Tokyo)               |

**1. Matters Related to Adequacy of Statements Contained in the Semi-Annual Securities Report**

Koichi Tsukui, Representative Director, Senior Executive Officer and President, Group COO and Yasuo Mihashi, Senior Executive Officer, CFO & CSO of Advantest Corporation, confirmed that statements contained in the Semi-Annual Securities Report for the semi-annual accounting period of the 83rd Term (from April 1, 2024 to September 30, 2024) were adequate under the Financial Instruments and Exchange Act.

**2. Special Notes**

None.