

U.S. GAAP Selected Consolidated Financial Data

The following selected financial data have been derived from Advantest's audited consolidated financial statements. These financial statements were prepared under U.S. GAAP.

	Year ended March 31,			
	2000	2001	2002	2002
	(in millions, except per share and share data)			(in thousands, except per share and share data)
Consolidated Statement of Income Data:				
Automated Test Equipment:				
Net sales	¥135,728	¥241,499	¥74,206	\$556,893
Operating income (loss)	40,723	86,413	(20,104)	(150,874)
Measuring Instruments:				
Net sales	22,850	35,013	21,038	157,884
Operating income (loss)	(68)	6,672	(7,826)	(58,732)
Total Company:				
Net sales	158,578	276,512	95,244	714,777
Operating income (loss)	34,802	84,905	(37,105)	(278,461)
Income (loss) before income taxes	33,494	86,333	(38,480)	(288,780)
Net income (loss)	20,905	53,121	(23,906)	(179,407)
Net income (loss) per share:				
Basic	210.63	534.44	(240.38)	(1.80)
Diluted	209.99	533.24	(240.38)	(1.80)
Basic weighted average shares	99,249,719	99,394,909	99,453,203	99,453,203
Diluted weighted average shares	99,553,269	99,618,561	99,453,203	99,453,203

	As of March 31,			
	2000	2001	2002	2002
		(in millions)		(in thousands)
Consolidated Balance Sheet Data:				
Total assets:				
Automated test equipment	¥163,215	¥230,389	¥146,790	\$1,101,614
Measuring instruments	21,730	34,528	20,000	150,094
Corporate	135,947	142,514	140,772	1,056,450
Current installments of long-term debt	10,000	4,343	43	323
Long-term debt, less current installments	26,822	26,911	26,868	201,636
Stockholders' equity	214,594	267,929	240,716	1,806,499

	Year ended March 31,			
	2000	2001	2002	2002
	(in millions, except percentages)			(in thousands)
Other Data:				
Capital expenditures	¥6,469	¥12,280	¥13,254	\$99,467
Research and development expenses	23,481	28,541	26,674	200,180
EBITDA ⁽¹⁾	42,628	96,336	(27,295)	(204,840)
Cash flows from operating activities	21,707	29,597	9,009	67,610
Cash flows from investing activities	(9,080)	(16,130)	(18,573)	(139,385)
Cash flows from financing activities	(1,775)	(10,266)	(9,463)	(71,017)
EBITDA margin ⁽²⁾	26.88%	34.84%	(28.66)%	
Operating margin ⁽³⁾	21.95%	30.71%	(38.96)%	
Net income margin ⁽⁴⁾	13.18%	19.21%	(25.10)%	
Return on equity ⁽⁵⁾	10.17%	22.02%	(9.40)%	
Return on assets ⁽⁶⁾	n.a.	14.59%	(6.69)%	

- (1) EBITDA represents net income (loss) plus minority interests, interest expense (net), income taxes, depreciation and amortization. EBITDA is provided because it is a measure commonly used by investors to analyze and compare companies on the basis of operating performance. EBITDA is not a measurement of financial performance under U.S. GAAP and should not be construed as a substitute for operating income (loss), net income (loss) or cash flows from operating activities for purposes of analyzing Advantest's operating performance, financial position and cash flows. Advantest's EBITDA is not necessarily comparable with similarly titled measures for other companies.
- (2) EBITDA as a percentage of net sales.
- (3) Operating income as a percentage of net sales.
- (4) Net income as a percentage of net sales.
- (5) Net income as a percentage of average stockholders' equity.
- (6) Net income as a percentage of average total assets.

Dividends

Advantest normally pays cash dividends twice per year. Advantest's board of directors recommends dividends to be paid following the end of each fiscal year. This recommended dividend must then be approved by shareholders at the ordinary general meeting of shareholders usually held in June of each year. Immediately following approval of the dividend at the shareholders' meeting, Advantest pays the dividend to holders of record as of the preceding March 31. In addition to these year-end dividends, Advantest may pay interim dividends in the form of cash distributions from its retained earnings to its shareholders of record as of September 30 in each year by resolution of its board of directors and without shareholder approval. Advantest normally pays interim dividends in December.

The following table sets forth the dividends paid by Advantest for each of the periods shown. The periods shown are the six months ended on that date. The U.S. dollar equivalents for the dividends shown are based on the exchange rate in Japan on the date of the dividend payment.

<u>Six months ended/Record date</u>	<u>Dividend per Share</u>	
	<u>Yen</u>	<u>Dollars</u>
September 30, 1997	¥17	\$0.13
March 31, 1998	17	0.12
September 30, 1998	17	0.14
March 31, 1999	17	0.14
September 30, 1999	17	0.17
March 31, 2000	20	0.19
September 30, 2000	25	0.23
March 31, 2001	25	0.20
September 30, 2001	25	0.20
March 31, 2002	15	0.13

The payment and the amount of any future dividends are subject to the level of Advantest's future earnings, its financial condition and other factors, including statutory restrictions on the payment of dividends.