

The Advantest logo, consisting of the word "ADVANTEST" in a bold, red, sans-serif font with a registered trademark symbol.

FY2016 3Q Information Meeting

**January 26th, 2017
Advantest Corporation**

NOTE

◆ Accounting Standards

Our results and outlook, described in this presentation, have been prepared in accordance with IFRS.

◆ Cautionary Statement with Respect to Forward-Looking Statements

This presentation contains "forward-looking statements" that are based on Advantest's current expectations, estimates and projections. These statements include, among other things, a discussion of Advantest's business strategy, outlook and expectations as to market and business developments, production and capacity plans. These forward-looking statements can be identified by use of forward-looking terminology 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. These factors include: (i) changes in demand for the products and services produced and offered by Advantest's customers, including semiconductors, communications services and electronic goods; (ii) circumstances relating to Advantest's investment in technology, including its ability to develop in a timely fashion products that meet the changing needs of semiconductor manufacturers and communications network equipment and component makers and service providers; (iii) significant changes in the competitive environment in the major markets where Advantest purchases materials, components and supplies for the production of its products or where its products are produced, distributed or sold; and (iv) changes in economic conditions, currency exchange rates or political stability in the major markets where Advantest procures materials, components and supplies for the production of its principal products or where its products are produced, distributed or sold. A discussion of these and other factors which may affect Advantest's actual results, levels of activity, performance or achievements is contained in the "Risk Factors" section of Advantest's Annual Financial Report.

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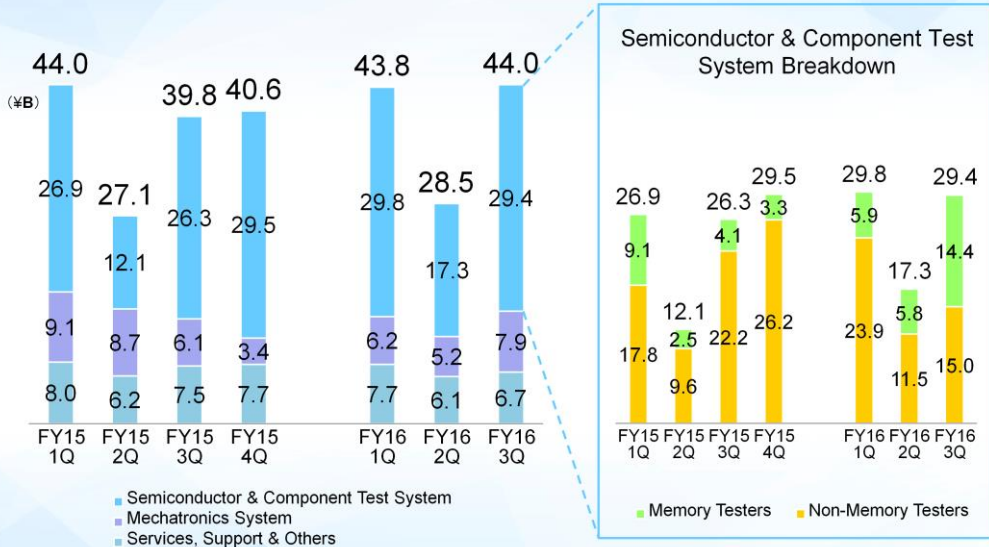
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Financial Results for 3rd Quarter of FY2016

(Period ended December 31th, 2016)

Advantest Corporation
Hiroshi Nakamura
Director and Managing Executive Officer

FY2016 3Q Orders by Segment



Note: Intersegment transactions have been eliminated from totals

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○ FY2016 3Q Orders by Segment

○ Semiconductor & Component Test System

- ¥29.4 billion +71% QoQ
- of which, non-memory testers: ¥15.0 billion (a dramatic recovery QoQ)
- memory testers: ¥14.4 billion (sharply up QoQ)
- Smartphone-related orders for non-memory testers recovered
- Major memory suppliers became more positive on capital investment, fuelling memory tester order wins in every sector of this market

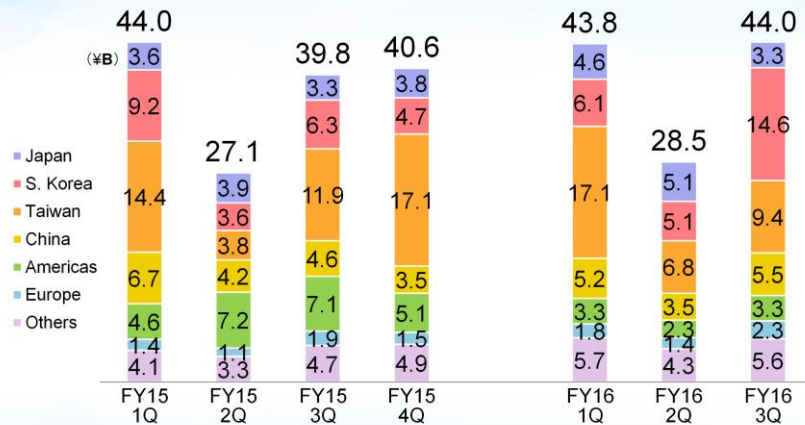
○ Mechatronics System

- ¥7.9 billion +52% QoQ
- Device interface orders grew in tandem with higher memory tester orders

○ Services, Support & Others

- ¥6.7 billion +9% QoQ

FY2016 3Q Orders by Region

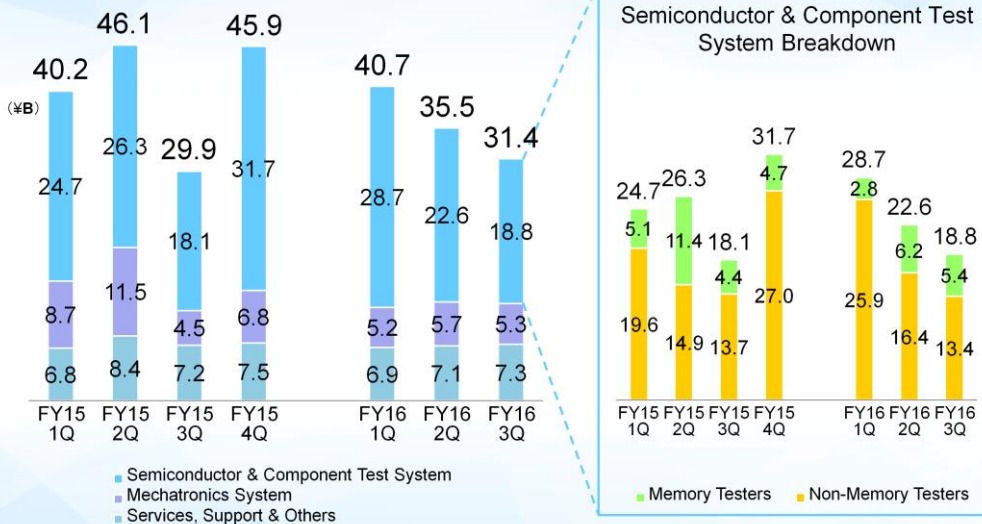


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- FY2016 3Q Orders by Region
- Regions where orders fluctuated significantly QoQ:
 - South Korea
Memory tester orders tripled QoQ on growing demand from the Korean market
 - Taiwan & China
Smartphone-related non-memory tester demand recovered

FY2016 3Q Sales by Segment



Note: Intersegment transactions have been eliminated from totals

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○ FY2016 3Q Sales by Segment

○ Semiconductor & Component Test System

- ¥18.8 billion -17% QoQ
- of which, non-memory testers: ¥13.4 billion
- memory testers: ¥5.4 billion

- Non-memory tester sales declined, reflecting the seasonality-driven drop in orders in 2Q

- In memory testers, large-scale orders in 3Q points to corresponding sales in 4Q and beyond

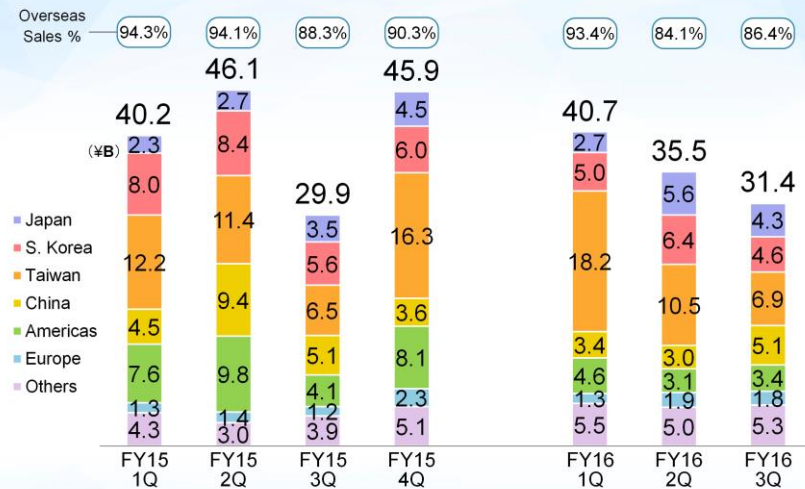
○ Mechatronics System

- ¥5.3 billion -7% QoQ

○ Services, Support & Others

- ¥7.3 billion flat QoQ

FY2016 3Q Sales by Region



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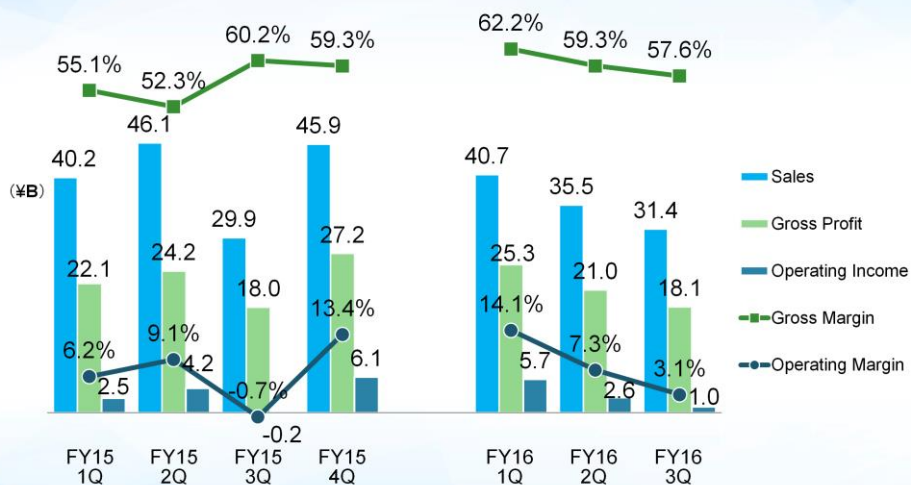
○ FY2016 3Q Sales by Region

○ Regions where sales fluctuated significantly QoQ:

- Taiwan
Smartphone-related seasonality eased off
- South Korea
High-speed DRAM tester sales decreased
- China
Mid-range and low-end smartphone-related tester demand improved

As a result, our percentage of sales to customers outside Japan in this quarter was 86.4%

FY2016 3Q Sales / Gross Profit / Operating Income



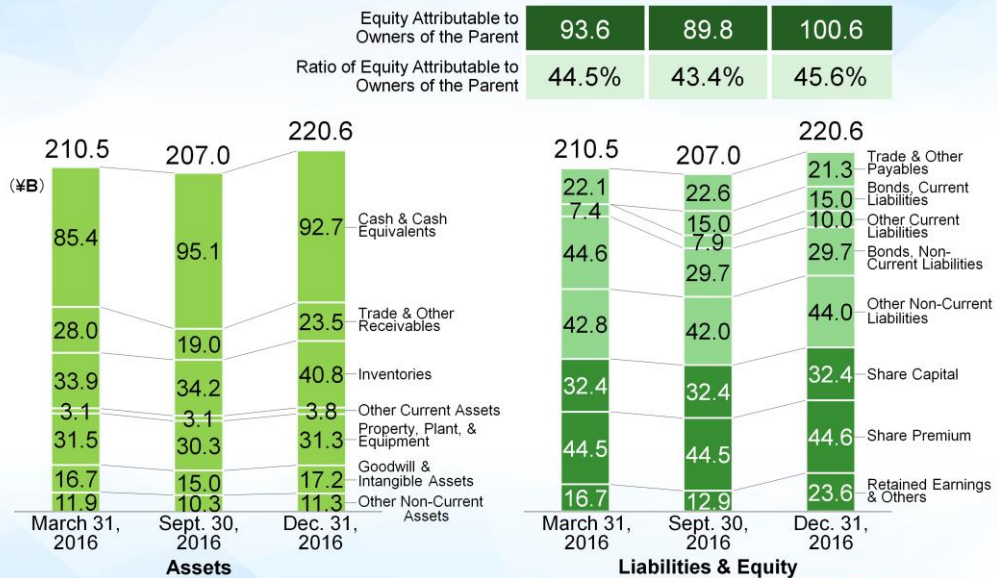
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○ FY2016 3Q Sales / Gross Profit / Operating Income

- Gross Profit -¥3.0 billion QoQ ¥18.1 billion
- Gross Margin -1.7 points QoQ 57.6%
 - Non-memory tester sales mix grew less favorable
- SG&A -¥1.4 billion QoQ ¥17.1 billion
 - Accrued bonuses decreased
- Operating Income -¥1.6 billion QoQ ¥1.0 billion
- Operating Margin -4.2 points QoQ 3.1%

FY2016 3Q Balance Sheet



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○ Balance Sheet for Period Ending December 31st, 2016

- Our balance sheet did not change significantly in the quarter
- Equity Attributable to Owners of the Parent: ¥100.6 billion
- Ratio of Equity Attributable to Owners of the Parent: 45.6%
2.2 points up from the end of the previous quarter

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FY2016 Business Outlook

Advantest Corporation
Yoshiaki Yoshida
Representative Director, President & CEO

FY2016 Financial Results Forecast

| | FY2015 | FY2016 Forecast (October) | FY2016 Forecast (January) | vs. FY2015 (¥) | vs. FY2015 (%) |
|--|--------|---------------------------------|---------------------------------|----------------------|----------------------|
| Orders | 151.5 | 158.0 | 160.0 | +8.5 | +5.6% |
| Backlog | 33.5 | 35.5 | 35.5 | +2.0 | +6.0% |
| Sales | 162.1 | 156.0 | 158.0 | -4.1 | -2.5% |
| Semiconductor & Component Test Systems | 100.8 | 100.5 | 102.0 | +1.2 | +1.2% |
| Mechatronics | 31.5 | 26.0 | 27.0 | -4.5 | -14.2% |
| Services, Support & Others | 29.9 | 29.5 | 29.0 | -0.9 | -3.1% |
| Operating Income | 12.6 | 14.5 | 16.0 | +3.4 | +27.0% |
| Operating Income Margin | 7.8% | 9.3% | 10.1% | +2.3pts | |
| Income Before Tax | 11.8 | 15.3 | 16.5 | +4.7 | +40.2% |
| Net Income | 6.7 | 12.0 | 13.0 | +6.3 | +94.2% |
| Net Income Margin | 4.1% | 7.7% | 8.2% | +4.1pts | |
| Annual Dividend Per Share | ¥20 | ¥22 | ¥23 | +3 | |

✓ Exchange Rate Assumptions for 4Q FY2016 Forecast: 1 US\$ = ¥ 110, 1 Euro = ¥120

* Exchange Rate Assumptions in October: 1 US\$ = ¥ 100, 1 Euro = ¥110

* Previous fiscal year's actual exchange rates: 1 US\$ = ¥ 121, 1 Euro = ¥133

Note: Intersegment transactions have been eliminated from totals

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○ FY2016 Forecast

- Firstly, based on near-term exchange rate movements, we are revising our exchange rate assumptions for 4Q FY2016 to 1 US\$ = ¥ 110, 1 Euro = ¥120.
- Based on these changes, and taking into account business prospects in hand, our revised forecast for FY2016 calls for:
 - Orders ¥160.0 billion
 - Sales ¥158.0 billion
 - Operating Income ¥16.0 billion
 - Net Income ¥13.0 billion
- Our full year dividend forecast has increased, based on our profit outlook for the period, to ¥23 per share, a ¥3 increase YoY.

Outlook by Segment

■ Semiconductor & Component Test System

Semiconductor & Component Test System Sales trends (¥B)



Non-Memory Testers

- ✓ Chinese brand smartphones, which are gaining added functionality in leaps and bounds, will continue to act as the driver of non-memory tester demand
- ✓ With the market growing in line with our estimates, 4Q should see orders and sales both recover over 3Q

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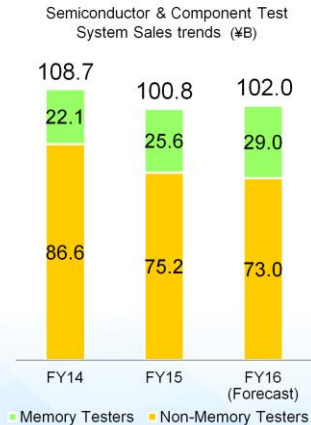
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○ Outlook by Segment: Semiconductor & Component Test System Segment

- Non-memory testers:
 - The market environment in 4Q will be shaped by growth in Chinese brand smartphones, which are gaining added functionality in leaps and bounds, and will continue to act as the driver of non-memory tester demand.
 - With the Chinese smartphone market growing in line with our estimates, we forecast non-memory tester sales for the period to be ¥73.0 billion.
 - We have not altered our view that non-memory tester orders bottomed in 2Q and sales in 3Q. 4Q should see orders and sales both recover over 3Q.
 - Heading into FY2017, we have also started to see movement in our large-size LCD panel and organic EL panel device test related businesses.

Outlook by Segment

■ Semiconductor & Component Test System



Memory Testers

- ✓ NAND: We anticipate continuing demand as new volume production lines for 3D NAND are ramped up
- ✓ DRAM: We also expect to see investment in DRAM testers continuing into the next fiscal year on the existing DRAM supply gap
- ✓ Since the market environment is better than we had anticipated, we have accordingly boosted our full-year forecast

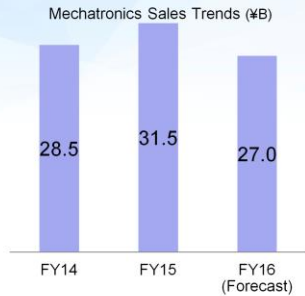
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○ Outlook by Segment: Semiconductor & Component Test System Segment

- Memory testers:
 - For NAND, we anticipate continuing demand that will span from the end of the current fiscal year to the next fiscal year as new volume production lines for 3D NAND are ramped up.
 - We also expect to see investment in back-end and front-end DRAM testers continuing into the next fiscal year on the existing DRAM supply gap and requirements for higher-capacity and higher-quality devices.
 - Adding these factors together, the market environment is better than we had anticipated. We have accordingly boosted our full-year forecast for memory tester sales ¥5 billion over our forecast at the beginning of FY2016.

Outlook by Segment



■ Mechatronics

✓ Device interface sales to rise in 4Q, in tandem with increasing memory tester demand



■ Services, Support, & Others

✓ Despite the negative influence of yen appreciation, we expect sales in line with the previous fiscal year, as demand remains robust

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○ Outlook by Segment: Mechatronics Segment and Services, Support, & Other Segment

- Our Mechatronics Segment sales forecast for the full year is ¥27.0 billion.
- We expect device interface sales to rise in tandem with increasing memory tester demand.
- Our Services, Support, & Other Segment sales forecast for the full year is ¥29.0 billion.
- Although actual demand for field service is steady, revenues have declined due to yen appreciation. As a result, we anticipate full-year sales for this segment comparable to the level of FY2015.