

Advantest Corporation
Information Meeting

Financial Results for 1st Quarter Fiscal 2008

July 25, 2008

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Executive Officer
Vice President, Corporate Administration Group

Presentation:

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Executive Officer,
Vice President, Corporate Administration Group

Summary of Achievements

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(In Billions of Yen)

	FY'07					FY'08		
	1Q	2Q	3Q	4Q	Total	1Q	Q on Q (%)	Y on Y (%)
Orders	53.2	42.0	31.2	35.8	162.2	18.2	-49.2	-65.8
Sales	57.1	57.8	35.0	32.9	182.8	26.5	-19.6	-53.7
Operating Income/loss	11.7	12.9	1.0	-2.9	22.7	-1.8	-	-
Non-operating Income/loss	3.4	-0.6	1.0	-3.0	0.8	1.5	-	-54.6
Income/loss before Tax	15.1	12.3	2.0	-5.9	23.5	-0.3	-	-
Net Income/loss	9.9	7.0	3.0	-3.3	16.6	-0.2	-	-
Backlog	49.0	33.2	29.5	32.4		24.1	-25.6	-50.9

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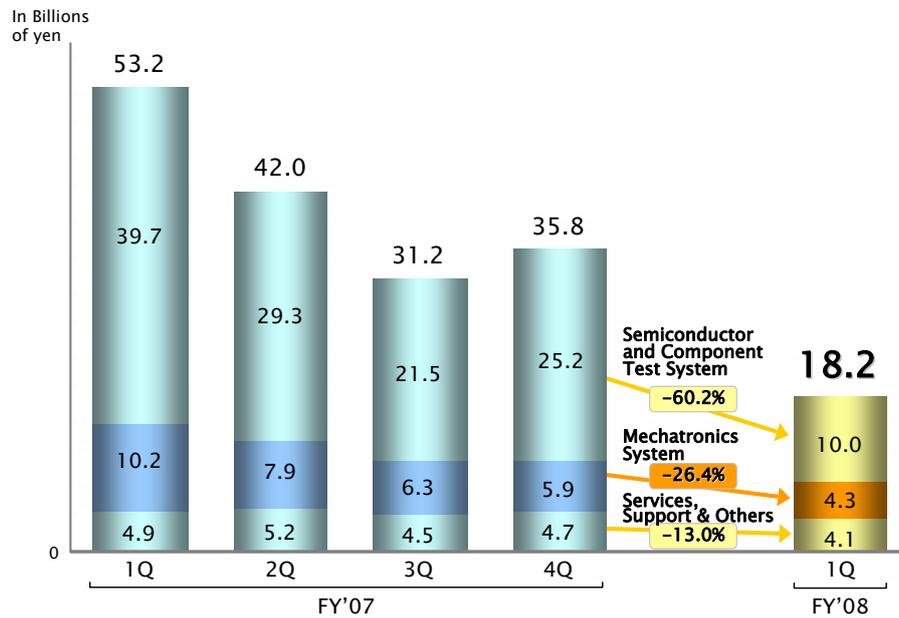
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○ Summary of First Quarter Results

- Orders: 18.2 billion yen
Drop of 49.2% from previous quarter
- Sales: 26.5 billion yen
Drop of 19.6% from previous quarter
- Operating income/loss:
Loss of 1.8 billion yen
- Income/loss before tax:
Loss of 0.3 billion yen
Non-operating income/loss:
Income of 1.5 billion yen
- Net income/loss:
Loss of 0.2 billion yen
- Backlog: 24.1 billion yen
Drop of 25.6% from previous quarter

Orders by Business Segment

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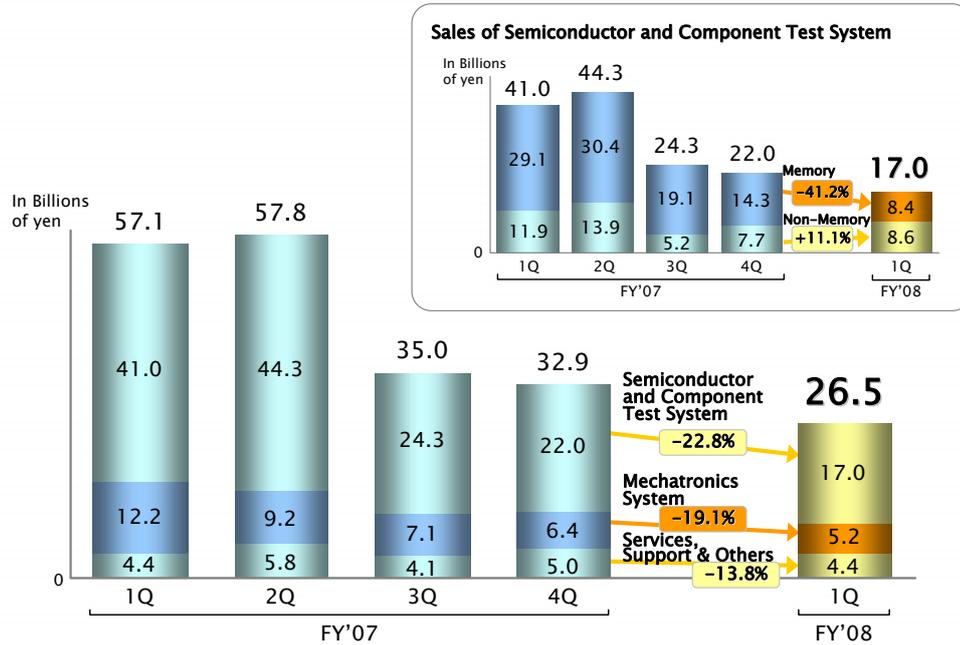
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○ Orders by business segment for first quarter

- Semiconductor and component test systems:
10.0 billion yen
Drop of 60.2% from previous quarter
Reasons ⇒ Reduced demand for DRAM test systems in Taiwan and Japan
- Mechatronics systems:
4.3 billion yen
Drop of 26.4% from previous quarter
- Services, support, and others:
4.1 billion yen
Drop of 13% from previous quarter

Sales by Business Segment

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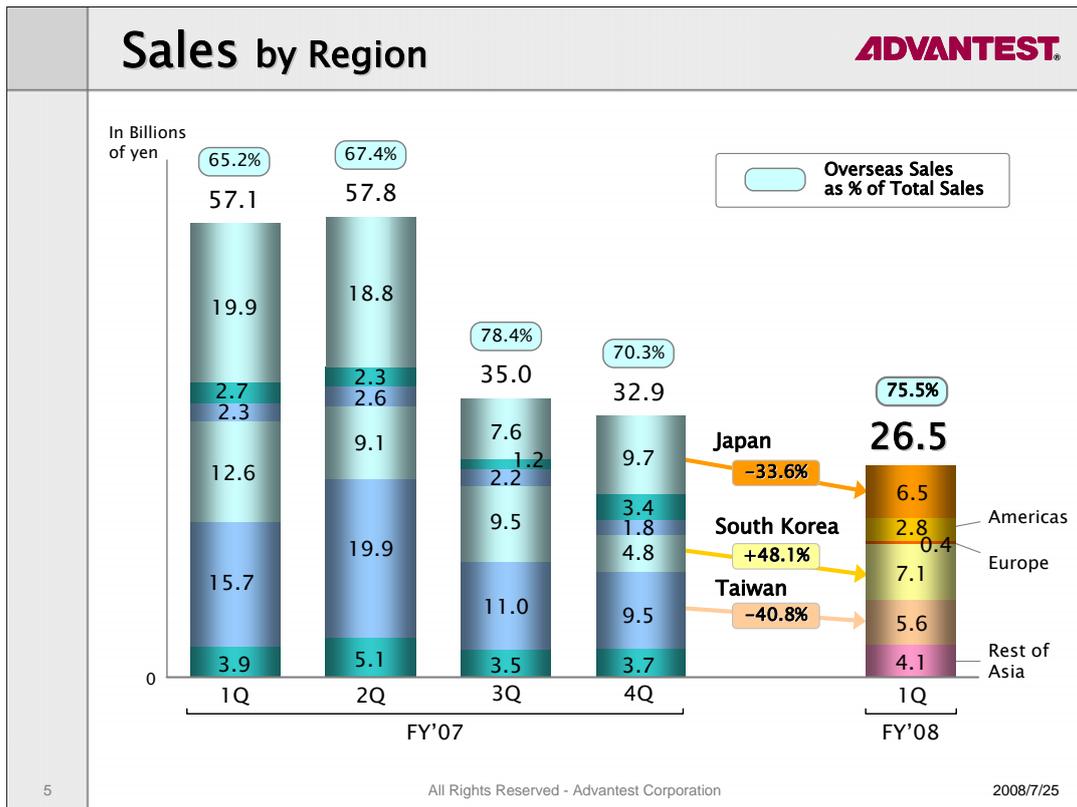


○ Sales by business segment for first quarter

- Semiconductor and component test systems: 17.0 billion yen
Drop of 22.8% from previous quarter
Reasons ⇒ Continued weakness in investment, particularly DRAM test systems, in Taiwan and Japan
- Mechatronics systems: 5.2 billion yen
Drop of 19.1% previous quarter
- Services, support, and others: 4.4 billion yen
Drop of 13.8% from previous quarter

○ Breakdown of semiconductor and component test systems for first quarter

- Memory: 8.4 billion yen
Drop of 41.2% from previous quarter
- Non-memory: 8.6 billion yen
Increase of 11.1% from previous quarter



○ Sales by region for first quarter

Regions with lower sales from previous quarter

- Japan: 6.5 billion yen
Drop of 33.6% from previous quarter
- Taiwan: 5.6 billion yen
Drop of 40.8% from previous quarter

Reason ⇒ Weak investment in DRAM test systems

Regions with higher sales from previous quarter

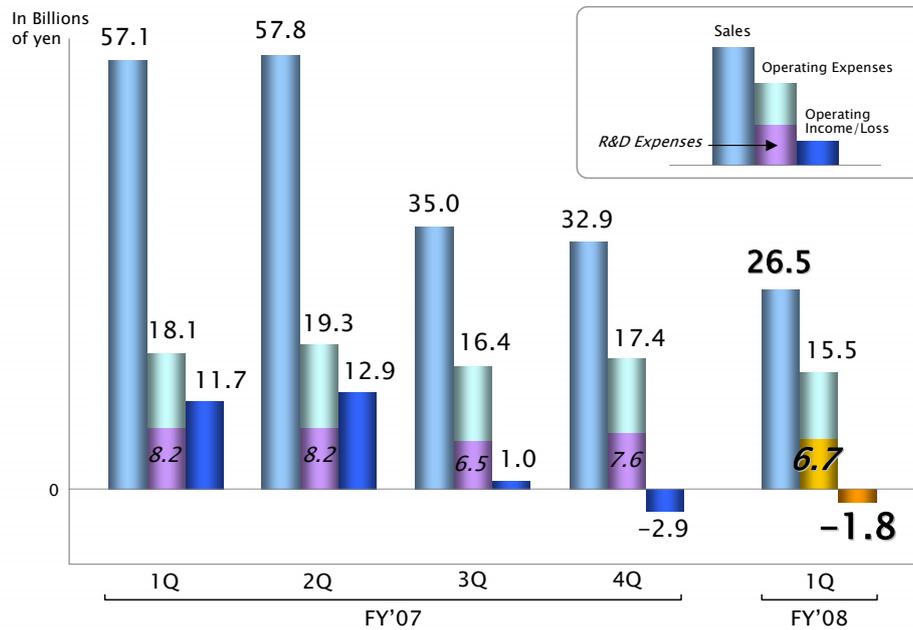
- South Korea:
7.1 billion yen
Increase of 48.1% from previous quarter

Reason ⇒

Slight movement to invest in DRAM test systems

Operating Expenses and Operating Income/Loss

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○ First quarter

Operating Expenses:

15.5 billion yen

R&D expenses:

6.7 billion yen

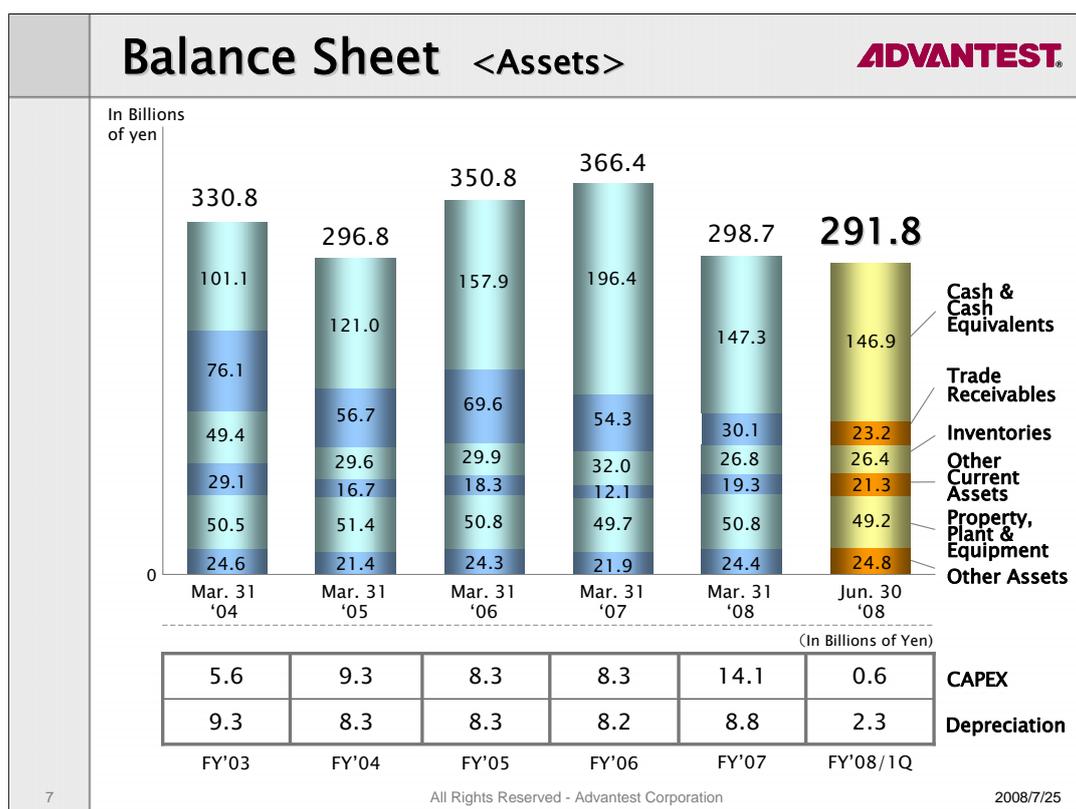
Drop of 0.9 billion yen from previous quarter

○ First quarter

Operating income/loss:

Loss of 1.8 billion yen

Reason ⇒ Cuts in fixed expenses reduced sales expenses to 15.5 billion yen, but these cuts were not enough to offset the significant drop in sales.



○ Balance sheet as of end of June 2008
Assets

- Cash and cash equivalents: 146.9 billion yen
Change from end of March 2008: - 0.4 billion yen
- Trade receivables: 23.2 billion yen
Change from end of March 2008: - 6.9 billion yen
- Inventories: 26.4 billion yen
Change from end of March 2008: - 0.4 billion yen
- Property, plant and equipment: 49.2 billion yen
Change from end of March 2008: - 1.6 billion yen

○ First quarter

- Capital expenditures 0.6 billion yen
- Depreciation 2.3 billion yen

Balance Sheet <Liabilities & Equity> **ADVANTEST.**

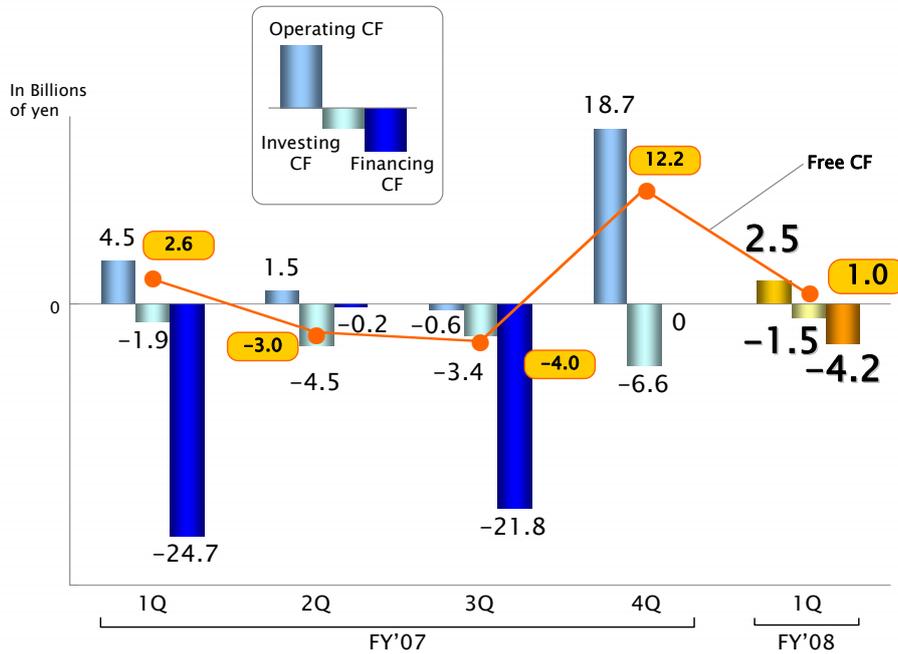


○ Balance sheet as of end of June 2008 Liabilities and Equity

- Retained earnings and others: 180.0 billion yen
Change from end of March 2008: - 1.7 billion yen

Cash Flow

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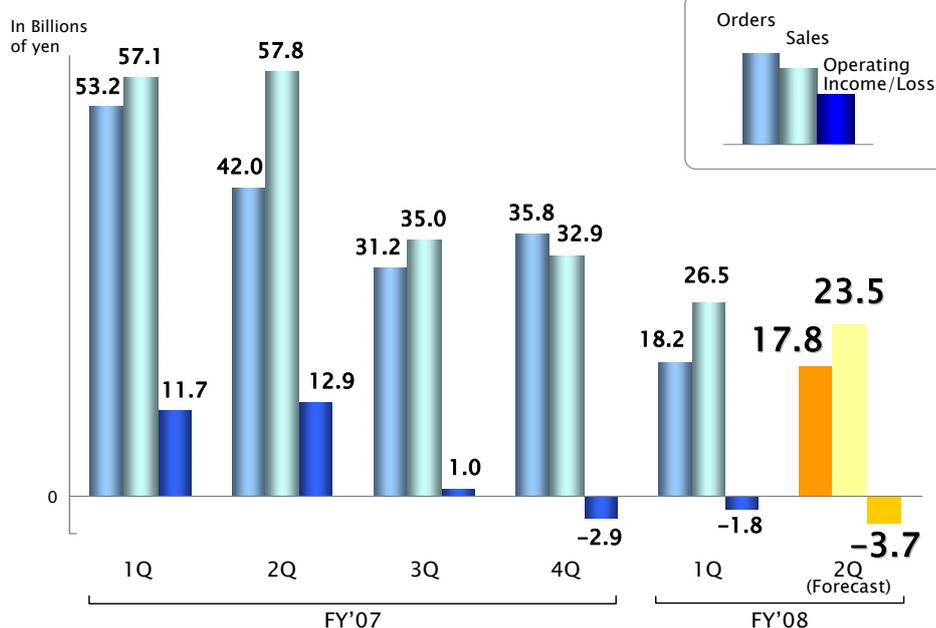
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○ Cash Flow (CF) for first quarter

- Operating CF: Plus 2.5 billion yen
- Investing CF: Minus 1.5 billion yen
- Free CF: Plus 1.0 billion yen
- Financing CF: Minus 4.2 billion yen

Forecast for FY'08/2Q

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- Order trends from last fiscal year
 - Third quarter of fiscal 2007
 - Shift in economic tide
 - Weakness in test systems for digital consumer products in Japan
 - Limited investment by memory manufacturers, particularly in Taiwan and Japan
 - Fourth quarter of fiscal 2007
 - Recovery in orders for T2000
 - Continued weak investment for memory test systems
 - First quarter of fiscal 2008
 - Weak investment overall, particularly for memory test systems

- Forecast for second quarter of fiscal 2008
 - Orders: 17.8 billion yen Almost no change from previous quarter
 - Sales: 23.5 billion yen Drop of 11% from previous quarter
 - Operating income/loss: Loss of 3.7 billion yen

- Under these severe conditions, our focus will be on:
 - Comprehensive cuts in fixed expenses
 - Development of new products for expanding market share

NOTE

• Prepared in accordance with US GAAP

• 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 "Operating and Financial Review and Prospects", "Key Information - Risk Factors" and "Information on the Company" sections and elsewhere in Advantest's annual report on Form 20-F, which is on file with the United States Securities and Exchange Commission.