

Overview of FY2006 third Quarter Financial Results (Consolidated)

(Prepared in accordance with U.S. GAAP)

January 26, 2007

Company name **Advantest Corporation** (Stock code number: 6857, TSE 1st Section)
 (URL <http://www.advantest.co.jp/investors/>) (Ticker Symbol: ATE, NYSE)
 Company representative: Toshio Maruyama, Representative Board Director, President and CEO
 Contact person: Hiroshi Nakamura, Executive Officer, Vice President of the Corporate Affairs Group

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1. Notes to the Quarterly Financial Results:

- (1) Use of simplified accounting method: Yes
 Simplified tax effect accounting is used for the calculation of tax expenses for the purpose of the quarterly financial results.
- (2) Changes in accounting method from the most recent fiscal year: No
- (3) Changes in scope of consolidation and equity method (as compared to March 31, 2006): Yes
 Number of consolidated subsidiaries: 40
 (Newly included) 0
 (Excluded) 0
 Number of unconsolidated subsidiaries: 0
 Number of affiliates accounted for under the equity method: 1
 (Newly included) 1
 (Excluded) 0
- (4) Advantest's independent outside auditor has not been involved in the preparation of these consolidated quarterly financial statements.

2. Consolidated Financial Results of FY2006 3Q (April 1, 2006 through December 31, 2006)

(1) Consolidated Financial Results

| | Net sales | | Operating income | | Income before income taxes | | Net income | |
|------------------------|----------------|-----------------------|------------------|-----------------------|----------------------------|-----------------------|---------------|-----------------------|
| | Million yen | % increase (decrease) | Million yen | % increase (decrease) | Million yen | % increase (decrease) | Million yen | % increase (decrease) |
| FY2006 Q3 | 166,222 | (5.0) | 40,100 | (0.9) | 43,309 | 0.6 | 27,791 | 7.1 |
| FY2005 Q3 | 174,906 | (7.6) | 40,453 | (21.9) | 43,065 | (18.6) | 25,941 | (18.9) |
| (For reference) FY2005 | 253,922 | | 64,458 | | 67,454 | | 41,374 | |

| | Net income per share (basic) | Net income per share (diluted) |
|------------------------|------------------------------|--------------------------------|
| | Yen | Yen |
| FY2006 Q3 | 148.62 | 147.66 |
| FY2005 Q3 | 140.17 | 139.59 |
| (For reference) FY2005 | 223.17 | 221.98 |

(Notes)

- The percentages shown in the above items including net sales and operating income are changes in comparison to the corresponding period of the previous fiscal year.
- On October 1, 2006, a one to two stock split was made to shares of the common stock in respect of shareholders recorded in the register as of September 30, 2006. Basic net income per share and diluted net income per share for this third quarter were calculated based on the number of issued and outstanding shares after such stock split. Accordingly, per share information for the third quarter ended March 31, 2006 and for the fiscal year ended March 31, 2006 have been recalculated for adjustment.

(Qualitative Information Regarding Consolidated Financial Results)

During this third quarter (a period of nine months from April 1, 2006 to December 31, 2006), although there were inventory adjustment of LCD panels and reduction of capital expenditures by some semiconductor manufactures, Advantest's operating environment remained steady, as supported by capital expenditures for personal computers and digital consumer devices. During the first half of this fiscal period, capital expenditures for digital consumer devices such as flat-panel TVs and game players were favorable, and capital expenditures increased for DRAM semiconductors used in personal computers for a new operating system during the latter half of this fiscal period.

Under this environment, Advantest made concentrated effort to increase order input received and expand sales with a focus of providing overall test solutions with the best products and services that meet various customers' demands. In addition, Advantest continued to make efforts to improve the quality of products and to reduce costs by promoting further the just-in-time production system in its manufacturing process. As a result of the above, in the third quarter, orders input received was (Y) 173.1 billion (12.2% decrease in comparison to the corresponding third quarter of the previous fiscal year), sales was (Y) 166.2 billion (0.5% decrease), net income before income taxes was (Y) 43.3 billion (0.6% increase), and net income was 27.8 billion (7.1% increase). Overseas sales as a percentage of total sales was 63.9%, as compared with 68.9% in the corresponding third quarter of the previous fiscal year.

(Results by Business Segment)

With respect to the semiconductor and component test system segment, in the memory semiconductor test system market, demand for test systems for DRAM semiconductors was positive because the price of DRAM semiconductors was stable and investment in DDR2-DRAM semiconductors used in personal computers for a new operating system increased rapidly in Korea and Taiwan, among other countries from the latter half of this fiscal period. Demand for test systems for flash memory semiconductors, however, was low

due to restrained capital expenditures resulting from a significant price decline of flash memory semiconductors. In the market of non-memory semiconductor test system, sales of the SOC semiconductor test systems for devices used in consumer digital products was steady in Japan. However, capital expenditures were low with respect to the test systems for non-memory semiconductors used in MPU or LCD driver IC. As a result of the above, orders input received was (Y) 121.5 billion, sales was (Y) 117.3 billion and operating income was (Y) 34.6 billion. In the mechatronics system segment, due to a strong demand especially for handlers for DRAM semiconductors and device interface products, orders input received was (Y) 42.6 billion, sales was (Y) 37.9 billion and operating income was (Y) 10.0 billion. In the services, support and others segment, orders input received was (Y) 13.7 billion, sales was (Y) 13.8 billion and operating income was (Y) 1.7 billion.

(2) Changes in Consolidated Financial Position

| | Total assets | Net assets | Equity-to-assets ratio | Net assets per share |
|------------------------|----------------|----------------|------------------------|----------------------|
| | Million yen | Million yen | % | Yen |
| FY2006 Q3 | 348,293 | 283,224 | 81.3 | 1,512.13 |
| FY2005 Q3 | 323,901 | 238,324 | 73.6 | 1,282.07 |
| (For reference) FY2005 | 350,776 | 257,927 | 73.5 | 1,381.85 |

(Note) On October 1, 2006, a one to two stock split was made to shares of the common stock in respect of shareholders recorded in the register as of September 30, 2006. Net assets per share for this third quarter was calculated based on the number of issued and outstanding shares after such stock split. Accordingly, net assets per share for the third quarter ended March 31, 2006 and for the fiscal year ended March 31, 2006 have been recalculated for adjustment.

(Consolidated Cash Flows)

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Million yen | Million yen | Million yen | Million yen |
| FY2006 Q3 | 29,251 | (6,214) | (4,839) | 178,043 |
| FY2005 Q3 | 30,009 | (6,217) | (21,001) | 127,851 |
| (For reference) FY2005 | 59,480 | (8,542) | (18,336) | 157,925 |

(Qualitative Information Regarding Changes in Consolidated Financial Position)

At the end of this third quarter, total assets decreased by (Y) 2.5 billion from the end of the previous fiscal year to (Y) 348.3 billion, mainly due to the decrease of trade accounts receivable by (Y) 24.2 billion despite the increase of cash and cash equivalents by (Y) 20.1 billion. Total liabilities decreased by (Y) 27.8 billion from the end of the previous fiscal year to (Y) 65.1 billion, mainly due to the decrease of accounts payable by (Y) 6.4 billion and other current liabilities by (Y) 20.0 billion as a result of the payment of corporate tax, among other things. Net assets was (Y) 283.2 billion and equity-to-assets ratio increased by 7.8 percentage points from the end of the previous fiscal year to 81.3%.

(Cash Flow Statements)

Cash and cash equivalents at the end of this third quarter increased by (Y) 20.1 billion from the end of the previous fiscal year to (Y) 178.0 billion. Significant cash flows during this third quarter and their causes are described below.

Cash flows from operating activities was an inflow of (Y) 29.3 billion, which consisted primarily of proceeds from a decrease of trade accounts receivable ((Y) 24.7 billion) and an expenditure due to a decrease of income taxes payable ((Y) 14.7 billion), in addition to the net income for this quarter period of (Y) 27.8 billion.

Cash flows from investing activities was an outflow of (Y) 6.2 billion, which consisted primarily of capital expenditures on tangible fixed assets including lease assets ((Y) 5.7 billion).

Cash flows from financing activities was an outflow of (Y) 4.8 billion, which consisted primarily of dividends paid ((Y) 7.3 billion) and proceeds from sales of treasury shares ((Y) 2.5 billion).

3. Projected Results for FY2006 (April 1, 2006 through March 31, 2007)

With respect to its earnings forecast for the fourth quarter and beyond, Advantest anticipates that investment in DDR2-DRAM semiconductors used in personal computers for a new operating system will increase. Advantest also anticipates that capital expenditures on digital consumer devices including flat-panel TVs will remain steady. On the other hand, it is Advantest's concern that capital expenditures of some flash memory semiconductor manufacturers will remain low, due to a decline in the price of flash memory semiconductors. In addition, some MPU manufacturers are behind in making recoveries with respect to their capital expenditures, and capital expenditures for LCD driver IC have not been fully recovered due to a declined demand resulting from an inventory adjustment of LCD panels. Accordingly, Advantest projects that it will be difficult to achieve its previous earnings forecast for the fiscal year ending March 31, 2007 that was released on October 27, 2006, and therefore hereby revise the forecast, as below.

[Consolidated]

| | Net sales | Income before income taxes | Net income |
|---|------------------------|----------------------------|-----------------------|
| Previous forecast (A) (As of October 27, 2006) | Million yen 255,000 | Million yen 68,000 | Million yen 43,000 |
| Revised forecast (B) | 240,000 | 64,000 | 41,000 |
| Difference (B)-(A) | (15,000) | (4,000) | (2,000) |

[Non-Consolidated] (Parent Company only)

| | Net sales | Income before income taxes | Net income |
|---|------------------------|----------------------------|-----------------------|
| Previous forecast (A) (As of October 27, 2006) | Million yen 215,000 | Million yen 49,000 | Million yen 33,000 |
| Revised forecast (B) | 205,000 | 46,000 | 31,000 |
| Difference (B)-(A) | (10,000) | (3,000) | (2,000) |

(Note) Figures presented in the Quarterly Financial Results have been rounded to the nearest million yen.

Cautionary Statement with Respect to Forward-Looking Statements

This document contains “forward-looking statements” that are based on Advantest’s current expectations, estimates and projections. These 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. 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 timely develop products that meet the changing needs of semiconductor manufacturers and communications network equipment and components 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.

1. Quarterly Consolidated Balance Sheets (Summary)

| Item | Notes | Q3 of FY2006 (As of December 31, 2006) | | FY2005 (As of March 31, 2006) | | Increase (Decrease) | Q3 of FY2005 (As of December 31, 2005) | |
|---|-------|---|-------------------|----------------------------------|-------------------|----------------------------|---|-------------------|
| | | Amount (in million yen) | Percentage (%) | Amount (in million yen) | Percentage (%) | Amount (in million yen) | Amount (in million yen) | Percentage (%) |
| (Assets) | | | | | | | | |
| Cash and cash equivalents | | 178,043 | | 157,925 | | 20,118 | 127,851 | |
| Trade accounts receivable, less allowance for doubtful accounts | *1 | 45,337 | | 69,567 | | (24,230) | 64,815 | |
| Inventories | | 35,820 | | 29,911 | | 5,909 | 37,574 | |
| Other current assets | | 16,572 | | 18,230 | | (1,658) | 20,865 | |
| Total current assets | | 275,772 | 79.2 | 275,633 | 78.6 | 139 | 251,105 | 77.5 |
| Investment securities | | 11,342 | 3.3 | 12,273 | 3.5 | (931) | 10,803 | 3.3 |
| Property, plant and equipment, net | *2 | 49,482 | 14.2 | 50,793 | 14.5 | (1,311) | 50,298 | 15.5 |
| Intangible assets, at cost, less accumulated amortization | | 2,890 | 0.8 | 2,858 | 0.8 | 32 | 2,796 | 0.9 |
| Other assets | | 8,807 | 2.5 | 9,219 | 2.6 | (412) | 8,899 | 2.8 |
| Total assets | | 348,293 | 100.0 | 350,776 | 100.0 | (2,483) | 323,901 | 100.0 |
| (Liabilities) | | | | | | | | |
| Current portion of long-term debt | | 10 | | 30 | | (20) | 47 | |
| Trade accounts payable | | 26,145 | | 32,584 | | (6,439) | 31,940 | |
| Other current liabilities | | 24,143 | | 44,131 | | (19,988) | 37,520 | |
| Total current liabilities | | 50,298 | 14.5 | 76,745 | 21.9 | (26,447) | 69,507 | 21.5 |
| Long-term debt, excluding current portion | | 5 | 0.0 | 10 | 0.0 | (5) | 15 | 0.0 |
| Accrued pension and severance cost | | 11,193 | 3.2 | 12,292 | 3.5 | (1,099) | 12,440 | 3.8 |
| Other liabilities | | 3,573 | 1.0 | 3,802 | 1.1 | (229) | 3,615 | 1.1 |
| Total liabilities | | 65,069 | 18.7 | 92,849 | 26.5 | (27,780) | 85,577 | 26.4 |
| (Stockholders' equity) | | | | | | | | |
| Common stock | | 32,363 | 9.3 | 32,363 | 9.2 | - | 32,363 | 10.0 |
| Capital surplus | | 38,303 | 11.0 | 37,147 | 10.6 | 1,156 | 36,769 | 11.4 |
| Retained earnings | | 265,126 | 76.1 | 245,090 | 69.9 | 20,036 | 230,255 | 71.1 |
| Accumulated other comprehensive income (loss) | *3 | 2,549 | 0.7 | 1,344 | 0.3 | 1,205 | 380 | 0.1 |
| Treasury stock | | (55,117) | (15.8) | (58,017) | (16.5) | 2,900 | (61,443) | (19.0) |
| Total stockholders' equity | | 283,224 | 81.3 | 257,927 | 73.5 | 25,297 | 238,324 | 73.6 |
| Total liabilities and stockholders' equity | | 348,293 | 100.0 | 350,776 | 100.0 | (2,483) | 323,901 | 100.0 |

(Notes)

| | | | | |
|--|--------|---------|-------|---------|
| 1. Allowance for doubtful accounts | 2,028 | 2,117 | (89) | 2,184 |
| 2. Accumulated depreciation on property, plant and equipment | 75,394 | 72,131 | 3,263 | 72,729 |
| 3. Accumulated other comprehensive income (loss) | | | | |
| Foreign currency translation adjustment | 239 | (1,378) | 1,617 | (1,563) |
| Net unrealized gain(loss) on securities | 2,310 | 2,722 | (412) | 1,943 |

2. Quarterly Consolidated Statements of Income (Summary)

| Item | Q3 of FY2006 (April 1, 2006 through December 31, 2006) | | Q3 of FY2005 (April 1, 2005 through December 31, 2005) | | Increase (Decrease) | FY2005 (April 1, 2005 through March 31, 2006) | | | | | |
|---|--|-------------------|--|-------------------|----------------------------|---|-------------------|---------|-------|---------|-------|
| | Amount (in million yen) | Percentage (%) | Amount (in million yen) | Percentage (%) | Amount (in million yen) | Amount (in million yen) | Percentage (%) | | | | |
| Net sales | | 166,222 | 100.0 | | 174,906 | 100.0 | | (8,684) | | 253,922 | 100.0 |
| Cost of sales | | 75,822 | 45.6 | | 83,980 | 48.0 | | (8,158) | | 121,429 | 47.8 |
| Gross profit | | 90,400 | 54.4 | | 90,926 | 52.0 | | (526) | | 132,493 | 52.2 |
| Research and development expenses | | 21,984 | 13.2 | | 20,014 | 11.4 | | 1,970 | | 26,927 | 10.6 |
| Selling, general and administrative expenses | | 28,316 | 17.1 | | 30,459 | 17.5 | | (2,143) | | 41,108 | 16.2 |
| Operating income | | 40,100 | 24.1 | | 40,453 | 23.1 | | (353) | | 64,458 | 25.4 |
| Other income (expense): | | | | | | | | | | | |
| Interest and dividend income | 2,178 | | | 1,185 | | | 993 | | 1,760 | | |
| Interest expense | (12) | | | (288) | | | 276 | | (290) | | |
| Other | 1,043 | 3,209 | 1.9 | 1,715 | 2,612 | 1.5 | (672) | 597 | 1,526 | 2,996 | 1.2 |
| Income before income taxes | | 43,309 | 26.0 | | 43,065 | 24.6 | | 244 | | 67,454 | 26.6 |
| Income taxes | | 15,513 | 9.3 | | 17,124 | 9.8 | | (1,611) | | 26,080 | 10.3 |
| Equity in net income(loss) of an affiliated company | | (5) | 0.0 | | - | - | | (5) | | - | - |
| Net income | | 27,791 | 16.7 | | 25,941 | 14.8 | | 1,850 | | 41,374 | 16.3 |

| Item | Q3 of FY2006 (April 1, 2006 through December 31, 2006) | | Q3 of FY2005 (April 1, 2005 through December 31, 2005) | | Increase (Decrease) | FY2005 (April 1, 2005 through March 31, 2006) | |
|----------------------|--|--------------------|--|--------------------|------------------------|---|--|
| | Amount (in yen) | Amount (in yen) | Amount (in yen) | Amount (in yen) | Amount (in yen) | Amount (in yen) | |
| Net income per share | | | | | | | |
| Basic | 148.62 | | 140.17 | | 8.45 | 223.17 | |
| Diluted | 147.66 | | 139.59 | | 8.07 | 221.98 | |

3. Quarterly Consolidated Statements of Cash Flows (Summary)

| Item | Q3 of FY2006 (April 1, 2006 through December 31, 2006) | Q3 of FY2005 (April 1, 2005 through December 31, 2005) | FY2005 (April 1, 2005 through March 31, 2006) |
|---|--|--|---|
| | Amount (in million yen) | Amount (in million yen) | Amount (in million yen) |
| Cash flows from operating activities: | | | |
| Net income | 27,791 | 25,941 | 41,374 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 6,105 | 6,158 | 8,275 |
| Changes in assets and liabilities: | | | |
| Trade accounts receivable | 24,686 | (6,298) | (11,072) |
| Inventories | (5,906) | (7,362) | 108 |
| Trade accounts payable | (6,621) | 7,001 | 7,627 |
| Income taxes payable | (14,699) | 4,997 | 12,506 |
| Other | (2,105) | (428) | 662 |
| Net cash provided by operating activities | 29,251 | 30,009 | 59,480 |
| Cash flows from investing activities: | | | |
| Purchases of property, plant and equipment | (5,666) | (4,952) | (7,071) |
| Other | (548) | (1,265) | (1,471) |
| Net cash used in investing activities | (6,214) | (6,217) | (8,542) |
| Cash flows from financing activities: | | | |
| Principal payments on long-term debt | (25) | (20,021) | (20,043) |
| Dividends paid | (7,300) | (4,499) | (4,622) |
| Other | 2,486 | 3,519 | 6,329 |
| Net cash used in financing activities | (4,839) | (21,001) | (18,336) |
| Net effect of exchange rate changes on cash and cash equivalents | 1,920 | 4,074 | 4,337 |
| Net change in cash and cash equivalents | 20,118 | 6,865 | 36,939 |
| Cash and cash equivalents at beginning of period | 157,925 | 120,986 | 120,986 |
| Cash and cash equivalents at end of period | 178,043 | 127,851 | 157,925 |

1. Business Segment Operating Income

(Rounded to the nearest million yen)

| | | Q3 of FY2006 (April 1, 2006 through December 31, 2006) | | Q3 of FY2005 (April 1, 2005 through December 31, 2005) | | Increase (Decrease) | FY2005 (April 1, 2005 through March 31, 2006) | |
|---|---------------------------------|--|-------------------|--|-------------------|------------------------|---|-------------------|
| | | Amount (in million yen) | Percentage (%) | Amount (in million yen) | Percentage (%) | Amount | Amount (in million yen) | Percentage (%) |
| Semiconductor and Component Test System | Sales to unaffiliated customers | 114,736 | 97.8 | 127,868 | 97.8 | (13,132) | 187,136 | 97.8 |
| | Intersegment sales | 2,609 | 2.2 | 2,926 | 2.2 | (317) | 4,279 | 2.2 |
| | Net sales | 117,345 | 100.0 | 130,794 | 100.0 | (13,449) | 191,415 | 100.0 |
| | Operating expenses | 82,789 | 70.6 | 93,172 | 71.2 | (10,383) | 133,898 | 70.0 |
| | Operating income | 34,556 | 29.4 | 37,622 | 28.8 | (3,066) | 57,517 | 30.0 |
| Mechatronics System | Sales to unaffiliated customers | 37,688 | 99.5 | 32,479 | 99.5 | 5,209 | 47,724 | 98.9 |
| | Intersegment sales | 201 | 0.5 | 164 | 0.5 | 37 | 536 | 1.1 |
| | Net sales | 37,889 | 100.0 | 32,643 | 100.0 | 5,246 | 48,260 | 100.0 |
| | Operating expenses | 27,859 | 73.5 | 24,959 | 76.5 | 2,900 | 36,294 | 75.2 |
| | Operating income | 10,030 | 26.5 | 7,684 | 23.5 | 2,346 | 11,966 | 24.8 |
| Services, Support and Others | Sales to unaffiliated customers | 13,798 | 100.0 | 14,559 | 100.0 | (761) | 19,062 | 100.0 |
| | Intersegment sales | - | - | - | - | - | - | - |
| | Net sales | 13,798 | 100.0 | 14,559 | 100.0 | (761) | 19,062 | 100.0 |
| | Operating expenses | 12,107 | 87.7 | 11,726 | 80.5 | 381 | 15,209 | 79.8 |
| | Operating income | 1,691 | 12.3 | 2,833 | 19.5 | (1,142) | 3,853 | 20.2 |
| Elimination and Corporate | Sales to unaffiliated customers | - | - | - | - | - | - | - |
| | Intersegment sales | (2,810) | 100.0 | (3,090) | 100.0 | 280 | (4,815) | 100.0 |
| | Net sales | (2,810) | 100.0 | (3,090) | 100.0 | 280 | (4,815) | 100.0 |
| | Operating expenses | 2,068 | - | 3,090 | - | (1,022) | 2,179 | - |
| | Operating income (loss) | (4,878) | - | (6,180) | - | 1,302 | (6,994) | - |
| Consolidated | Sales to unaffiliated customers | 166,222 | 100.0 | 174,906 | 100.0 | (8,684) | 253,922 | 100.0 |
| | Intersegment sales | - | - | - | - | - | - | - |
| | Net sales | 166,222 | 100.0 | 174,906 | 100.0 | (8,684) | 253,922 | 100.0 |
| | Operating expenses | 124,823 | 75.1 | 132,947 | 76.0 | (8,124) | 187,580 | 73.9 |
| | Operating income | 41,399 | 24.9 | 41,959 | 24.0 | (560) | 66,342 | 26.1 |

- (Notes)
- Adjustments to operating income (loss) included in Corporate mainly consist of research and development expenses for basic research activities, which are not allocated to corporate general administrative expenses and segment by business sector.
 - Stock option compensation expense of (Y)1,299 million, (Y)1,506 million and (Y)1,884 million in this third quarter, the third quarter of FY2005 and FY 2005, respectively are not included in operating income in the business segment information. Therefore, these operating income do not match with the operating income in the consolidated statements of income. Such exclusion was made since such items are not included in the performance review of each business segment by management.

2. Geographic Segment Net Sales

Net sales to unaffiliated customers

(Rounded to the nearest million yen)

| | | Q3 of FY2006 (April 1, 2006 through December 31, 2006) | | Q3 of FY2005 (April 1, 2005 through December 31, 2005) | | Increase (Decrease) | FY2005 (April 1, 2005 through March 31, 2006) | |
|--|----------------|--|-------------------|--|-------------------|------------------------|---|-------------------|
| | | Amount (in million yen) | Percentage (%) | Amount (in million yen) | Percentage (%) | Amount | Amount (in million yen) | Percentage (%) |
| | Americas | 8,439 | 5.1 | 18,223 | 10.4 | (9,784) | 25,516 | 10.0 |
| | Europe | 7,905 | 4.8 | 10,166 | 5.8 | (2,261) | 14,558 | 5.7 |
| | Asia | 89,912 | 54.0 | 92,195 | 52.7 | (2,283) | 132,708 | 52.3 |
| | Total Overseas | 106,256 | 63.9 | 120,584 | 68.9 | (14,328) | 172,782 | 68.0 |
| | Japan | 59,966 | 36.1 | 54,322 | 31.1 | 5,644 | 81,140 | 32.0 |
| | Consolidated | 166,222 | 100.0 | 174,906 | 100.0 | (8,684) | 253,922 | 100.0 |

3. Consolidated Net Sales by Business Segment

(Rounded to the nearest million yen)

| | Q3 of FY2006 (April 1, 2006 through December 31, 2006) | Q3 of FY2005 (April 1, 2005 through December 31, 2005) | Increase (Decrease) | FY2005 (April 1, 2005 through March 31, 2006) |
|---|--|--|------------------------|---|
| Semiconductor and Component Test System | 117,345 | 130,794 | (13,449) | 191,415 |
| Mechatronics System | 37,889 | 32,643 | 5,246 | 48,260 |
| Services, Support and Others | 13,798 | 14,559 | (761) | 19,062 |
| Intercompany transactions elimination | (2,810) | (3,090) | 280 | (4,815) |
| Total net sales | 166,222 | 174,906 | (8,684) | 253,922 |

4. Consolidated Orders input received and Orders Backlog by Business Segment

(Rounded to the nearest million yen)

| | Q3 of FY2006 (April 1, 2006 through December 31, 2006) | Q3 of FY2005 (April 1, 2005 through December 31, 2005) | Increase (Decrease) | FY2005 (April 1, 2005 through March 31, 2006) |
|---|--|--|------------------------|---|
| Semiconductor and Component Test System | 121,540 | 149,689 | (28,149) | 195,585 |
| Mechatronics System | 42,585 | 36,026 | 6,559 | 49,491 |
| Services, Support and Others | 13,739 | 15,658 | (1,919) | 19,251 |
| Intercompany transactions elimination | (4,718) | (4,101) | (617) | (4,892) |
| Total orders input received | 173,146 | 197,272 | (24,126) | 259,435 |

| | Q3 of FY2006 (As of December 31, 2006) | Q3 of FY2005 (As of December 31, 2005) | Increase (Decrease) | FY2005 (As of March 31, 2006) |
|---|---|---|------------------------|----------------------------------|
| Semiconductor and Component Test System | 40,410 | 50,941 | (10,531) | 36,215 |
| Mechatronics System | 12,588 | 10,044 | 2,544 | 7,891 |
| Services, Support and Others | 979 | 1,948 | (969) | 1,038 |
| Intercompany transactions elimination | (2,002) | (1,028) | (974) | (93) |
| Total orders backlog | 51,975 | 61,905 | (9,930) | 45,051 |

(Note) The amount of orders input received for any given period consists of the sum of the revenues for such period and the amount of orders backlog at the end of such period less the orders backlog at the end of the previous fiscal year. Orders input received are recorded upon receipt of a written customer order.

5. Consolidated Cash Flows

(Rounded to the nearest million yen)

| | Q3 of FY2006 (April 1, 2006 through December 31, 2006) | Q3 of FY2005 (April 1, 2005 through December 31, 2005) | FY2005 (April 1, 2005 through March 31, 2006) |
|--|--|--|---|
| Operating activities | 29,251 | 30,009 | 59,480 |
| Investing activities | (6,214) | (6,217) | (8,542) |
| (Free cash flows) | 23,037 | 23,792 | 50,938 |
| Financing activities | (4,839) | (21,001) | (18,336) |
| Total cash flows | 18,198 | 2,791 | 32,602 |
| Cash and cash equivalents at end of period | 178,043 | 127,851 | 157,925 |

6. Consolidated Capital Expenditures, Depreciation and Amortization and Research and Development Expenses

(Rounded to the nearest million yen)

| | Q3 of FY2006 (April 1, 2006 through December 31, 2006) | Q3 of FY2005 (April 1, 2005 through December 31, 2005) | Increase (Decrease) | FY2005 (April 1, 2005 through March 31, 2006) |
|-----------------------------------|--|--|------------------------|---|
| Capital expenditures | 5,257 | 5,195 | 62 | 8,323 |
| Depreciation and amortization | 6,105 | 6,158 | (53) | 8,275 |
| Research and development expenses | 21,984 | 20,014 | 1,970 | 26,927 |

7. Number of Employees (Advantest Corporation and Consolidated Subsidiaries)

(Persons)

| | Q3 of FY2006 (As of December 31, 2006) | FY2005 (As of March 31, 2006) | Increase (Decrease) | Q3 of FY2005 (As of December 31, 2005) |
|--|---|----------------------------------|------------------------|---|
| Non-Consolidated (Parent Company only) | 1,466 | 1,445 | 21 | 1,445 |
| Consolidated subsidiaries | 2,178 | 2,150 | 28 | 2,146 |
| Consolidated full-time employee total | 3,644 | 3,595 | 49 | 3,591 |