Advantest Corporation
Information Meeting

Financial Results
for Fiscal 2008

April 27, 2009

Yuichi Kurita
Director
Managing Executive Officer
# Summary of Results

<table>
<thead>
<tr>
<th>(In Billions of Yen)</th>
<th>FY2007</th>
<th>FY2008</th>
<th>Guidance (as of February 25)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>162.2</td>
<td>50.1</td>
<td>-69.1</td>
</tr>
<tr>
<td>Sales</td>
<td>182.8</td>
<td>76.7</td>
<td>-58.1</td>
</tr>
<tr>
<td>Operating Income</td>
<td>22.7</td>
<td>-49.5</td>
<td>-50.0</td>
</tr>
<tr>
<td>Non-operating Income</td>
<td>0.8</td>
<td>-3.3</td>
<td>-4.0</td>
</tr>
<tr>
<td>Income before Tax</td>
<td>23.5</td>
<td>-52.8</td>
<td>-54.0</td>
</tr>
<tr>
<td>Net Income</td>
<td>16.6</td>
<td>-74.9</td>
<td>-78.0</td>
</tr>
<tr>
<td>Backlog</td>
<td>32.4</td>
<td>5.8</td>
<td>-82.1</td>
</tr>
</tbody>
</table>

○ Results for FY2008:

Both sales and net profit slightly exceed the guidance announced on February 25th, 2009.

- Orders: 50.1 billion yen (-69% year-on-year)
- Sales: 76.7 billion yen (-58% year-on-year)
- Operating Profit: -49.5 billion yen
- Income before Tax: -52.8 billion yen
- Net Profit: -74.9 billion yen
- Order backlog: 5.8 billion yen, down significantly from the previous fiscal year, due to the decline in orders.
Orders by Business Segment

FY2008 Orders by Segment:

- Semiconductor and Component Test System
  - 26.1 billion yen (-77% year-on-year)
  - Orders for Advantest’s key product families – DRAM testers, the T2000, the T63 series for LCD driver ICs, and the T65 series for consumer ICs – declined as a result of the plunge in semiconductor prices and a fall-off in factory utilization ratios.

- Mechatronics System
  - 9.1 billion yen (-70% year-on-year)
  - Orders for handlers and device interfaces, which are used with testers, were beaten down by the drop in tester demand.

- Services, Support & Other
  - 15.6 billion yen (-19% year-on-year)
  - Demand for maintenance and support slid as a result of the decline in tester utilization ratios.
<table>
<thead>
<tr>
<th>Business Segment</th>
<th>FY2007 Sales (Billion yen)</th>
<th>FY2008 Sales (Billion yen)</th>
<th>Change (Year-on-year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semiconductor &amp; Component Test System</td>
<td>41.0</td>
<td>9.2</td>
<td>-62.6%</td>
</tr>
<tr>
<td></td>
<td>5.8</td>
<td>2.3</td>
<td>-58.8%</td>
</tr>
<tr>
<td></td>
<td>7.1</td>
<td>2.3</td>
<td>-18.2%</td>
</tr>
<tr>
<td>Mechatronics System</td>
<td>12.2</td>
<td>7.5</td>
<td>-18.2%</td>
</tr>
<tr>
<td></td>
<td>4.4</td>
<td>5.0</td>
<td>12.6%</td>
</tr>
<tr>
<td></td>
<td>5.0</td>
<td>4.4</td>
<td>8.3%</td>
</tr>
<tr>
<td></td>
<td>24.3</td>
<td>6.4</td>
<td>62.6%</td>
</tr>
<tr>
<td></td>
<td>18.0</td>
<td>17.0</td>
<td>5.5%</td>
</tr>
<tr>
<td>Services, Support &amp; Other</td>
<td>4.4</td>
<td>3.8</td>
<td>-12.6%</td>
</tr>
<tr>
<td></td>
<td>5.9</td>
<td>5.0</td>
<td>-12.6%</td>
</tr>
<tr>
<td></td>
<td>2.3</td>
<td>4.4</td>
<td>5.5%</td>
</tr>
<tr>
<td></td>
<td>17.0</td>
<td>18.6</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

Note: Intersegment transactions have been eliminated from totals.
Detailed Discussion of FY2008 Semiconductor & Component Test System Sales:

Memory Testers
- 17.6 billion yen (-81% year-on-year)
- The plunge in semiconductor prices and a fall-off in factory utilization ratios suppressed sales of new DRAM testers, in particular. The previous fiscal year’s trend of weakness in flash memory testers also continued.

Non-Memory Testers
- 31.6 billion yen (-18% year-on-year)
- Robust demand for mobile PCs supported sales of the T2000 in the first half of FY2009. However, the global plunge in consumption in the second half of the period depressed demand for a wide range of semiconductor end-user products. Weak sales for key Advantest products including the T65 series, T63 series, and the T77 series for automotive ICs reflect these negative trends.
○ FY2008 Sales by Region:

○ Americas and Europe
  • Up on year
    • Demand for T2000 modules used for data processing ICs trended up.

○ Other regions
  • Major sales declines
  • Slack demand for Advantest's key products affected sales.
FY2008 Operating Costs and Operating Profit:

- **Operating Costs**
  - 69.3 billion yen (-3% year-on-year)
  - Operating costs include costs related to structural reforms implemented in FY2008.
  - For discussion of structural reforms, see page 15.

- **Operating Profit**
  - 49.5 billion yen (down 72.2 billion yen year-on-year)
  - Operating profit was negatively affected by the major sales decline seen in FY2008 as well as by costs related to structural reforms.
Balance Sheet for the Year Ending March 2009 (FY2008):

- **Assets**
  - Total assets declined 96.6 billion yen from the previous period to 202.1 billion yen.
  - Cash & cash equivalents declined 41.9 billion yen from the previous period to 105.5 billion yen. However, real liquid assets total approx. 130.0 billion yen, including 25.1 billion yen in short-term investments.

- **Capital Expenditures**
  - Capital expenditures were 4.6 billion yen, 9.5 billion yen down from 14.1 billion yen invested in FY2007 in the construction of the Sendai Factory, among other expenditures.

- **Depreciation**
  - At 8.7 billion yen, depreciation was almost flat on year.
○ Balance Sheet for the Year Ending March 2009 (FY2008):

○ Liabilities and Equity
  • Retained Earnings and others decreased 90.8 billion yen on year to 90.9 billion yen, as a result of the net loss posted in the period and reversal of deferred tax assets.
○ FY2008 Cash Flow (CF):

  • Operating CF:
    Expenditures totaled 2.4 billion yen.

  • Investment CF:
    Expenditures totaled 3.25 billion yen. However, since this figure includes 26.2 billion yen in short-term investments, real expenditures totaled 6.3 billion yen.

  • Free CF:
    Free cash flow was minus 3.9 on a real basis.
Advantest Corporation
Information Meeting

Structural Reforms
& Future Outlook

April 27, 2009

Toshio Maruyama
Representative Board Director
President and CEO
1. Structural Reforms

2. Future Outlook
Discussion of FY2008 Operating Profit:
- Operating profit declined 59.0 billion yen as a result of lower sales, and a further 27.6 billion yen in costs related to structural reforms.

Costs Related to Structural Reforms
- Impairment on fixed assets from selective consolidation of businesses: 13.8 billion yen
- Valuation loss on inventory as a result of abrupt market deterioration: 8.7 billion yen
- Severance pay for voluntary retirement program, and other costs: 5.1 billion yen

Cost Savings:
- Total cost savings in FY2008 were 14.4 billion yen.

As a result of these factors, operating profit declined to a loss of 49.5 billion yen, compared to FY2007 operating profit of 22.7 billion yen, virtually unchanged from the guidance announced on February 25th.
1. Structural Reforms

2. Future Outlook
Fixed Cost Savings through Structural Reforms

- Advantest anticipates total savings of 25.5 billion yen in FY2009 as a result of reductions in payroll costs, depreciation costs, and other administrative costs.
- Going into FY2009, Advantest's breakeven point has been lowered to 80 billion yen.
**Market Trends**

<table>
<thead>
<tr>
<th>Chip Market</th>
<th>Positive</th>
<th>Negative</th>
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<tbody>
<tr>
<td><strong>Short-term</strong></td>
<td>○ Transition to DDR3 &amp; next-generation MPUs</td>
<td>× Push-out of industry consolidation may delay CapEx recovery</td>
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<td></td>
<td>○ Expansion of China market</td>
<td>× Weaker won benefits Korean competitors</td>
</tr>
<tr>
<td></td>
<td>○ Industry consolidation leading to renewed profitability and a recovery in capital investment</td>
<td>× Expanding demand for second-hand testers</td>
</tr>
<tr>
<td></td>
<td>○ Inventory adjustments driving a rebound in chip prices</td>
<td>× Lower utilization rates cutting into service revenues</td>
</tr>
<tr>
<td><strong>Long-term</strong></td>
<td>○ Growing demand for RF ICs for high-speed communications</td>
<td>○ Progress in BIST and other self-test technologies</td>
</tr>
<tr>
<td></td>
<td>○ Growing demand for power ICs for hybrid cars and other eco-friendly products</td>
<td>× Commoditization of chips driving continued price declines</td>
</tr>
<tr>
<td></td>
<td>○ Increased scaling and functionality of chips</td>
<td></td>
</tr>
</tbody>
</table>

**FY2009 Market Trends and Advantest’s Product Strategy:**

**Positive and Negative Trends**
- This chart shows the major semiconductor market trends likely to influence Advantest’s business in FY2009 and the future.
Advantest’s Product Strategy for Positive Trends:

Advantest’s key strategies for positive market trends:
1) The T2000, for next-generation MPUs, and the high-throughput T5503, for DDR3 volume production, are ready for immediate ramp-up, in alignment with expected technology migrations.
2) Low-end tester entries planned:
   · for DC test for analog ICs
   · for CMOS sensors as used in digital cameras, etc.
   These new products expand Advantest’s solution offerings to support an even broader range of applications, both high-end and low-end.

As a part of Advantest’s previously announced focus on streamlining its businesses and realigning its resources, the company has also announced the consolidation of its manufacturing subsidiaries, to support the reinforcement of its just-in-time (JIT) production system, improve manufacturing efficiency, and further exploit the advantage that the company enjoys in the ATE market as a result of its capacity for rapid production ramps.
Advantest’s Product Strategy for Medium-Term Positive Trends:

1) Enhanced T2000 lineup
   - Modules: The existing 15-module lineup will be expanded to more than 30 modules.
   The T2000 supports future high-demand applications including power ICs for green electronics and hybrid cars, as well as very-high-speed interface ICs.

2) For low-volume production applications, Advantest also plans to add a low-cost, more compact platform to the T2000 lineup, exploiting the company’s strength in massively parallel test.

3) The company is also developing new-concept testers to support the expected diversification in semiconductor packaging methods.
Advantest’s Strategy for Negative Trends:

1) Responding to the global consolidation in the semiconductor industry, Advantest has already shifted from a regionally-organized sales force to account-based vertical sales teams.

2) The inevitable expansion of the second-hand tester market is another factor restraining investment in new testers. Advantest is poised to convert this development into business gains by exploiting its strength in customer service to meet the expected increase in demand for tester relocation services, maintenance, and software relicensing deals.

3) The increasing commodification of semiconductors, which were once mainly used in computers but are now found in a galaxy of consumer products and other applications, has driven volume production trends and price declines, exerting intense pressure on manufacturers to reduce test costs. Advantest has launched development on multiple new-concept testers to meet these needs.

Beyond Semiconductor Measurement:

Advantest has commenced first-phase development on products aligned with new business opportunities beyond the company’s traditional field of semiconductor measurement.
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.