Advantest Corporation
Information Meeting

April 27, 2010

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Representative Director
President and CEO
Financial Results for Fiscal 2009
4Q FY2009: Return to Profitability

○ Results for FY2009:

○ 4Q operating profit: 1.4 billion yen

  • Company forecast announced in January 2010 was for breakeven revenue.

  • Sales exceeded guidance by 1.2 billion yen.

  • Memory testers accounted for a larger proportion of product mix.
### Summary of Results

#### (In billions of yen)

<table>
<thead>
<tr>
<th></th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders</td>
<td>11.6</td>
<td>14.4</td>
<td>18.7</td>
<td>20.3</td>
<td>23.0</td>
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<tr>
<td>Sales</td>
<td>7.6</td>
<td>11.2</td>
<td>12.9</td>
<td>20.3</td>
<td>21.5</td>
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<tr>
<td>Cost of Sales</td>
<td>3.3</td>
<td>5.4</td>
<td>8.6</td>
<td>–</td>
<td>10.0</td>
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<tr>
<td>Gross Profit</td>
<td>4.3</td>
<td>5.8</td>
<td>4.3</td>
<td>–</td>
<td>11.5</td>
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<tr>
<td>Operating Income</td>
<td>–4.5</td>
<td>–3.5</td>
<td>–5.0</td>
<td>0.0</td>
<td>1.4</td>
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<tr>
<td>Non-operating Income</td>
<td>0.8</td>
<td>0.8</td>
<td>0.0</td>
<td>–</td>
<td>0.1</td>
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<tr>
<td>Income before Tax</td>
<td>–3.7</td>
<td>–2.7</td>
<td>–5.0</td>
<td>–0.1</td>
<td>1.5</td>
</tr>
<tr>
<td>Net Income</td>
<td>–3.8</td>
<td>–3.3</td>
<td>–5.7</td>
<td>–0.7</td>
<td>1.3</td>
</tr>
<tr>
<td>Backlog</td>
<td>9.8</td>
<td>13.1</td>
<td>18.8</td>
<td>18.8</td>
<td>20.3</td>
</tr>
</tbody>
</table>

#### Results for FY2009:

- **Orders:** 67.7 billion yen (up 35% year-on-year)
- **Sales:** 53.2 billion yen (down 31% year-on-year)
  
  *On a quarterly basis, sales bottomed in Q1 and recovered steadily during the rest of the year in line with the recovery in orders.*

- **Backlog:** 20.3 billion yen

- **Operating loss:**
  
  11.6 billion yen
  
  *(compared to a 49.5 billion operating loss in the previous fiscal year)*

- **Due to a continuing lack of market visibility, Advantest has not announced guidance for FY2010 at this time. Forecasts will be announced as available.*
FY2009 Orders by Segment:

- **Semiconductor and Component Test Systems**
  - 42.5 billion yen (up 63% year-on-year)
  - Orders for memory testers for DDR3-DRAM, as well as non-memory testers including LCD driver IC testers and the T2000 for MPUs, improved significantly over the previous fiscal year.

- **Mechatronics Systems**
  - 14.8 billion yen (up 63% year-on-year)
  - Orders for handlers and device interfaces benefited from improving tester demand, and from several new customer wins.
○ FY2009 Orders by Region:
  • Taiwan and China were significantly up on year.

○ Taiwan
  • 16 billion yen (a more than five-fold gain on year)
  • Demand for DDR3 back-end systems and LCD driver IC testers strengthened.

○ China
  • 7.2 billion yen (91% up on year)
  • Demand for the T2000 for MPU and MCU test supported volume gains.
FY2009 Sales by Segment:

- Semiconductor and Component Test Systems
  - 32.6 billion yen (down 34% year-on-year)
  - The sharp slump in the memory and non-memory tester markets in late 2008 held sales to a low level in the first half of the period.
### FY2009 Sales by Region:

- Declines were posted across the board with the exception of Taiwan.
○ FY2009 Operating Loss:
  • 11.6 billion yen

○ Advantest returned to profitability in Q4 with a quarterly operating profit of 1.4 billion yen.
○ R&D Expenses:

- 17.9 billion yen (down 25% year-on-year)
- Efficiency and productivity gains including a streamlined payroll generated savings in R&D expenses compared to the previous fiscal year. However, Advantest has reaffirmed its policy of maintaining the levels of R&D spending necessary to ensure its continued technological leadership.

○ Capital Expenditures:

- Capital expenditures were restrained to 3.4 billion yen.
- Spending on development and production facility upkeep accounted for the majority of capital expenditures.
○ FY2009 Balance Sheet:

○ Assets

  - Cash & cash equivalents and short-term investments totaled 106.9 billion yen, maintaining the company’s cash position above 100 billion yen.
FY2009 Balance Sheet:

- Equity: 150.2 billion yen
- Equity-to-assets ratio: 79.6%, maintaining the company’s ratio of approximately 80%
Discussion of Advantest's outlook follows.
○ The graph shows demand trends in Advantest’s key markets, inspection equipment and semiconductor test equipment.

○ Both markets bottomed out in 4Q FY2008 and are now recovering.
The graph shows Advantest's semiconductor tester demand forecast.

The company believes the tester market will continue to display a recovery pattern. Global tester sales are expected to return to the 2008 level of $3.2 billion in 2011.

- Corporate IT spending is poised to resume
- Especially in the emerging economics, demand for PCs, smartphones, and other consumer electronics, is expected to continue to grow. Further expansion of the automotive IC market is also foreseen.
- These end-user applications will drive demand for testers for MCUs, MPUs, RF ICs, power management ICs, DDR3, etc.
Advantest's first key topic for FY2010 is semiconductor tester market share growth.

The company's medium-term goal is to grow its overall share to 30%+, with gains coming principally in the non-memory tester market.

- The non-memory sector is significantly larger than the memory sector, accounting for approximately 75% of total tester sales.
- Diverse non-memory applications create demand for diverse test solutions.
- The T2000 test platform is the cornerstone of Advantest’s strategy to grow its customer base worldwide.
Recent growth of the T2000’s worldwide customer base reflects rising tester demand in the emerging economies.

- The Asia-Pacific region, led by China, now accounts for a larger proportion of T2000 customers.

Booming demand in China for smartphones, PCs, and other consumer electronics has supported the growth of the domestic semiconductor industry

- Catering to the needs of this vast market, foreign chip-makers and foundries are rushing to establish plants in China.
○ The graph shows Advantest's customer base in China.

○ The company had approximately 10 customers in the country in 2000, mainly foreign chip-makers.

○ That number has grown six-fold in the past decade, thanks to increasing investment by foreign chip-makers, a flourishing local semiconductor industry, and the shift from the coasts to the inland regions.

○ Advantest’s policy is to continue growing our business in the booming Chinese market by increasing our technical support staff in the country, among other measures.
○ The non-memory tester market has seen applications diversify further in recent years.

○ Advantest’s policy is to expand its market share by providing best-in-class cost performance supporting a wide variety of applications.

○ The T2000 is the cornerstone of Advantest’s non-memory strategy. The company has announced new additions to its T2000 module lineup, to be available in FY2010:

  • High-speed interface modules
  • CMOS image sensor modules
  • Power management IC modules

  • The new air-cooled configuration for the T2000 announced in March 2010 further enhances its value as a low-cost platform
  • Advantest’s technological leadership enables the company to deliver superior throughput and cost performance that excels over competitors’ platforms.
In the memory tester market, Advantest’s policy is to preserve its dominant share.

The growth driver in this market is DDR3 volume test.

- As the corporate IT replenishment cycle moves into an upswing, DRAM shipments, led by DDR3, are expected to expand at an average annual growth of 13% through 2012.
- Chip processing speeds are also increasing, while DRAM makers continue to push forward with technology migration.

Advantest presently offers the highest throughput on the market with its T5385 and T5503 test systems. These testers will be the cornerstone of the company’s sales growth strategy in the DDR3 tester market.
### FY2010 Key Topics

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<td>Memory tester market: Preserve dominant share</td>
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<td><strong>2.</strong> Further Profitability Initiatives</td>
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<td>Eliminate redundancy, accelerate efficiency gains</td>
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<td><strong>3.</strong> New Business Ramp-Up</td>
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- Advantest’s second key topic for FY2010 is further profitability initiatives.

- The company plans to implement three broad initiatives.
  - Improve design quality, reduce lead times
  - Improve productivity, optimize procurement strategies
  These two initiatives are designed to enhance competitiveness and minimize opportunity losses.
  - Eliminate redundancy, accelerate efficiency gains

- Additionally, Advantest will eliminate two wholly owned affiliated companies (one manufacturing company and one support company) and absorb their functions into Advantest Corporation as of July 1st 2010.
  - This consolidation will provide the framework for a review of mission-critical business processes – R&D, manufacturing, sales, and support – to achieve the following benefits:
    1. Accelerate R&D and reduce lead times
    2. Respond to change in the market environment and gain efficiencies by eliminating duplicated management functions
## FY2010 Key Topics

### 1. Semiconductor Tester Market Share Growth
- Non-memory tester market: Add customers
- Memory tester market: Preserve dominant share

### 2. Further Profitability Initiatives
- Improve design quality, reduce lead times
- Improve productivity, optimize procurement strategies
- Eliminate redundancy, accelerate efficiency gains

### 3. New Business Ramp-Up

- Advantest’s third key topic for FY2010 is the ramp-up of its new businesses.

- The company is currently planning the following new business launches:

  1. In the semiconductor test market:
     - New Platform X
     - Probe cards
     - New test methodologies for next-generation devices

  2. In the non-semiconductor market:
     - Terahertz 3D Imaging Analysis System
     - Multiple projects in development

- The Terahertz 3D Imaging Analysis System has already been launched and is attracting widespread customer interest. It is expected to generate revenue in the near future.

- The above projects are anticipated to contribute to Advantest’s goal of enhancing profitability.
NOTE

Prepared in accordance with US GAAP

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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.