Financial Results for Fiscal 2010

Returned to profitability for the first time in 3 years
Summary of Results

<table>
<thead>
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<th>FY 2009</th>
<th>FY 2010</th>
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<tbody>
<tr>
<td></td>
<td>1Q</td>
<td>2Q</td>
<td>3Q</td>
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<tr>
<td></td>
<td>1Q</td>
<td>2Q</td>
<td>3Q</td>
</tr>
<tr>
<td>Orders</td>
<td>67.7</td>
<td>30.8</td>
<td>23.3</td>
</tr>
<tr>
<td>Sales</td>
<td>53.2</td>
<td>23.5</td>
<td>28.6</td>
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<tr>
<td>Cost of Sales</td>
<td>27.3</td>
<td>11.9</td>
<td>14.9</td>
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<tr>
<td>Gross Profit</td>
<td>25.9</td>
<td>11.6</td>
<td>13.7</td>
</tr>
<tr>
<td>Operating Income</td>
<td>-11.6</td>
<td>1.8</td>
<td>2.9</td>
</tr>
<tr>
<td>Non-operating Income</td>
<td>1.7</td>
<td>-0.2</td>
<td>-0.4</td>
</tr>
<tr>
<td>Income before Tax</td>
<td>-9.9</td>
<td>1.6</td>
<td>2.5</td>
</tr>
<tr>
<td>Net Income</td>
<td>-11.5</td>
<td>0.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Backlog</td>
<td>20.3</td>
<td>27.6</td>
<td>22.3</td>
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 ○ Results for FY2010:

  • Orders 109 billion yen,
    improved by a significant 61% year-on-year.
    4Q orders were especially strong,
    led by non-memory testers.

  • Sales 99.6 billion yen,
    also up a significant 87% year-on-year,
    despite a slight drop-off in 2H, following the 2Q peak,
    as the DRAM market softened.

  • Operating Income 6.1 billion yen
  • Net Income 3.2 billion yen

 ○ Advantest returned to profitability in FY2010 for the first time
  in 3 years.

  • Backlog 29.6 billion yen
    Increased significantly from 2010 Q4 by order increase

 ○ Due to the unclear visibility beyond 2011 Q1, Advantest has not
  announced guidance for FY2011 at this time.
  Forecasts will be announced as available.
○ FY2010 Orders by Business Segment:

○ Semiconductor and Component Test Systems:
  - 76.5 billion yen, up 80% from the previous fiscal year
  - Non-Memory Testers
    - The T2000 for MPU saw strong orders.
  - Memory testers
    - Supported by strong PC DRAM order in 1H, while mobile DRAM demand growth picked up in 2H.

○ Mechatronics Systems:
  - 20.8 billion yen, up 40% from the previous fiscal year
  - Orders for device interfaces tracked robust tester orders.
  - Test handler demand in the analog segment was healthy.
○ FY2010 Orders by Region:

- Orders from the Americas, Japan, and other regions increased.

○ Americas:
  - 16.1 billion yen, up 150% from the previous fiscal year, driven by the T2000 for MPU test

○ Japan:
  - 21.7 billion yen, up 62% from the previous year, driven by mobile DRAM memory tester demand growth
FY2010 Sales by Business Segment:

- **Semiconductor and Component Test Systems:**
  - 69.3 billion yen, up 113% from the previous fiscal year
  
  - Sales of non-memory testers in the MPU and MCU segments were robust.
  
  - Memory tester sales also doubled from the previous fiscal year on increasing mobile and PC DRAM capex.
○ FY2010 Sales by Region:

- Sales in all regions increased
- Sales growth in the East Asia region, where most memory chips are manufactured, was especially marked.
FY2010 Operating Income / Gross Profit Ratio / Operating Expenses

- Gross Profit Ratio:
  48.6%, flat from the previous fiscal year

- Operating Expenses:
  Tracked sales growth at 42.4 billion yen, up 13% from the previous fiscal year

- Operating Income
  6.1 billion yen, an improvement of 17.7 billion yen over the previous fiscal year

Advantest returned to profitability in FY2010.
○ FY2010 R&D Expenses:
  • 21.2 billion yen, up 18% from the previous fiscal year
  • As a technology company, Advantest is committed to a consistent level of R&D investment.

○ CapEx:
  • 3.8 billion yen, restrained to approximately the same level as the previous fiscal year
  • Investment primarily went to facility upgrades for enhanced R&D and production efficiency.
○ FY2011 Balance Sheet:

○ Assets:

  - Cash & cash equivalents decreased 18.9 billion yen sequentially, primarily due to a 10.3 billion yen share buyback executed in August 2010.

  - Trade receivables stood at 22.7 billion yen, 40% greater than the previous fiscal year, following increased sales.

  - Inventories also increased 40% sequentially to 23.5 billion yen, following increased production as a result of greater orders.

○ Thus, total assets reached 180.3 billion yen, a sequential decrease of 8.4 billion yen.
○ FY2011 Balance Sheet:

○ Liabilities & Equity:
  
  - Equity was 138.1 billion yen, a decrease of 12.1 billion yen sequentially, primarily due to the share buyback executed in August 2010.

  - Equity-to-assets ratio:
    down 3 points from the previous fiscal year to 76.6%

This completes our discussion of financial results for FY2010.
FY2011 Outlook
Entering a New Growth Phase
Leveraging Existing Strengths
### FY2011 Principal Policies

<table>
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<th>Principal Policies</th>
<th>Details</th>
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| **1 Improve Semiconductor Tester Market Share** | Non-Memory Testers: Exploit Growing T2000 Coverage to Gain Share  
Memory Testers: Maintain Dominant Share |
| **2 Further Improve Profitability** | Conversion of design assets into shorter R&D lead times  
Procurement optimization and a globalized manufacturing structure  
Lower production costs, ongoing administrative cost control efforts |
| **3 Cultivate New Businesses for Consistent Growth** | |

- In FY 2010, memory tester revenues were slightly weaker than expected, owing to the slowdown in the PC market and softening DRAM prices. However, non-memory tester revenues were robust, contributing to solid results for Advantest overall.

- In FY2011, the global economy is expected to grow at a healthy pace, despite uncertainty linked to the economic impact of the Great Eastern Japan Earthquake. Advantest sees a business environment conducive to further growth.

- The second half of this presentation will outline our principal policies for the coming fiscal year.
As applications and end products multiply, semiconductor capacities and production volumes continue to grow. Additionally, product penetration into the emerging economies is expected to support a solid growth trend going forward.

Meanwhile, market demands for device reliability are growing more stringent.

Regarding Advantest’s business environment,

- Against a background of factors including expanding applications and end products, increasing chip densities, higher semiconductor content per application and product penetration into the emerging economies, the semiconductor market has been growing steadily – a trend expected to continue into the future, in our increasingly connected society.

- Meanwhile, market demands for semiconductor reliability are growing more stringent and widespread as more and more chips are used in automobiles, infrastructure, and other crucial sectors. Those factors will lead to higher tester demand to assure higher reliability.
The semiconductor tester market recovered sharply in 2010. Gradual growth is predicted to continue.

Semiconductor market drivers include:
- Expanding adoption of smartphones and other handheld devices, and demand for better performance (higher speed, more memory capacity)
- The further development of automotive electronics
- Tighter energy efficiency standards

Advantest has product presence in each of these growth areas, and expects them to drive near-term revenue growth.

○ Our view of the semiconductor tester market is as follows:

- The graph shows global semiconductor tester revenues compared with Advantest’s revenues and market share.

- For the last few years, the memory tester market in particular has been shrinking. However, it recovered sharply in 2010.

- From 2011, although forecasts remain uncertain, gradual growth is expected.

○ Our strategy going forward is to reinforce our presence in high-growth segments to expand our market share, which we consider crucial to revenue growth.
In the non-memory tester market, we continue to seek share growth.

- We estimate that our current share of the non-memory tester market is slightly less than 20%.

As the graph shows, we have struggled to gain share in communications ICs and the automotive and specialty IC tester segments.

- In FY2010, we developed and launched an array of highly competitive solutions targeting these markets, with superior cost performance.

- In FY2011, Advantest will strive to improve market share by leveraging our new products in the communications, automotive and power management, and CMOS image sensor markets.
In the memory tester market, Advantest aims to maintain and further grow its currently dominant share.

- The memory tester market is presently driven by increasing demand for mobile DRAM for portable applications such as smartphones and tablet PCs.

- Mobile DRAM production volumes are expected to expand by 3 times (1Gb equivalent) in the 2010-2013 period.

- A notable characteristic of mobile DRAM is that test times are relatively long compared to PC DRAM.

- Furthermore, as mobile DRAM speeds improve, it is increasingly crucial for memory testers to support both volume production and high-speed test requirements.

Advantest’s products lead the industry in throughput, unmatched by any products available from our competitors. We will aim to improve our share of the memory market on the superiority of our products.
Further Improve Profitability

With faster responses and a more streamlined structure, Advantest is boosting its ability to align operations in real time with the changing business environment.

- Conversion of design assets into shorter R&D lead times
- Procurement optimization and a globalized manufacturing structure
- Lower production costs, ongoing administrative cost control efforts

 Advantest's drive to improve profitability continues.

In parallel with expanding sales, we consistently strive to boost profitability through *kaizen* measures:

- R&D: we are striving to enhance our response to customer needs by converting our rich stock of design assets into shorter development lead times

- Production: optimization of our procurement operations is contributing to lower costs, while globalization of our manufacturing structure will enable us to respond to customer needs faster

- Meanwhile, the entire Advantest Group is united in striving to expand earnings and prevent opportunity losses, as profitability *kaizen* efforts continue.
Advantest is also cultivating new businesses:

Multiple projects are currently underway. A full explanation of each would take more time than we have today, but in brief, last fiscal year, we recorded contributions from the following projects:

- Probe cards
- CDSEM metrology
- Terahertz 3D imaging & analysis
- NAND Flash Memory Testers

In fiscal 2011, Advantest will continue to reinforce its support of new business development projects to ensure consistent future growth.
Our corporate initiative “1000 Days” was launched in July 2009.

- To achieve the initiative’s goal of cumulative profitability over three years,
  - every Advantest group employee, under the slogan of the 7 “S”s, is instructed to treat each day as precious, and strive for kaizen improvements with a medium-term vision.
  - Employees have already submitted and carried out more than 1,000 kaizen proposals on their own initiative.

In FY2010, Advantest returned to profitability. We will seek further revenue and earnings growth in FY2011, the final year of this corporate initiative.
On March 11th, the Great Eastern Japan Earthquake and tsunami struck the Tohoku region.

- Advantest suffered minimal direct impact:
  - Even our facilities in Sendai – a heavily damaged area – were once more operational by the end of April.
  - Disruptions to our supply chain had a limited impact on FY2010 revenues.

- However, many of our suppliers are located in the Tohoku and northern Kanto regions.
  It is still unclear how deeply our procurement will be affected.

- An emergency procurement structure has been set up to ensure supply and production capacity sufficient to meet our customers’ needs.

- Concerning forecasted energy shortages in the coming months, Advantest will respond as needed with flexible measures, taking into consideration the needs of society overall.
Advantest expresses heartfelt condolences to the victims and the bereaved survivors of the Great Eastern Japan Earthquake. We pray for a speedy recovery in the regions affected by this tragedy.
• 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 and 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.