

Advantest Corporation  
Information Meeting

# Financial Results for 3rd Quarter Fiscal 2009

January 28, 2010

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Managing Executive Officer

# Financial Results for 3rd Quarter Fiscal 2009

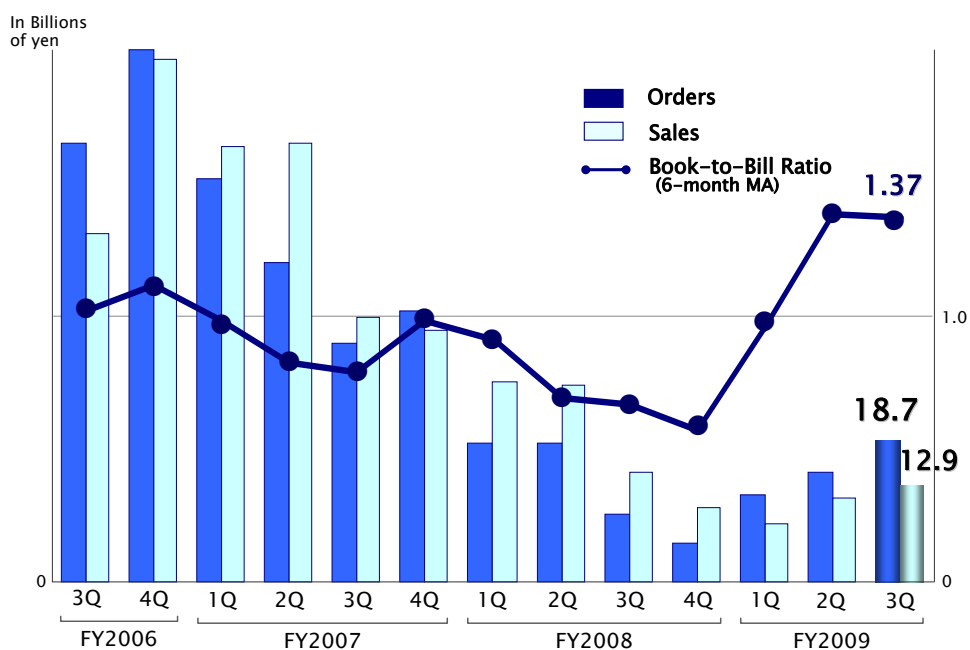
		FY2009			Q on Q (%)
		1Q	2Q	3Q	
(In Billions of Yen)					
<b>Orders</b>		11.6	14.4	<b>18.7</b>	+29.1
<b>Sales</b>		7.6	11.2	<b>12.9</b>	+15.5
	Cost of Sales	3.3	5.4	<b>8.6</b>	+62.1
<b>Gross Profit</b>		4.3	5.8	<b>4.3</b>	-26.9
<b>Operating Income</b>		-4.5	-3.5	<b>-5.0</b>	-
	Non-operating Income	0.8	0.8	0	-
<b>Income before Tax</b>		-3.7	-2.7	<b>-5.0</b>	-
<b>Net Income</b>		-3.8	-3.3	<b>-5.7</b>	-
<b>Backlog</b>		9.8	13.1	<b>18.8</b>	+43.8

○ Results for 3Q FY2009:

- Orders 18.7 billion yen,  
up 29% from the previous quarter.
- Sales 12.9 billion yen,  
up 16% from the previous quarter.
- Order backlog 18.8 billion yen,  
up 44% from the previous quarter.
- Operating loss expanded 1.5 billion yen sequentially to  
5 billion yen.

# Orders / Sales Trend

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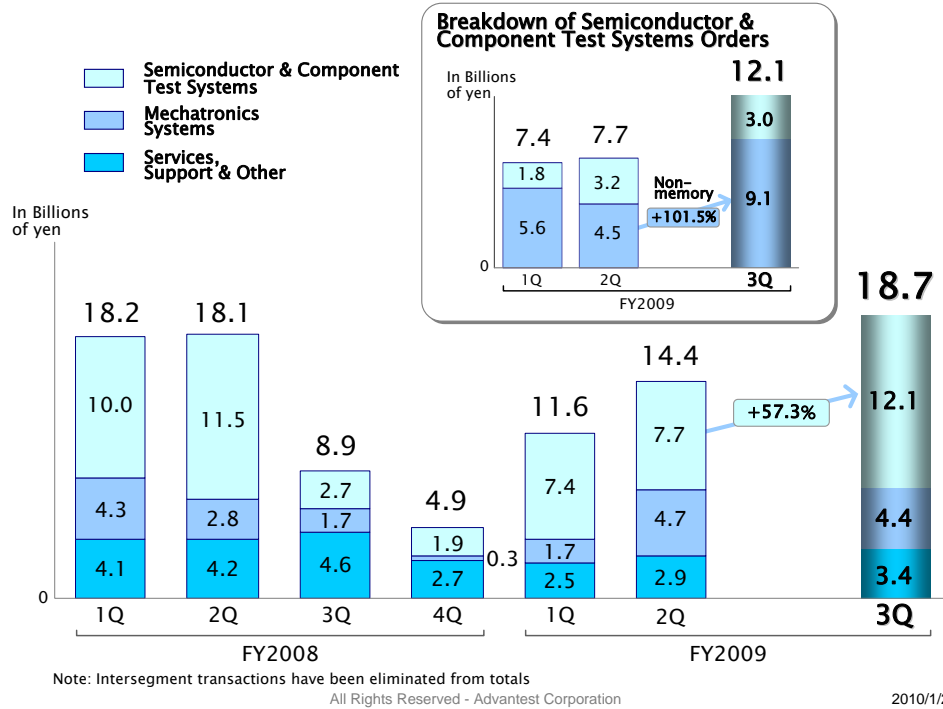
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○ Sales and orders trends, 3Q FY2006 to present:

- Our book-to-bill ratio in the current quarter exceeded 1.00 for the second consecutive quarter.
- Orders continued to recover.

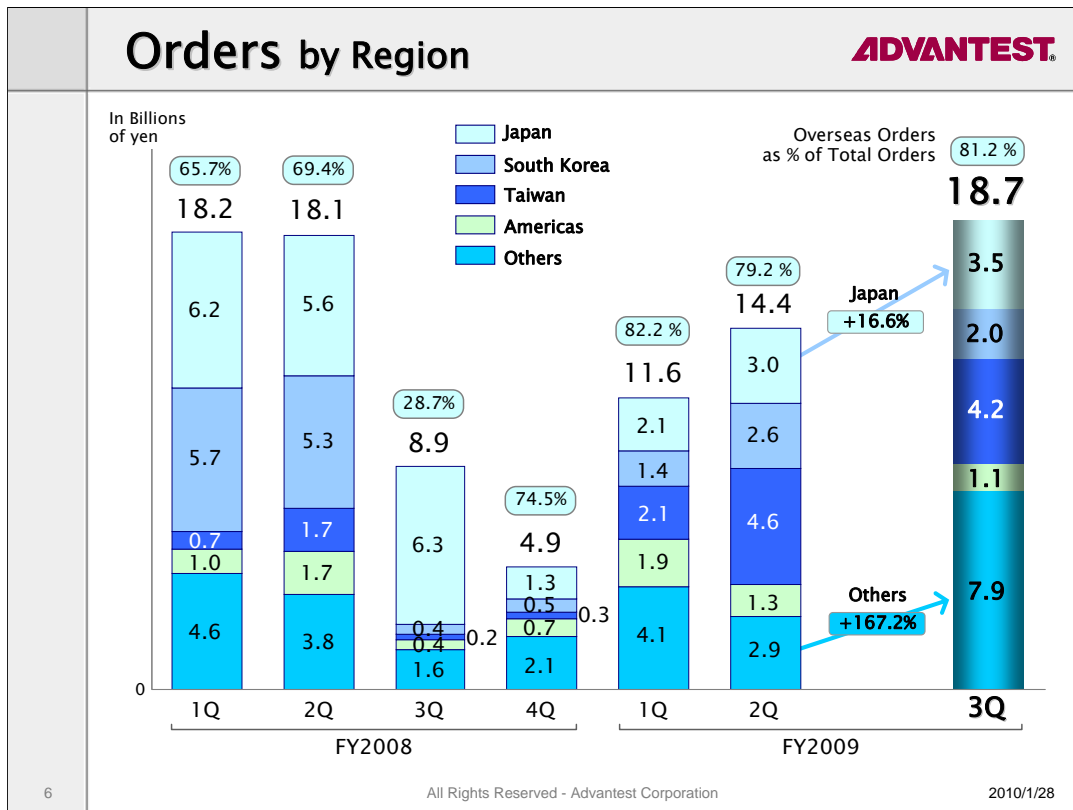
# Orders by Business Segment



○ 3Q FY2009 Orders by Segment:

○ Semiconductor and Component Test Systems:

- 12.1 billion yen, up 57% from the previous quarter.
- In non-memory testers, orders for the T2000 for MPU test increased.
- Memory tester orders are in a robust uptrend, but finished flat with the previous quarter.



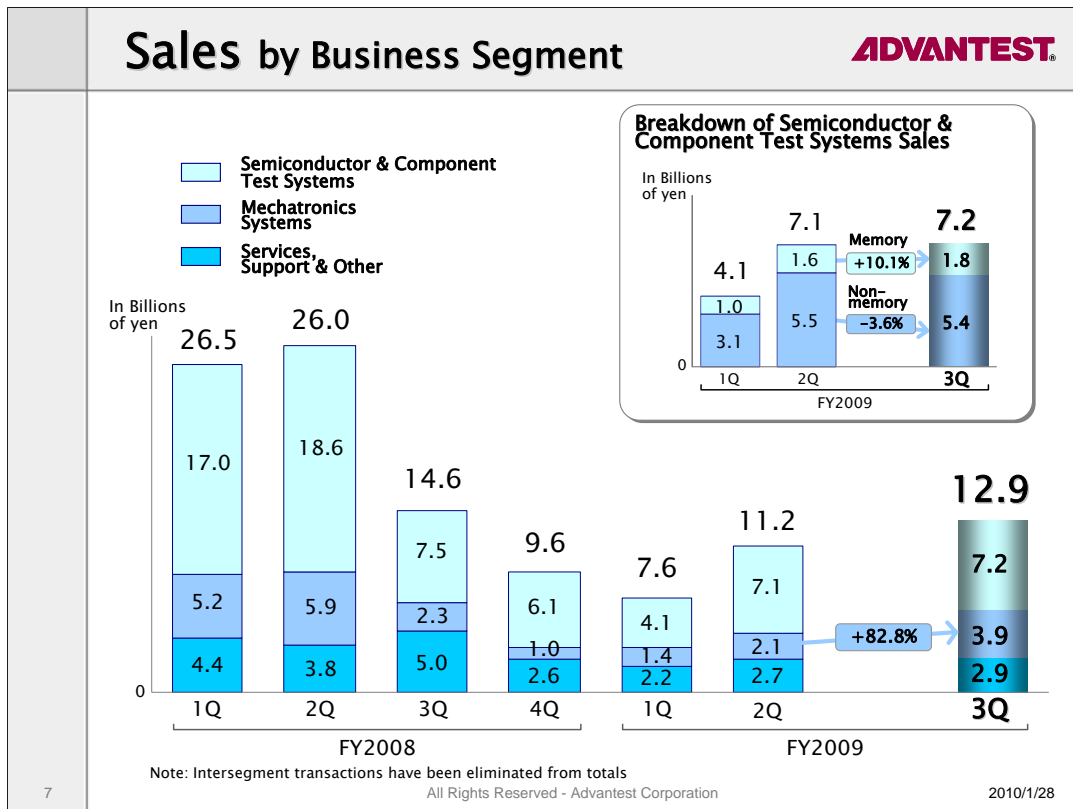
○ 3Q FY2009 Orders by Region:

○ Japan:

- 3.5 billion yen, up 17% from the previous quarter.
- Orders for the T2000 and T65XX series for consumer test expanded.

○ Other Regions:

- 7.9 billion yen, an almost threefold increase from the previous quarter.
- Orders for the T2000 from China and SE Asia increased.



○ 3Q FY2009 Sales by Segment:

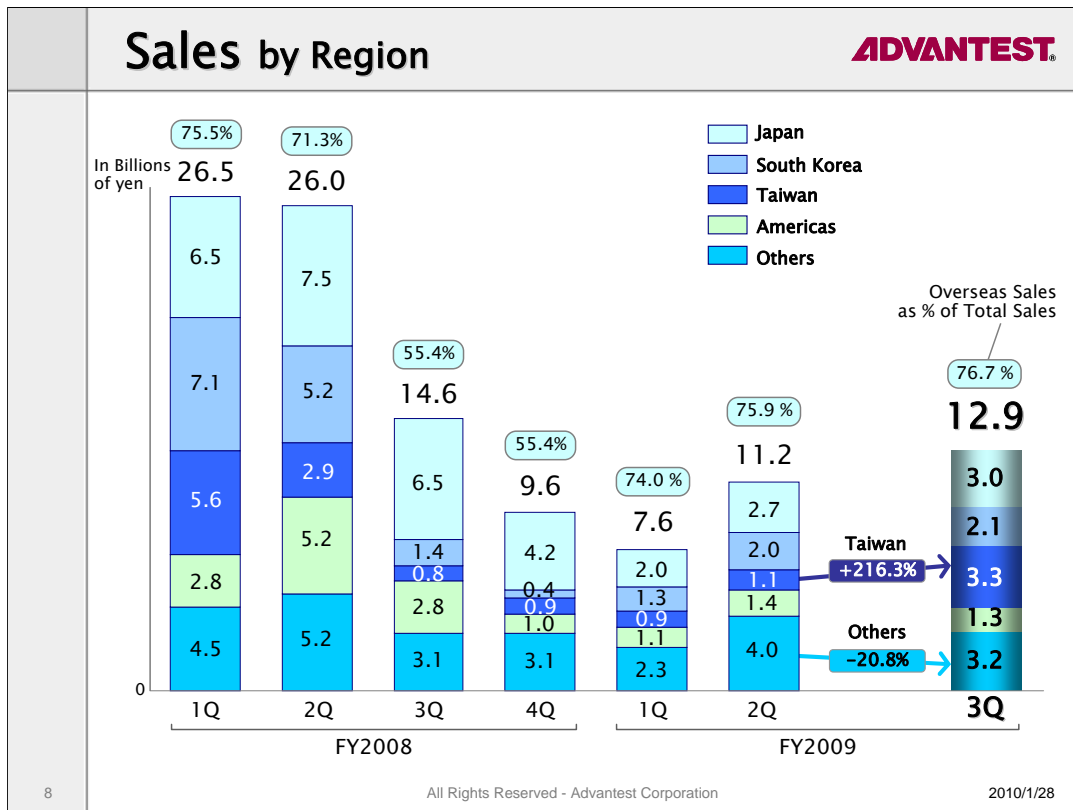
○ Mechatronics Systems

- 3.9 billion yen, up 83% from the previous quarter.
- Handler orders have been increasing since 2Q. This trend began to generate revenue in the current quarter.
  1. Memory handler sales were driven by DDR3 production ramps.
  2. Non-memory handler sales were driven principally by increasing power management device production volumes.

○ Semiconductor & Component Test Systems

Services, Support & Other

- The robust sales trends observed in the previous quarter continued.



○ 3Q FY2009 Sales by Region:

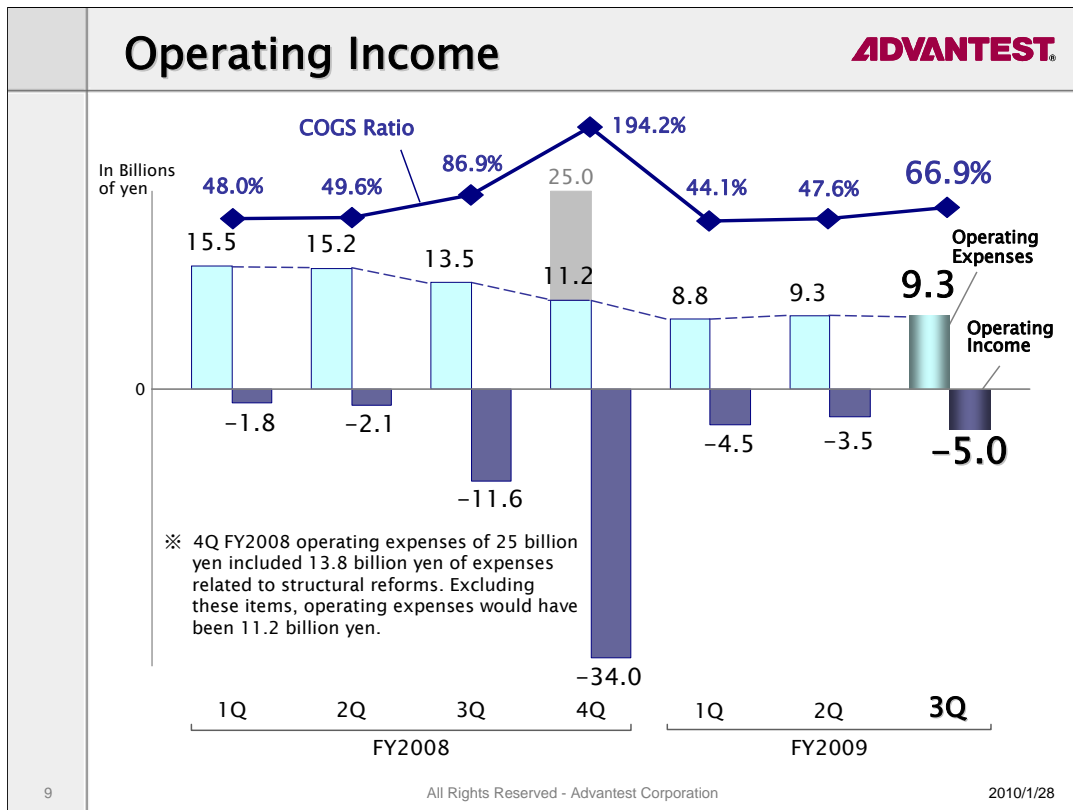
○ Taiwan:

- 3.3 billion yen, a threefold increase from the previous quarter.
- Orders for the T55XX series and memory handlers for DDR3 test, as well as orders for the T63XX series for LCD driver IC test, generated revenue in the current quarter.

○ Other Regions:

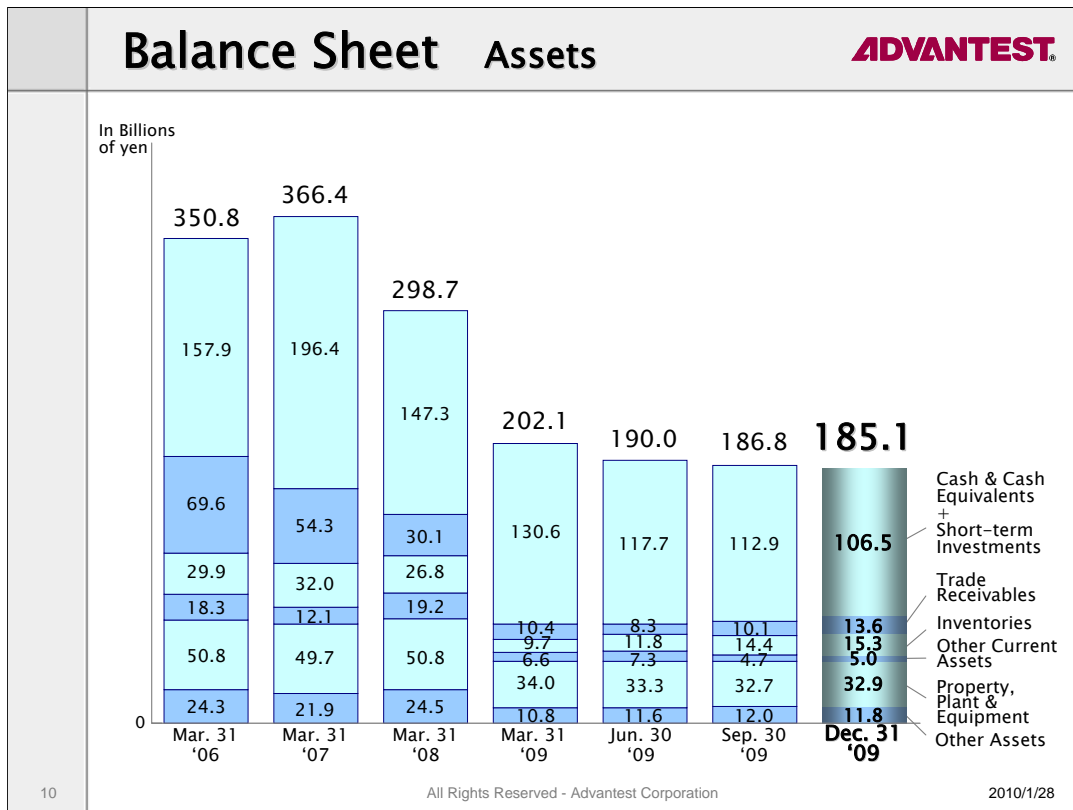
- 3.2 billion yen, down 21% from the previous quarter.
- Orders for logic handlers generated revenue, but sales of the T2000 for MPU test decreased on quarter.





○ 3Q FY2009 Operating Income:

- Despite a sequential sales increase of 1.7 billion yen, operating expenses were flat on quarter at 9.3 billion yen.
- However, a higher sales ratio of products with comparatively low margins negatively affected Advantest's sales cost ratio for the current quarter, resulting in a larger operating loss.

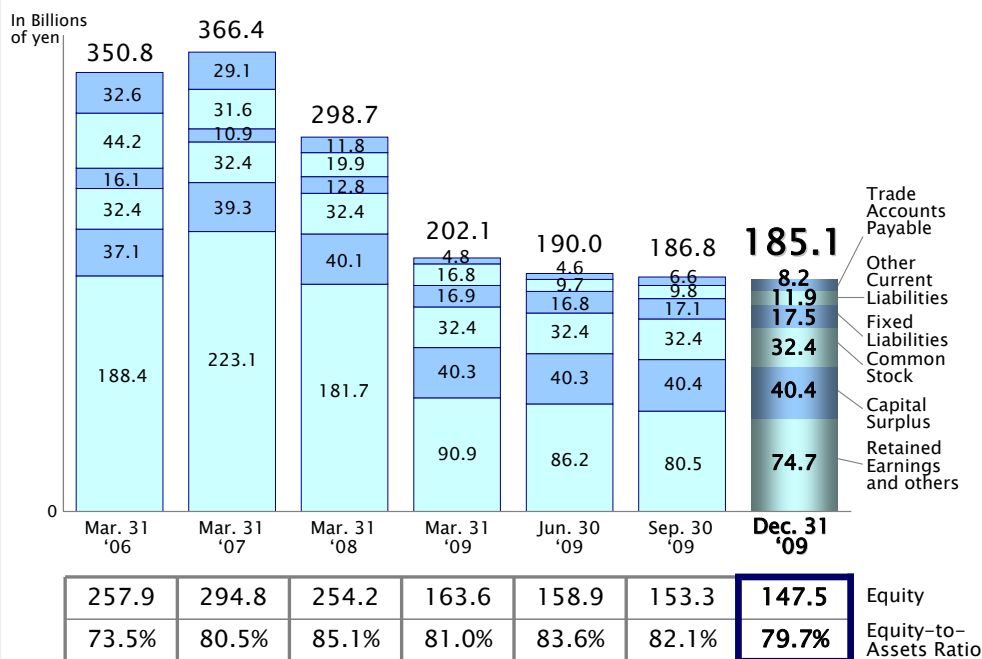


○ Balance Sheet for 3Q FY2009 (Assets):

○ Assets

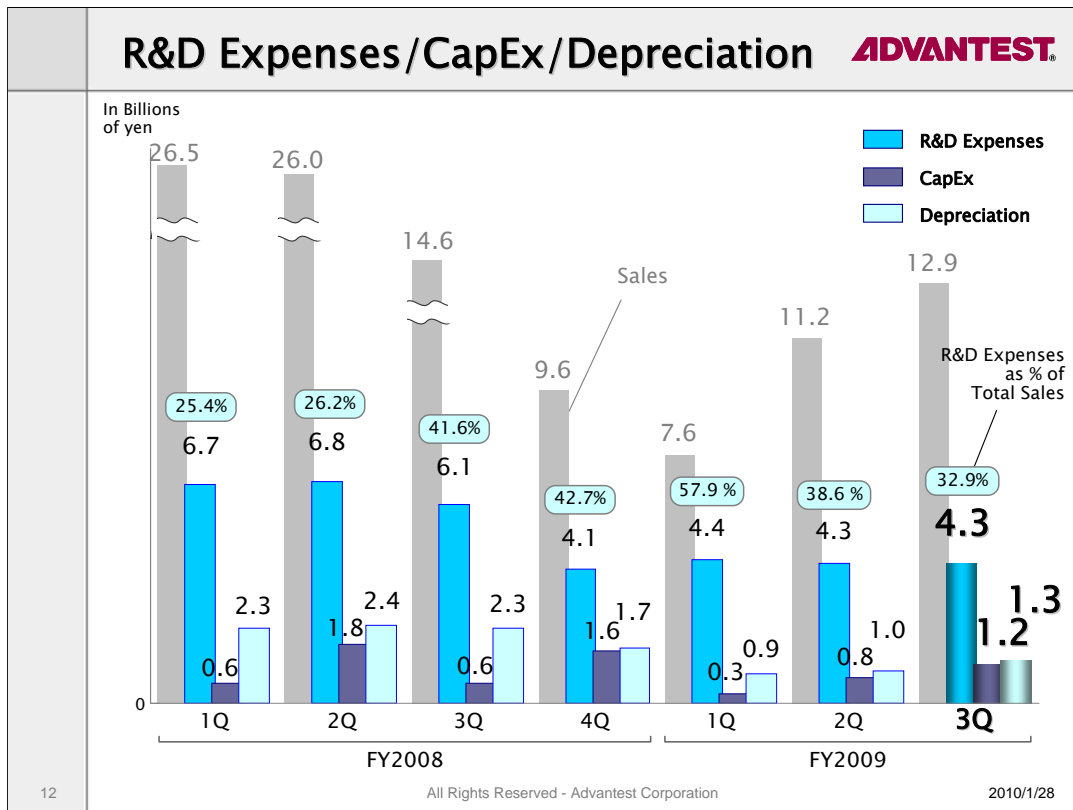
- Total assets declined 1.7 billion yen from the previous quarter to 185.1 billion yen.
- Cash & cash equivalents and short-term investments declined 6.4 billion yen from the previous quarter to 106.5 billion yen.

# Balance Sheet Liabilities & Equity **ADVANTEST.**



## ○ Balance Sheet for 2Q FY2009 (Liabilities and Equity):

- Equity: 147.5 billion yen.
- Equity-to-assets ratio: 79.7%.



○ R&D Expenses:

- Unchanged from the previous quarter at 4.3 billion yen.
- Despite continued challenges in Advantest's business environment, the company continues to maintain a minimum level of R&D spending.

○ Capital Expenditures:

- Unchanged from the previous quarter at 1.2 billion yen.
- Principal expenditures were technology and production spending.

# FY2009 Financial Outlook

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(In Billions of Yen)

	FY2008	FY2009		
		4Q (Forecast)	FY (Forecast)	Y on Y (%)
Orders	50.1	20.3	65.0	+29.8
Backlog	5.8	18.8	18.8	+224.5
Sales	76.7	20.3	52.0	-32.2
Operating Income	-49.5	0	-13.0	-
Net Income	-74.9	-0.7	-13.5	-

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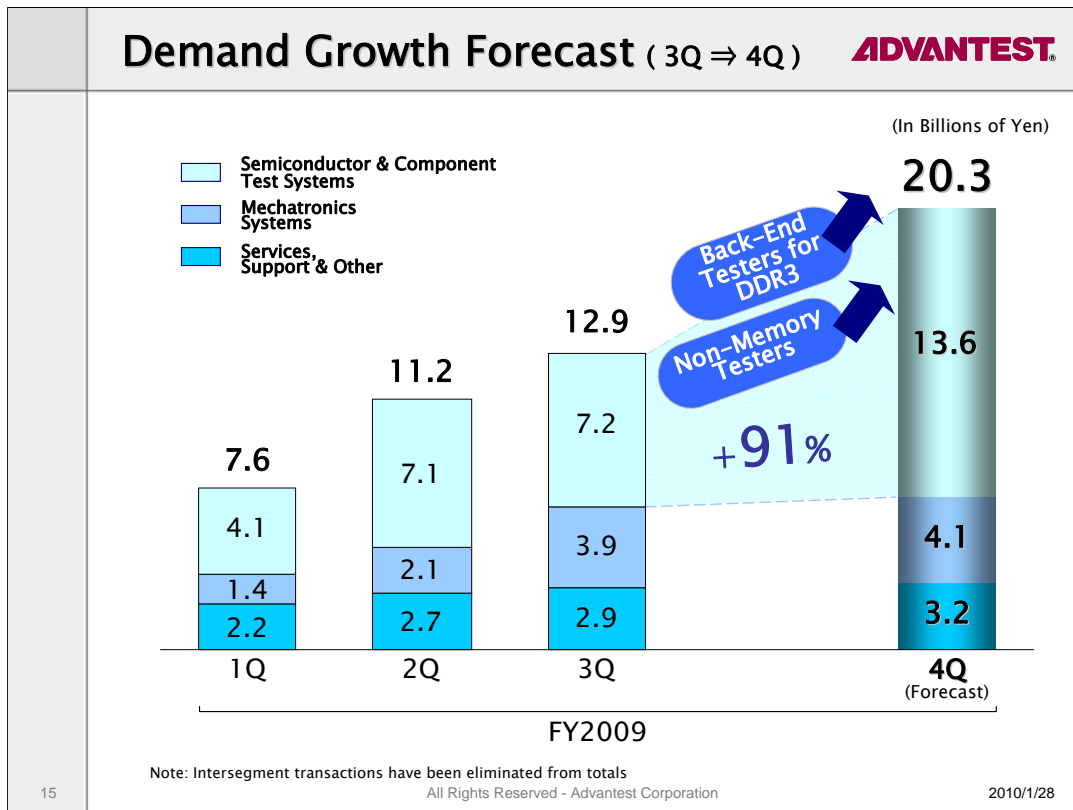
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## ○ Q4 FY2009 Forecast:

- Operating profit is expected to recover to break even on sales of 20.3 billion yen.

## ○ FY2009 Full Year Forecast:

- Orders 65 billion yen,  
up 30% from the previous fiscal year.
- Sales 52 billion yen,  
down 32% from the previous fiscal year.
- Operating loss 13 billion yen  
an improvement of 36.5 billion yen from the  
previous fiscal year.



○ Demand Growth Forecast (Q3 – Q4 FY2009)

- Demand for back-end testers for DDR3 is expected to increase, principally in Taiwan and South Korea
- Increased deliveries of non-memory testers are expected
  1. The T2000  
(customers other than Advantest's principal US customer)
  2. The T65XX series  
(principally Japanese consumer IC manufacturers)

**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.