

ADVANTEST

The 68th Ordinary General Meeting of Shareholders

June 24, 2010

ADVANTEST CORPORATION

10.06.24

Business Environment

◆ Global Economy

- Economic stimulus measures implemented by governments
- Economic growth in China, India and other emerging nations



Gradual Recovery

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Advantest's fiscal 2009 began amidst the economic downturn triggered by the financial crisis in the second half of 2008.

However, a gradual recovery has now taken hold worldwide led by economic stimulus measures implemented by governments around the world, and economic growth in China, India, and other emerging countries.

Business Environment

◆ Semiconductor Industry

- Higher demand for PCs and other electronic goods driving market recovery
- Rising semiconductor prices
- Higher equipment utilization rates



Gradual Resumption of Capital Expenditures

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At the beginning of fiscal year 2009, many chip-makers made significant cuts in their capital expenditures as the semiconductor industry was impacted by the global economic slowdown.

However, chip-makers gradually resumed their capital expenditures amid rising chip prices and higher equipment utilization rates driven by consumer demand for PCs, flat-screen TVs, cellular phones, and other electronic goods.

Business Environment

◆ Expansion of Revenue Sources

- Sales structure reorganization
- New product launches

◆ Improving Profitability

- Fixed expense reductions
- Ongoing cost-cutting initiatives



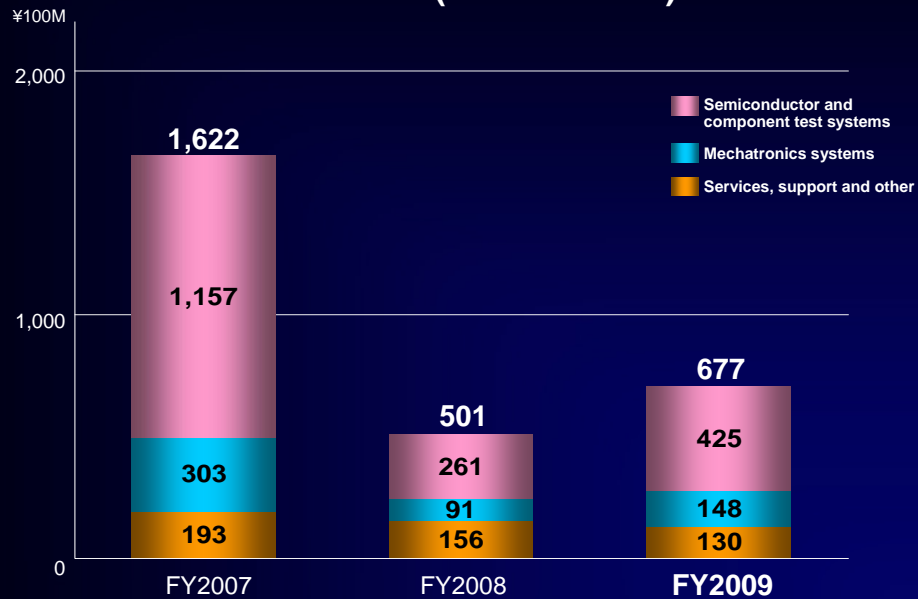
FY2009 Q4: Return to Profitability

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Under these market conditions, we strove to expand our sources of revenue by reorganizing our sales structure and launching new products tailored to evolving customer needs. We also improved profitability by reducing fixed expenses through the consolidation of manufacturing subsidiaries, and other measures, while implementing ongoing cost-cutting initiatives.

As a result, our business results have continued to recover, and in the 4th quarter, we returned to profitability for the first time in nine quarters.

Orders (Consolidated)



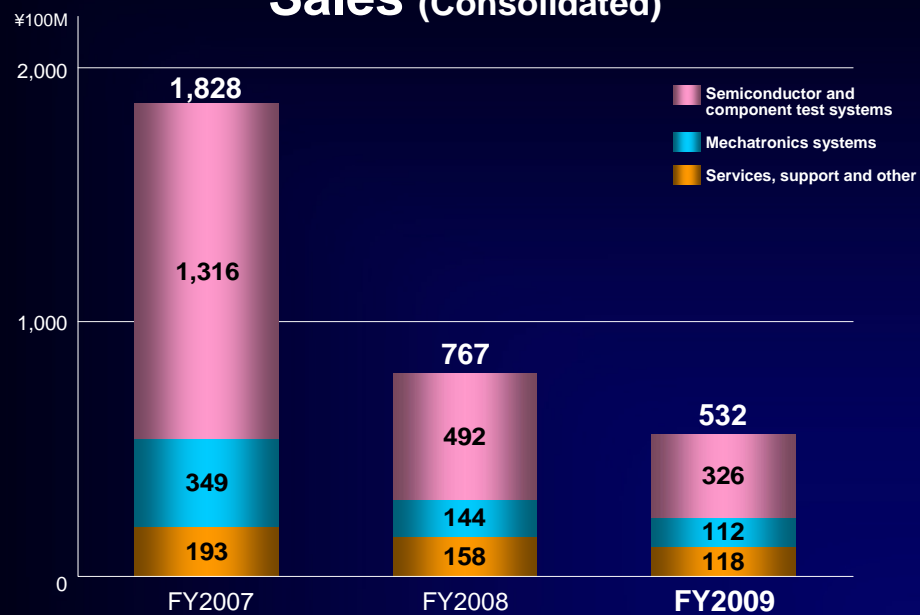
Note: Intersegment transactions have been eliminated from totals

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As shown here,

Orders improved significantly to 67.7 billion yen, an increase of 35.2% compared to the previous fiscal year.

Sales (Consolidated)

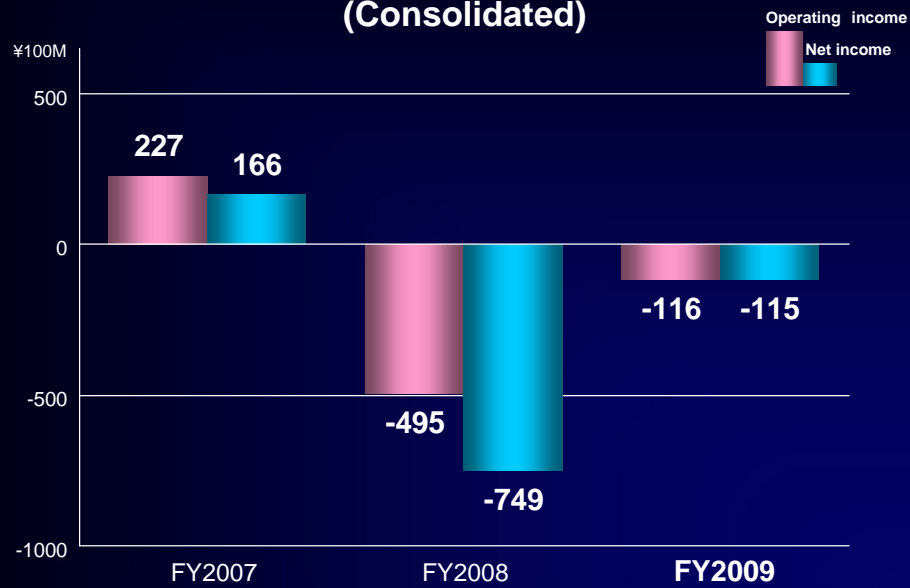


Note: Intersegment transactions have been eliminated from totals

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However, Sales remained weak at 53.2 billion yen, a decrease of 30.6% from the previous fiscal year. This decrease was mainly due to the impact of weak orders in the second half of fiscal 2008.

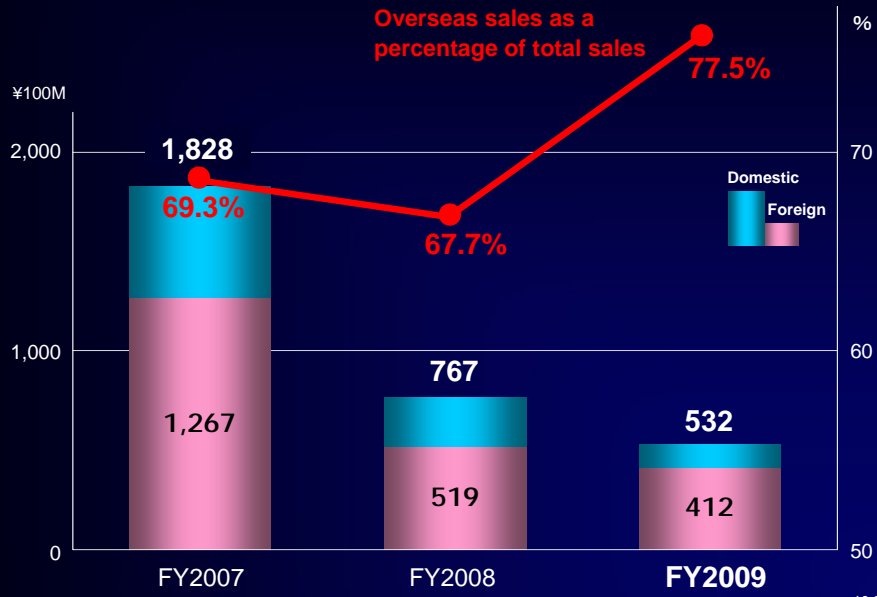
Operating Income and Net Income (Consolidated)



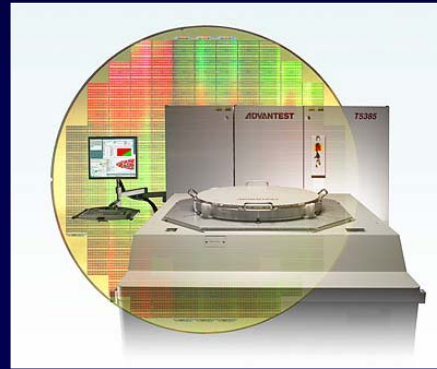
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For operating income and earnings,
we had an operating loss of 11.6 billion yen and a net loss of 11.5
billion yen -- both significant improvements over fiscal 2008.

Overseas Sales Ratio (Consolidated)



Our overseas sales ratio increased by 9.8 percentage points from the previous fiscal year to 77.5%.

Semiconductor and Component Test Systems Segment**—Memory Test Systems—****DDR3-SDRAM
Production Test System
T5503****DRAM
Wafer Test System
T5385**

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Next, I will explain the results for each business segment.

In the Semiconductor and Component Test Systems Segment, Although orders increased significantly, sales were weak primarily due to weak orders during the second half of fiscal 2008.

In the memory test system sector, from the start of the fiscal year memory makers continued to take a cautious stance on capital expenditure, and as a result this sector suffered considerably.

However, subsequently, an upturn in PC demand left chip-makers struggling to keep up with demand, leading to higher prices for DRAM devices, including DDR3-SDRAM.

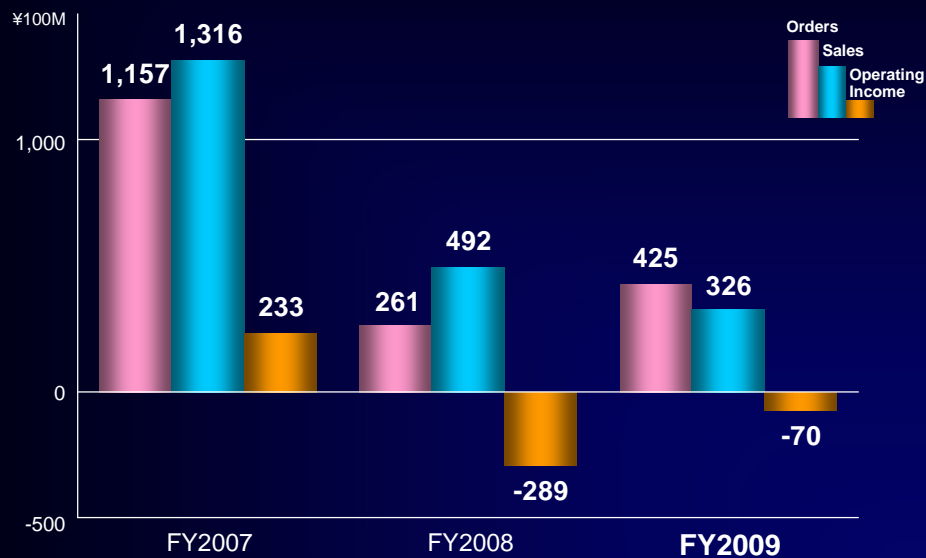
This encouraged memory makers to resume capital expenditures for memory semiconductors, and led to an increase in orders for memory test systems toward the end of the fiscal year.

Semiconductor and Component Test Systems Segment**—Non-Memory Test Systems—****Open Architecture Test System
T2000****LCD Driver IC Test System
T6373**

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In the non-memory test system sector, test systems for microprocessors installed in MPUs for PCs showed strong results, and orders increased for test systems for LCD driver ICs and consumer ICs from the second half of the year, as the recovery of the global economy stimulated demand for flat-screen TVs, cellular phones, notebook computers and other consumer electronics.

Results : Semiconductor and Component Test Systems (Consolidated)



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As a result,

This segment had orders of 42.5 billion yen, an increase of 62.7% year on year;

Sales were 32.6 billion yen, a decrease of 33.8% year on year;
and Operating loss was 7 billion yen, an improvement of 21.9 billion yen year on year.

Mechatronics Systems Segment

Dynamic Test Handler for DRAM

M6242



Dynamic Test Handler for MCU,
DSP, Analog IC

M4841



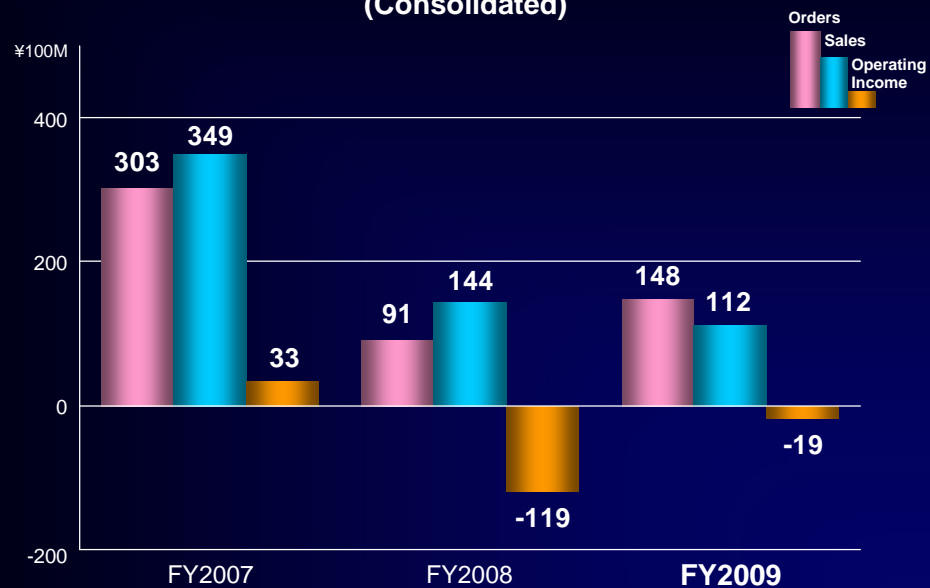
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In the Mechatronics Systems Segment,

Orders for test handlers grew sharply during the second half of fiscal 2009 supported by increased activity in the DDR3-DRAM semiconductor and analog IC markets.

However, the steep drop in orders in the second half of fiscal 2008 kept sales at a low level for the full year.

Results : Mechatronics Systems (Consolidated)



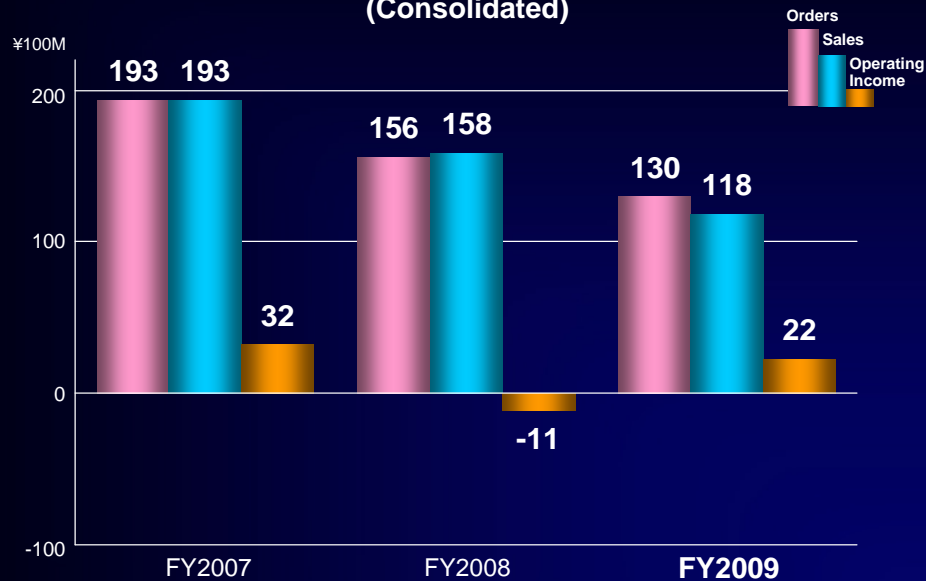
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As a result, for this segment,

Orders were 14.8 billion yen, up 62.7% from the previous fiscal year;

Sales were 11.2 billion yen, down 21.9% from the previous fiscal year; and Operating loss was 1.9 billion yen, which was an improvement of 10 billion yen from fiscal 2008.

Results : Services, Support & Other (Consolidated)



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In the Services, Support and Other Segment,
Overall results were unfavorable due to the decline in
customer utilization rate of testing equipment.

As a result,

Orders were 13 billion yen, down 17.1% from the previous
fiscal year;

Sales were 11.8 billion yen, down 25.1% from the previous
fiscal year; and Operating income was 2.2 billion yen, an
improvement of 3.3 billion yen from fiscal 2008.

Consolidated Balance Sheet

◆ Assets

¥100M

	March 2009	March 2010
Current Assets	1,573	1,437
Cash & Cash Equivalents + Short-term Investments	1,306	1,069
Trade Receivables + Inventories	104	159
Other Current Assets	97	166
	66	43
Fixed Assets	448	450
Property, Plant & Equipment	340	329
Other Assets	108	121
Total Assets	2,021	1,887

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Next, I will present our consolidated balance sheet and consolidated statement of operations.

First, on the consolidated balance sheet, which is shown on page 19 of the report, total assets were 188.7 billion yen, a decrease of 13.4 billion yen from the end of the previous year.

This decrease includes decreases in cash and cash equivalents and short-term investments, which fell to a total of 106.9 billion yen, a decrease of 23.7 billion yen from the previous year.

Consolidated Balance Sheet

◆ Liabilities & Equity

¥100M

	March 2009	March 2010
Current Liabilities	216	220
Fixed Liabilities	169	165
Total liabilities	385	385
Total Equity	1,636	1,502
<i>Equity-to-Assets Ratio</i>	81.0%	79.6%
Total Liabilities & Equity	2,021	1,887

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Stockholders' equity was 150.2 billion yen, and the ratio of equity to assets was 79.6%.

Consolidated Statement of Operations

¥100M

	FY2008	FY2009
Net Sales	767	532
Gross Profit	198	259
Operating Income (Loss)	-495	-116
<i>Operating Margin</i>	<i>-64.5%</i>	<i>-21.9%</i>
Income (Loss) Before Tax	-528	-99
<i>Pretax Margin</i>	<i>-68.8%</i>	<i>-18.6%</i>
Net Income (Loss)	-749	-115

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Next is the consolidated statement of operations on page 20 of “Report for the 68th Fiscal Year”.

Sales totaled 53.2 billion yen, a decrease of 23.5 billion yen year on year.

Operating loss was 11.6 billion yen, an improvement of 37.9 billion yen from fiscal 2008.

Net loss was 11.5 billion yen, which was an improvement of 63.4 billion yen from the previous fiscal year.

The consolidated statements of stockholders’ equity is provided on page 21 of the report, and as noted, the equity remains unchanged from the previous fiscal year.

Retained earnings were 181.6 billion yen, a decrease of 13.2 billion yen year on year.

The aggregate amount of dividend payments was 1.8 billion yen.

Distribution of Dividends

◆ 68th Financial Year

Interim Dividend: ¥5 / Share

Year-End Dividend: ¥5 / Share

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A meeting of the board of directors was held on May 25th, 2010 which approved a dividend of 5 yen per share as the year-end dividend for Advantest's 68th term. Dividend-related documents have been supplied together with the convocation notice for the annual shareholders meeting.

Together with the interim dividend, the total annual dividend for the fiscal year will be 10 yen per share.

Management Priorities

- ◆ **Prompt, global responses to market trends**
Continued honing of an agile management / financial structure that can...
 - Increase market share
 - Expand operations and add customer support resources outside Japan
 - Reinforce R&D structure and improve production efficiency



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Next, I will mention some of our upcoming management priorities.

Building on our core competence of “Measurement” in the medium to long-term, the Advantest Group will strive to improve its corporate value by establishing a management and financial structure that can respond promptly to changes in the global market.

Specifically, we will aim to increase our market share by introducing superior products that inspire market needs of the next generation in a timely manner and to enhance our product development operations and improve production efficiency while strengthening our overseas operations and support systems in North America, Europe, Asia, and other regions.

Management Priorities

◆ Increase Market Share

- ▶ Non-memory test systems:
 - Expand our global customer base
- ▶ Memory test systems:
 - Maintain and grow our dominant market share



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Looking ahead, the semiconductor test system market is expected to continue its recovery as corporate IT investment resumes and as demand increases for consumer products using semiconductors, particularly in the emerging economies.

In this business environment, we are taking steps to expand our share in semiconductor test system markets. In particular, in the non-memory semiconductor test system market, because versatile test systems are required to handle a wide array of application types and the size of the market is larger than that of the memory semiconductor test systems, growth in this segment is key to expanding our overall market share.

Therefore, we have set a market share target of 30% for the medium and long term, and with the T2000 as our flagship product, we will strive to expand our customer base worldwide, including in the emerging markets.

In the memory semiconductor test system market, we are committed to maintaining and growing our high market share.

Management Priorities

◆ Further Profitability Enhancement

- ▶ The following subsidiaries will be merged into Advantest on July 1, 2010:

Advantest Manufacturing, Inc. (production)

Advantest Customer Support Corporation
(maintenance services)



Enhanced Speed & Efficiency

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To further improve our profitability, we have undertaken initiatives to improve design quality, shorten product development cycles, boost production efficiency, streamline our supply chain and improve operation efficiency.

One step that we will take on July 1, 2010, is the merger of our manufacturing subsidiary Advantest Manufacturing, and our maintenance services subsidiary Advantest Customer Support into Advantest.

This merger will enable us to review our development, manufacturing, sales, and service processes from the customer's perspective to enhance our management speed and efficiency.

Management Priorities

- ◆ **New Businesses**
 - ▶ **Launch of the TAS7000
3D Imaging Analysis System**



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We are also engaged in developing new businesses.

One example is the development of the “TAS7000” 3D imaging analysis system using terahertz waves, which was launched in April 2010.

The TAS7000 enables non-destructive 3D imaging of the internal structure of the target object and analyzes its chemical composition and structural defects.

We are also involved in various other new businesses, and we are focusing our efforts on developing these businesses so that they can contribute to our sales as soon as possible.

Management Priorities

◆ Corporate Initiative “1000 Days”



Period: July 2009 to March 2012

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The Advantest Group launched our new corporate initiative “1000 Days” in July 2009.

The purpose of this initiative is to achieve profitability over the three fiscal years from 2009 to 2011 by

Valuing each and every day and

Holding true to our medium-to long-term vision.

With the slogan, “The Challenge to Change!”, everyone in the company is working in concert to boldly forge ahead without fear of failure to achieve the target of cumulative profitability over the period of the initiatives.

I hope that all of you, our shareholders, will continue to provide your support and guidance in the future.

Thank you very much.

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", "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.

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