

Advantest Corporation
Information Meeting

Financial Results for the 3rd Quarter of Fiscal 2008

January 28, 2009

Hiroshi Nakamura
Executive Officer
Vice President, Corporate Administration Group

Presentation:

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Executive Officer,
Vice President, Corporate Administration Group

Summary of Achievements

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(In Billions of Yen)

	FY'07				FY'08				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	Q on Q (%)	Y on Y (%)
Orders	53.2	42.0	31.2	35.8	18.2	18.1	8.9	-51.3%	-71.7%
Sales	57.1	57.8	35.0	32.9	26.5	26.0	14.6	-44.0%	-58.3%
Operating Income	11.7	12.9	1.0	-2.9	-1.8	-2.1	-11.6	—	—
Non-operating Income	3.4	-0.6	1.0	-3.0	1.5	-2.5	-1.5	—	—
Income before Tax	15.1	12.3	2.0	-5.9	-0.3	-4.6	-13.1	—	—
Net Income	9.9	7.0	3.0	-3.3	-0.2	-2.7	-7.8	—	—
Backlog	49.0	33.2	29.5	32.4	24.1	16.2	10.4	-35.6%	-64.7%

2

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○ Summary of Results for the Third Quarter of Fiscal 2008

- Orders : 8.9 billion yen
- Sales : 14.6 billion yen

Orders, sales, and operating income all decreased significantly compared to the previous quarter.

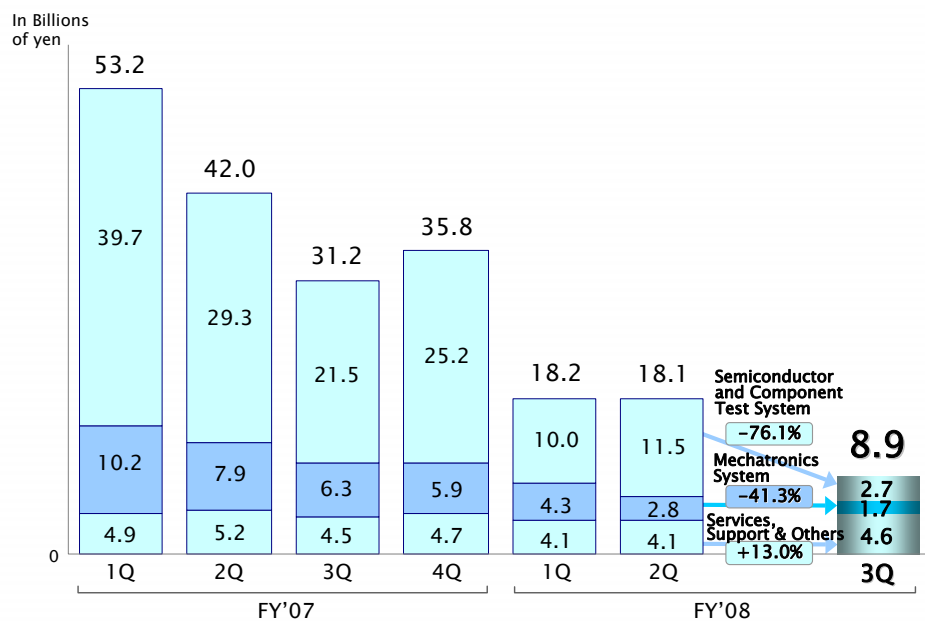
- Non-operating Loss: 1.5 billion yen

Main contributing factors:

- 1) Losses linked to exchange rate fluctuations
- 2) Losses from impairment of investment securities

Orders by Business Segment

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3

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○ Third quarter, fiscal 2008

Orders by business segment:

○ Semiconductor and component test systems

- 2.7 billion yen, a 76.1% drop from the previous quarter

Memory test systems:

Memory test systems for graphic DRAM and DDR3, which were solid through Q2, saw a sharp decrease.

Non-memory test systems:

Demand for T2000 products, including test modules for next-generation MPUs, dropped steeply.

○ Mechatronics

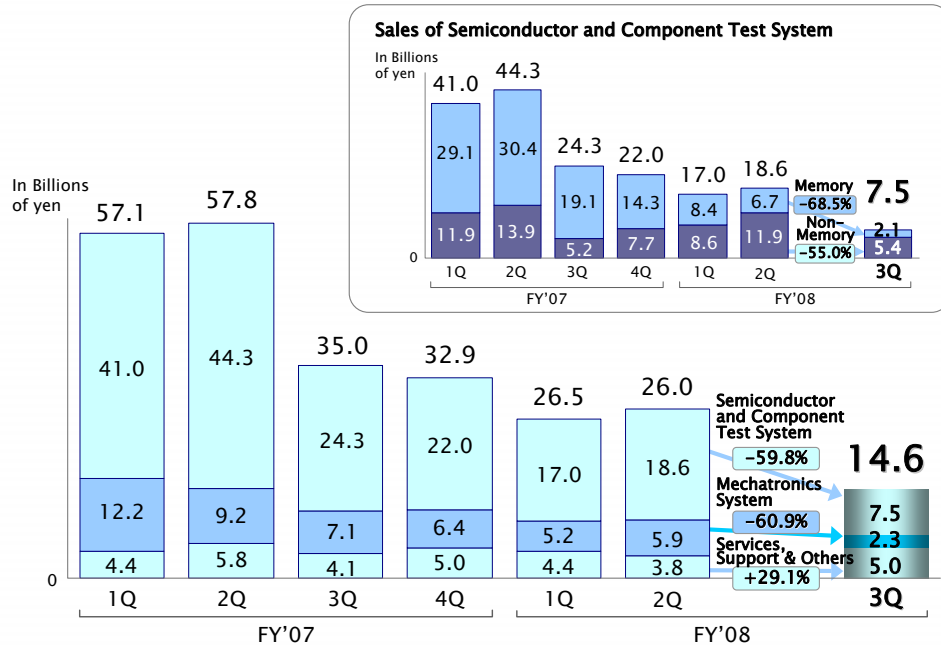
- 1.7 billion yen, a 41.3% drop from the previous quarter
Due to weak demand especially for back-end testers, orders for device interfaces and handlers saw a decrease.

○ Services, Support & Others

- 4.6 billion yen, a 13% increase from the previous quarter
Orders climbed slightly due to factors including the purchase of lease assets.

Sales by Business Segment

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○ Third quarter, fiscal 2008

Sales by business segment:

○ As shown in the graph above,

- Sales of memory test systems fell 68.5% from the previous quarter.

Main contributing factor:

DRAM makers in South Korea and Taiwan suffered a sales decrease.

- Sales of non-memory test systems fell 55% from the previous quarter.

Main contributing factors:

1) For the T2000:

a decrease in sales of next-generation MPUs and ICs for home electronics.

2) For LCD driver IC test systems:

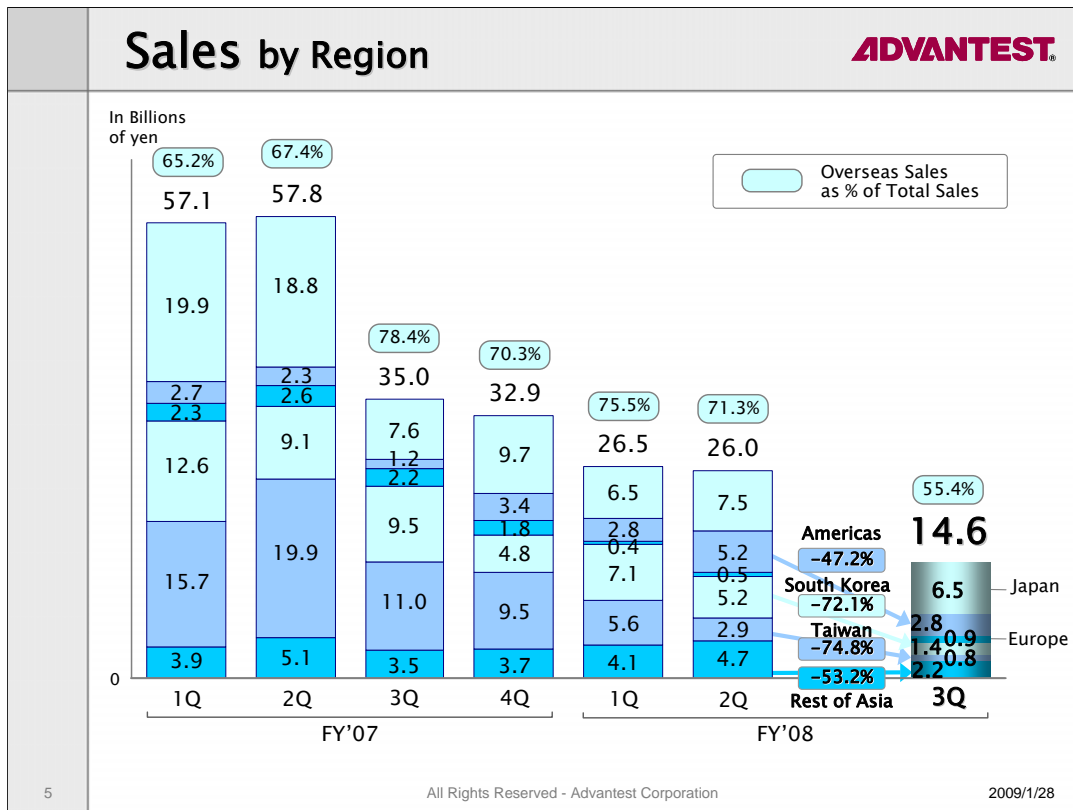
a decrease in sales in Japan.

○ Mechatronics

- Sales fell 60.9% from the previous quarter to 2.3 billion yen

Main contributing factor:

Sales of handlers and device interfaces were damaged by weak tester demand.



○ Third quarter, fiscal 2008

Sales by region:

○ Regions where sales declined from the previous quarter:

- Americas: 2.8 billion yen (47.2% down on quarter)
- Rest of Asia: 2.2 billion yen (53.2% down on quarter)

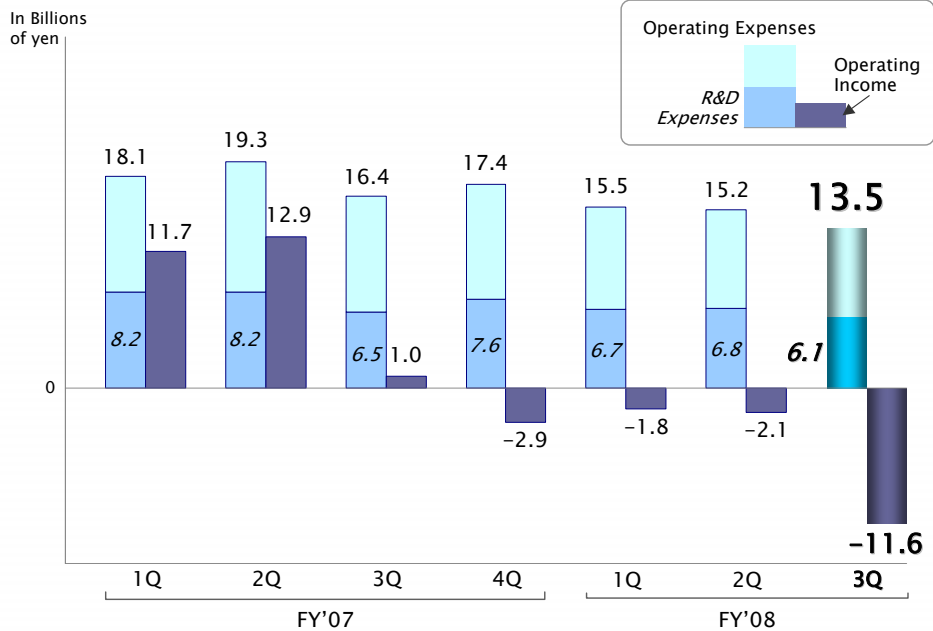
Declines were principally driven by weak T2000 sales (including test modules for next-generation MPUs) .

- South Korea: 1.4 billion yen (72.1% down on quarter)
- Taiwan: 0.8 billion yen (74.8% down on quarter)

This decline was principally due to reduced sales of DRAM test systems.

Operating Expenses and Operating Income

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6

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○ Third quarter, fiscal 2008
Operating expenses:

○ Overall operating expenses:

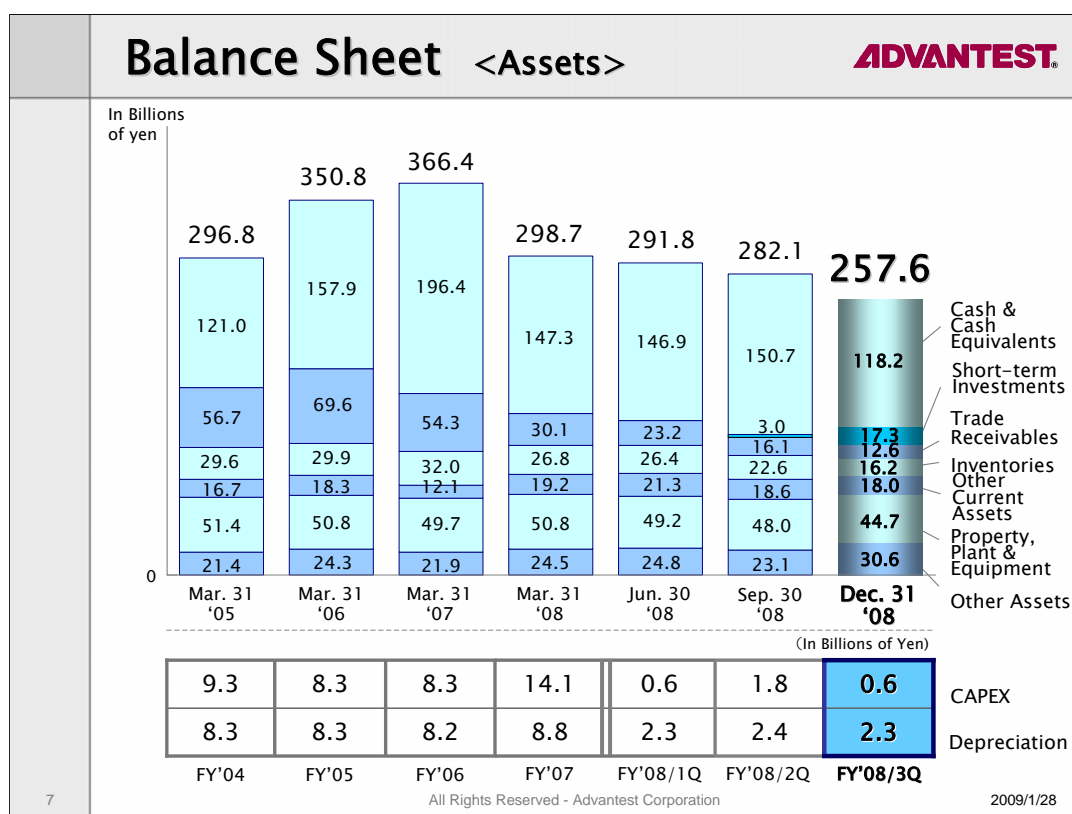
- 13.5 billion yen, down 1.7 billion yen from the previous quarter of which R&D expenses: 6.1 billion yen, down 0.7 billion yen from the previous quarter.

○ Operating loss:

- 11.6 billion yen, compared to an operating loss of 2.1 billion yen in the previous quarter.

Main contributing factor:

- 1) Decline in sales
- 2) Inventory write-down



○ Balance sheet, as of the end of December 2008

Assets:

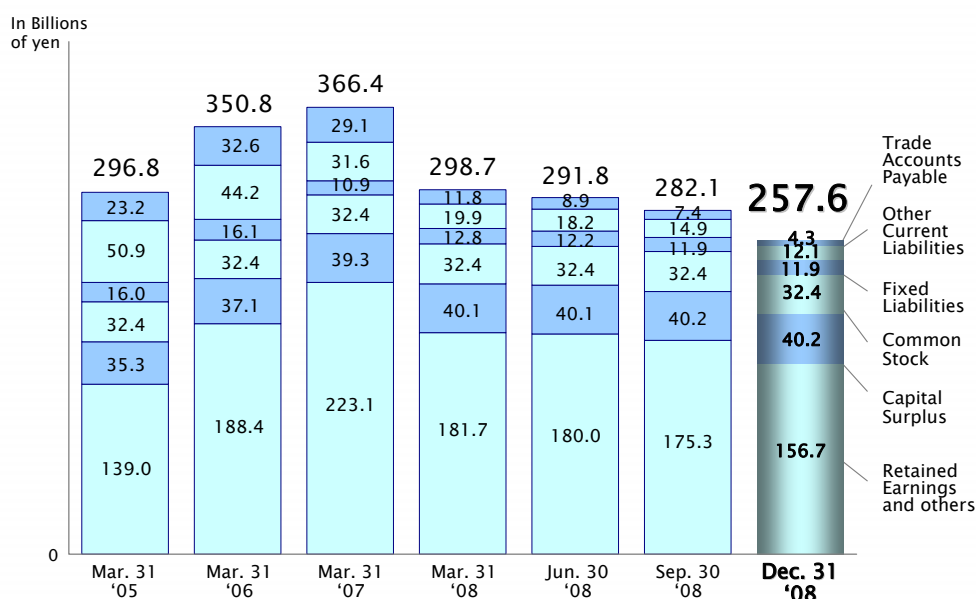
- Total assets: 257.6 billion yen
(down 24.5 billion yen from the end of September 2008)
- Cash and cash equivalents: 118.2 billion yen
(down 32.5 billion yen from the end of September 2008)
- Short-term Investments: 17.3 billion yen
(up 14.3 billion yen from the end of September 2008)
- Trade receivables: 12.6 billion yen
(down 3.5 billion yen from the end of September 2008)
- Inventories: 16.2 billion yen
(down 6.4 billion yen from the end of September 2008)

Declines were principally driven by inventory write-down.

- Capital expenditures in 3Q: 0.6 billion yen
(compared to 1.8 billion yen in 2Q)

- Depreciation in 3Q: 2.3 billion yen
(almost unchanged from 2Q)

Balance Sheet <Liabilities & Equity> **ADVANTEST.**



8

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○ Balance sheet, as of the end of December 2008

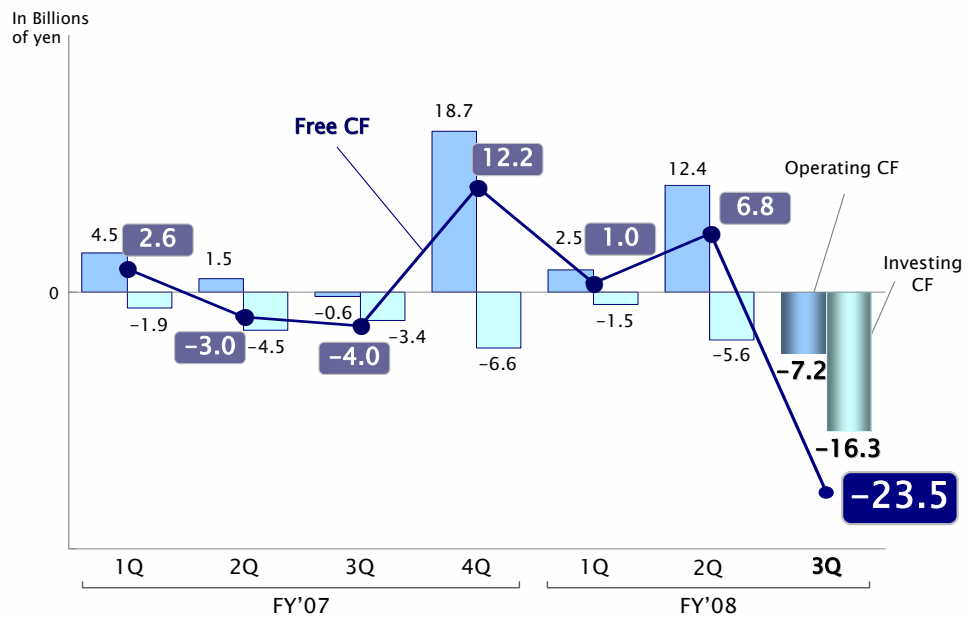
Liabilities and equity:

- Trade accounts payable:
4.3 billion yen
(down 3 billion yen from the end of September 2008)
- Other current liabilities:
12.1 billion yen
(down 2.8 billion yen from the end of September 2008)
- Retained earnings and others:
156.7 billion yen
(down 18.6 billion yen from the end of September 2008)

Of this decrease, 6.4 billion yen was a decrease in comprehensive income.

Cash Flow

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9

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○ Third quarter, fiscal 2008

Cash flow (CF):

- Operating cash flow: expenditures of 7.2 billion yen, of which net loss of 7.8 billion yen this quarter
- Investing cash flow: expenditures of 16.3 billion yen, of which short-term investments: 15.4 billion yen
- Free cash flow: negative 23.5 billion yen

NOTE

•Prepared in accordance with US GAAP

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