

**Advantest Corporation
Information Meeting**

Financial Results for 1st Quarter of FY2012

July 26, 2012

**Hiroshi Nakamura
Director and Managing Executive Officer**

Summary of Results								ADVANTEST®
	(¥B)							
	FY2011				FY2012			
	1Q	2Q	3Q	4Q	Results	1Q		
						Q o Q (%)	Y o Y (%)	
Orders	38.4	27.6	25.9	34.3	46.2	+34.5	+20.1	
Sales	26.8	37.7	30.7	45.8	33.4	-27.3	+24.2	
Cost of Sales	13.7	20.5	17.3	20.8	15.8	-24.1	+14.8	
Gross Margin	13.1	17.2	13.4	25.0	17.6	-30.0	+34.2	
Operating Income	0.8	-3.1	-3.0	6.1	0.8	-87.7	-3.6	
Non-Operating Income	-0.4	-2.0	-0.4	-1.4	0.5	-	-	
Income before Tax	0.4	-5.1	-3.4	4.7	1.3	-73.0	+231.7	
Net Income	0.3	-4.8	-3.2	5.5	0.4	-92.4	+22.4	
Backlog	41.2	40.0	35.2	23.6	36.4	+54.3	-11.6	

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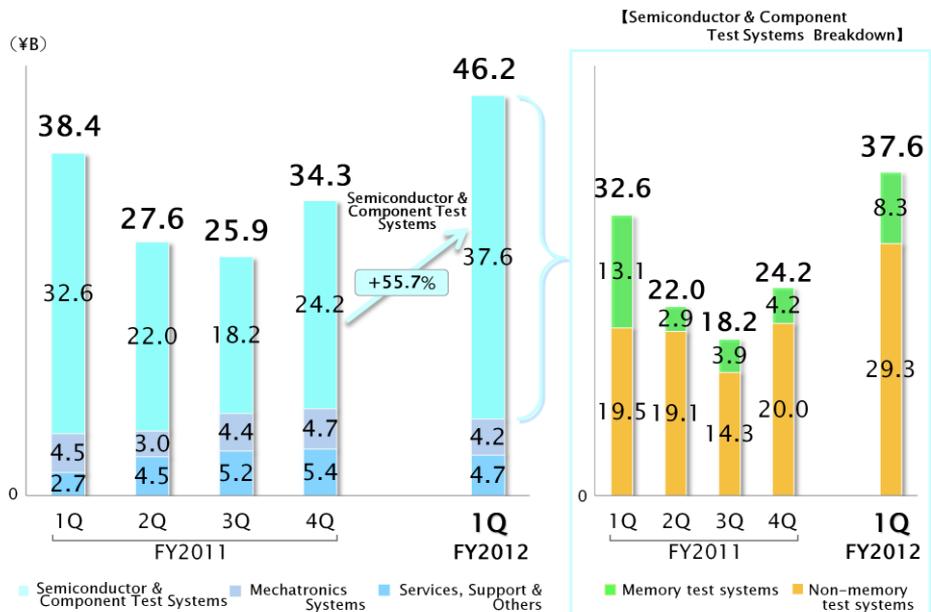
○ FY2012 1Q Results Overview

- Orders ¥46.2B +34.5% Q on Q
Inquiries for non-memory testers grew strongly for application processors and baseband processors, which are used in smartphones and tablet computers
- Sales ¥33.4B -27.3% Q on Q
Bulk order sales to microprocessor makers booked in the previous period
- Operating income ¥0.8B
- Pre-tax income ¥1.3B
- Net income ¥0.4B

○ Backlog ¥36.4B

Orders by Business Segment

ADVANTEST



Note: Intersegment Transactions have been eliminated from totals

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○ FY2012 1Q Orders by Business Segment

○ Semiconductor & component test systems

- +55.7% Q on Q ¥37.6B

(Main factors in increase)

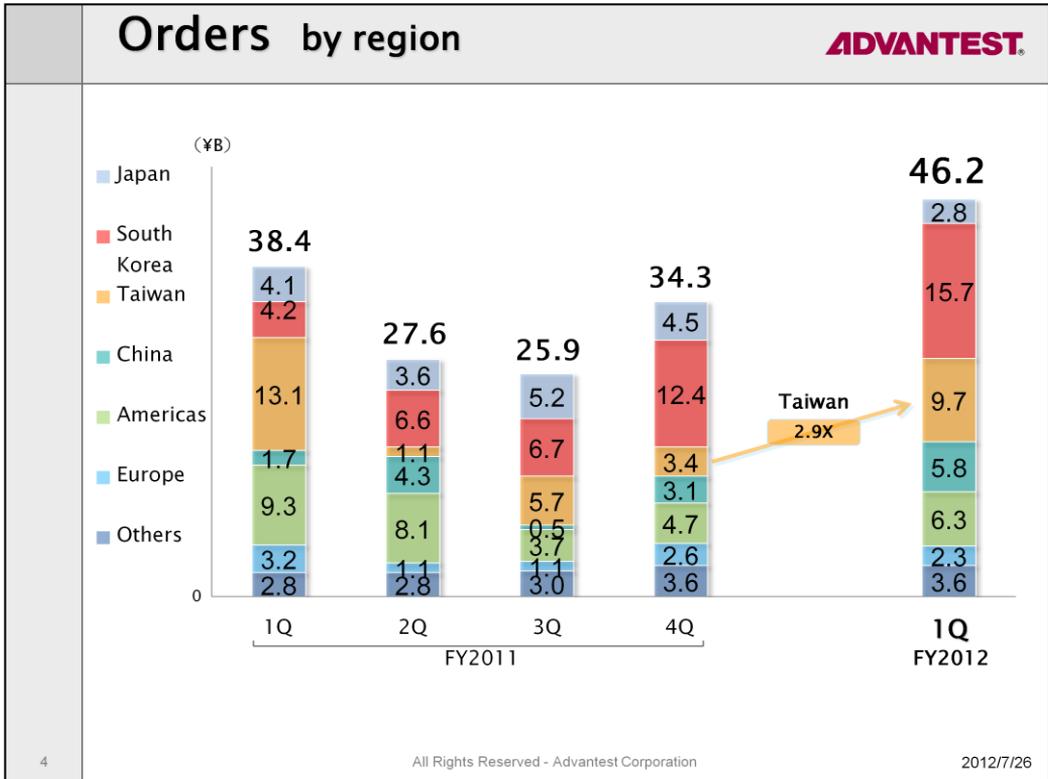
- Non-memory testers
 - V93000 orders up for applications processors and baseband processors
- Memory testers
 - Higher orders for mobile DRAM, NAND flash memory testers

○ Mechatronics systems

- -12.5% Q on Q ¥4.2B

○ Services, support & others

- -13.0% Q on Q ¥4.7B



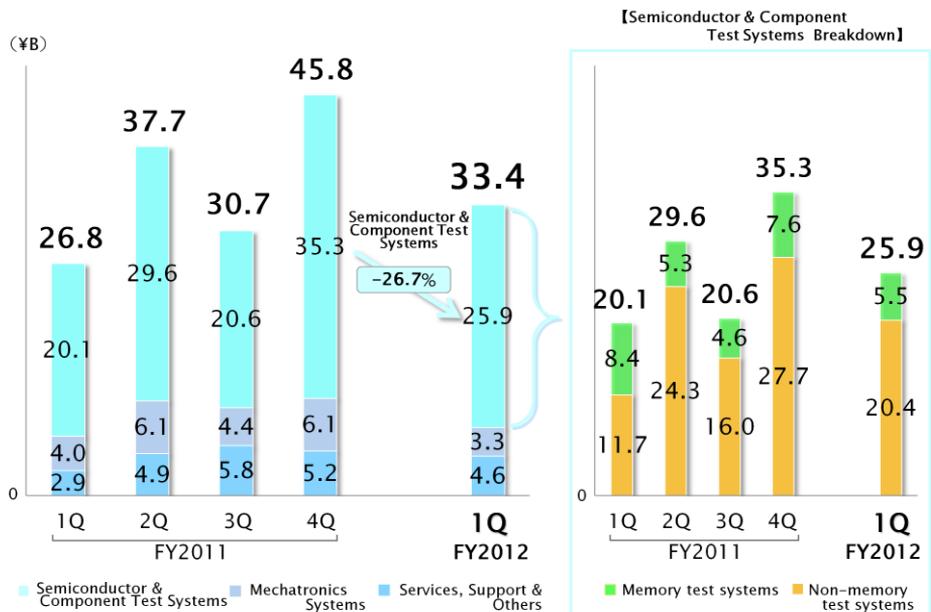
○ FY2012 1Q Orders by Region

- Taiwan
 - Marked growth, 2.9 X Q on Q, to ¥9.7B
Mainly V93000

- S. Korea, China
 - Growth in mobile DRAM and NAND flash applications

Sales by Business Segment

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○ FY2012 1Q Sales by Business Segment

○ Semiconductor & Component Test Systems

- -26.7% Q on Q ¥25.9B

(Main factor in decrease)

- Non-memory testers
 - Lower T2000 sales to microprocessor makers

○ Mechatronics Systems

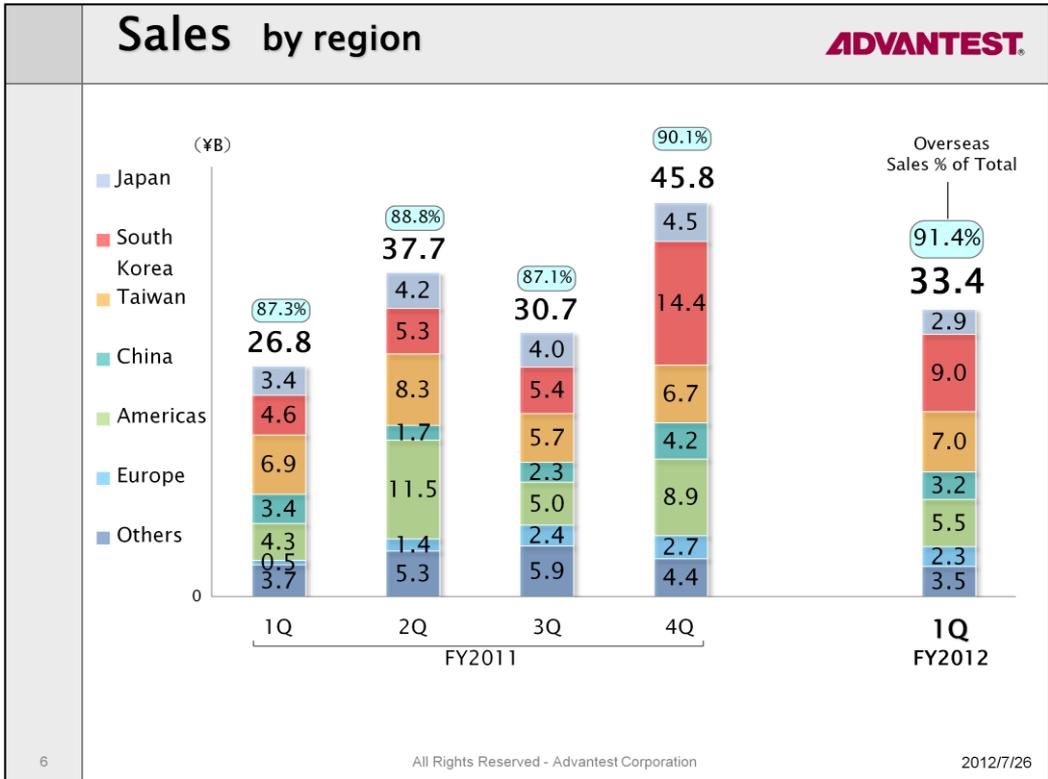
- -44.9% Q on Q ¥3.3B

(Main factor in decrease)

- Test handlers
 - Bulk order sales booked in the previous period

○ Services, Support & Others

- -11.3% Q on Q ¥4.6B



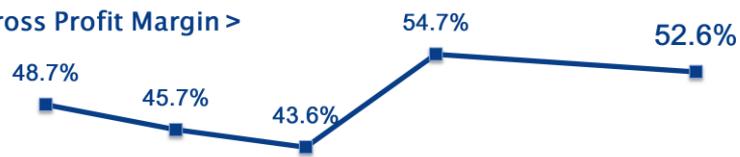
○ FY2012 1Q Sales by Region

- S. Korea
 - Lower T2000 sales for application processor testing

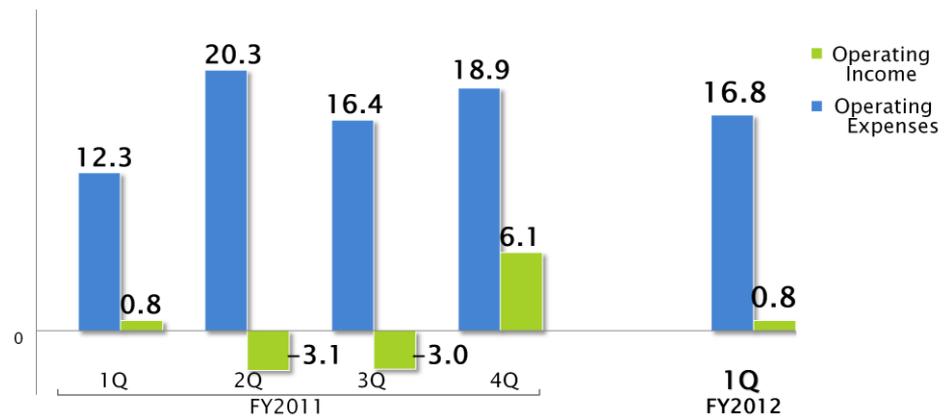
- US
 - Decrease due to T2000 bulk order sales to microprocessor makers booked in the previous period

Operating Inc./Gross Profit Margin/Operating Exp. **ADVANTEST**

< Gross Profit Margin >



< Operating Expenses – Operating Income >
(¥B)



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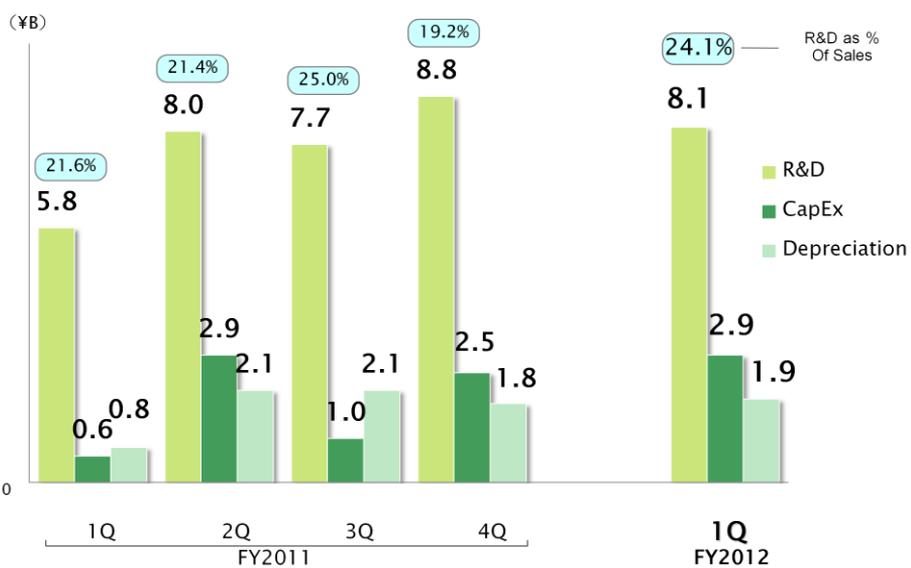
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- FY2012 1Q Operating Income
- In FY2012 1Q
 - Gross margin 52.6%
 - Operating expenses ¥16.8B
 - Operating income ¥0.8B

R&D Expenses/CapEx/Depreciation

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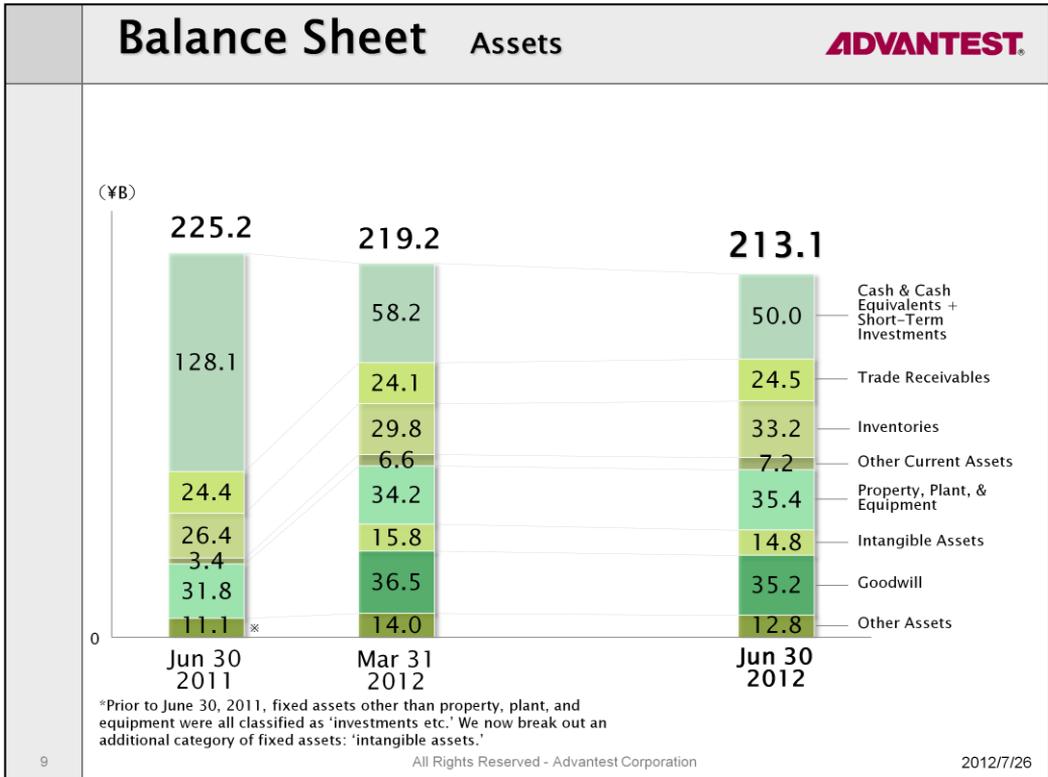
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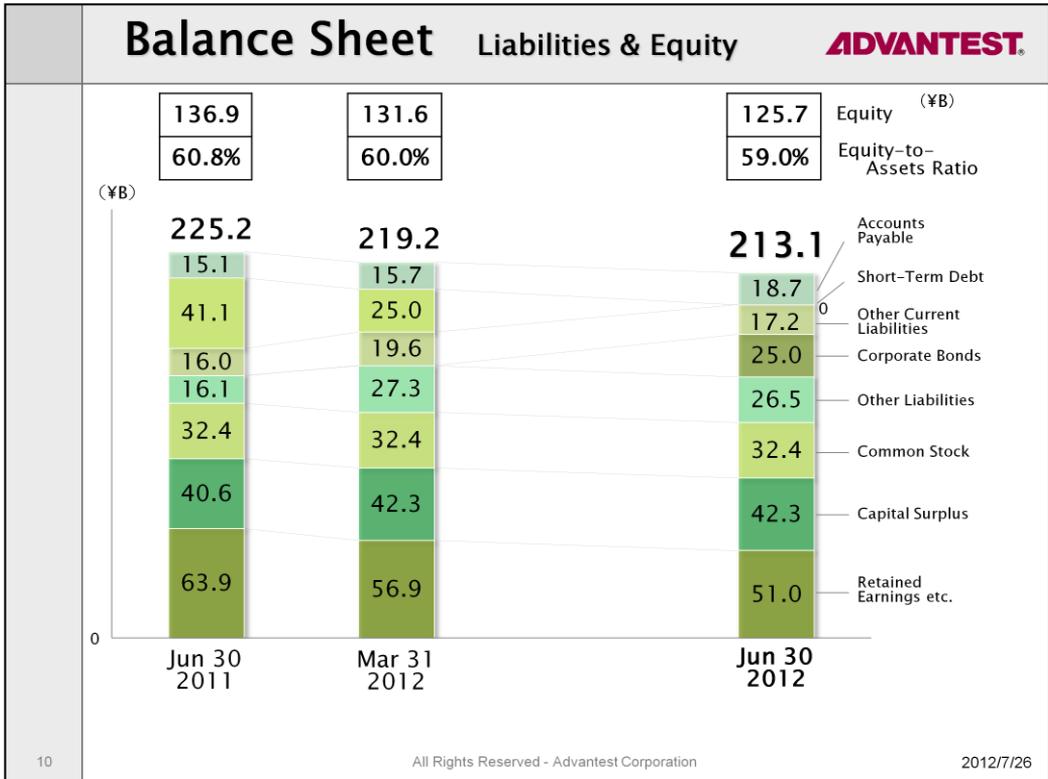
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○ FY2012 1Q Operating Expenses

- R&D ¥8.1B
- Capex ¥2.9B
- Depreciation ¥1.9B



- Balance Sheet as of Jun 30, 2012
- Assets
 - Cash, cash equivalents & short-term investments
-¥8.2B over Mar 31, 2012 ¥50B
 - Inventories
+¥3.4B over Mar 31, 2012 ¥33.2B
- Total assets
-¥6.1B over Mar 31, 2012 ¥213.1B



○ Liabilities & Equity

- Corporate Bonds ¥25B
 Issued to repay short-term debt
- Shareholders' equity ¥125.7B
- Equity-to-assets ratio
 -1pp over Mar 31, 2012 59.0%

FY2012 Q1 Business Update

**“Main Drivers Still Lie with
Smartphones, Tablets
and Ultrabooks”**

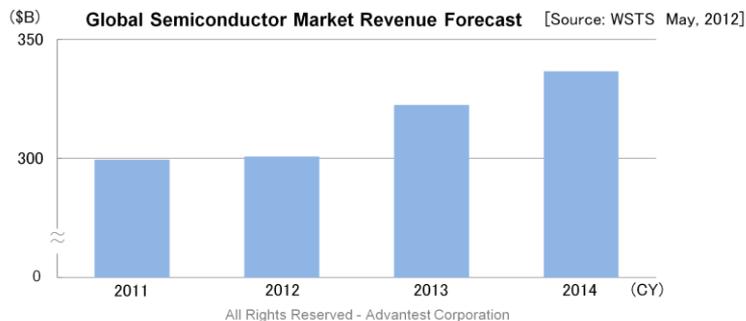
~V93000 Orders: New Record~

July 26, 2012

**Haruo Matsuno
Representative Director, President & CEO**

◆ Semiconductor market to maintain growth track

- Solid growth in high-end & low-end smartphones
- Tablet and ultrabook market further invigorated by new products, including the Windows 8 launch
- ⇒ Capture growth opportunities widely with industry-leading customer base and product portfolio



○ Advantest's Market Outlook

- To date high-end smartphones have been a semiconductor market driver. Going forward low-end models will also gain strength, and we expect solid growth in the smartphone space.
- For tablet computers and ultrabook PCs, increasing competition among tablet models and new product launches including the Windows 8 release is driving functionality ever higher and we foresee strong growth in these products.
- Growth in these mobile devices will bring steady semiconductor market expansion.
- Our products, memory and non-memory, are used by tier one semiconductor makers. We are in a great position to capture growth opportunities.

FY2012 Tester Demand Outlook **ADVANTEST.**

◆ Mobile device applications to continue to drive tester demand

Capex will rise and fall depending on customer and period, but testing capacity needs are growing, and we expect solid tester demand in all applications for the full year.

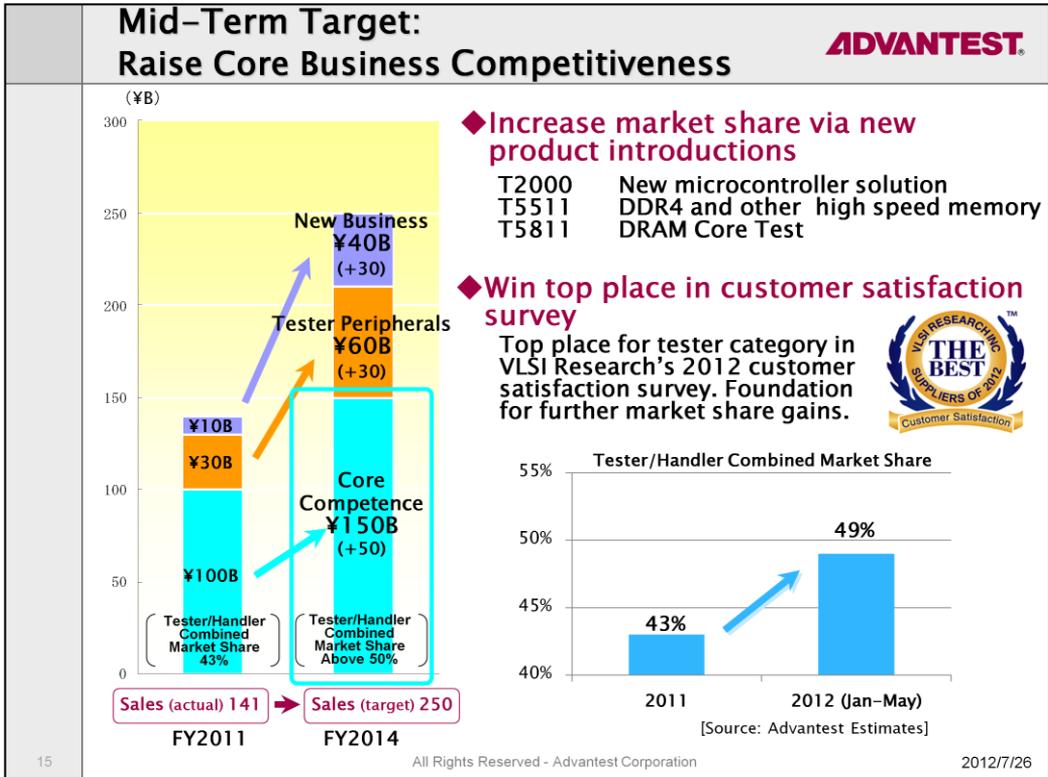
		1H	2H
Non-Memory	MPU / AP (Hi-end Digital)		
	Baseband / RF (SoC)		
	LCDdr. / CIS / PMIC		
Memory	DRAM		
	NAND Flash		

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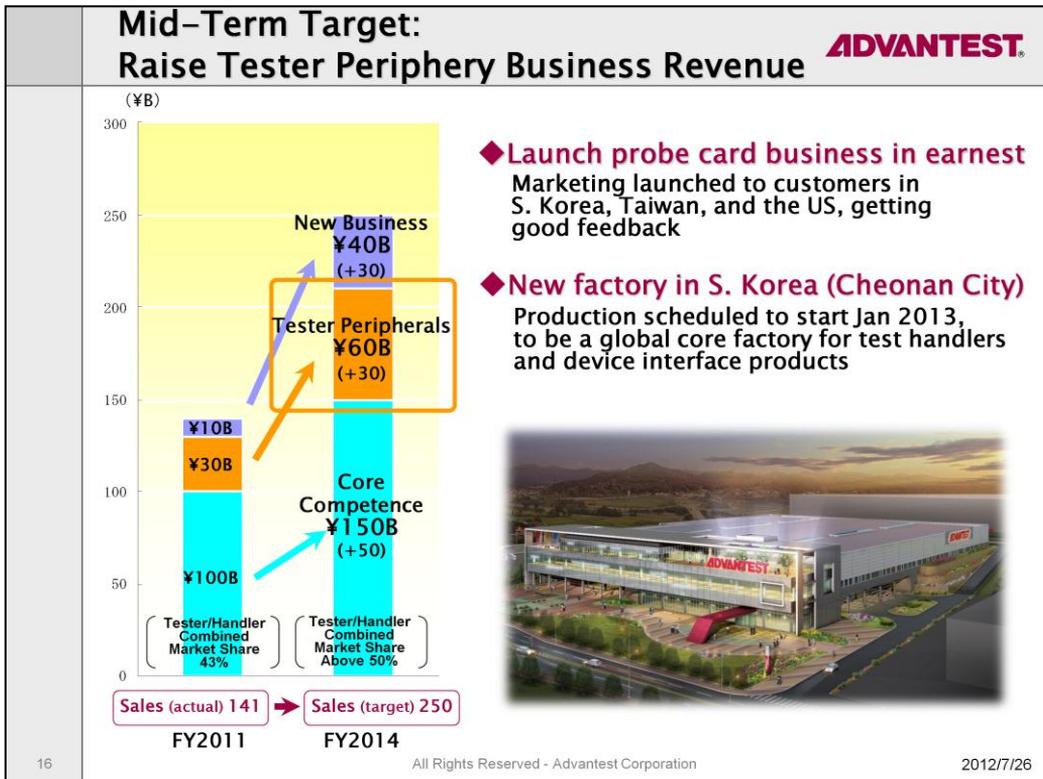
2012/7/26

- FY2012 Tester Demand Outlook
- Again, mobile device functionality is increasing and market expanding, and semiconductor makers are steadily increasing capacity. Customers' capex is sometimes weak and sometimes strong depending on the quarter, but for the full year we expect growth overall.
- Non-memory testers
 - Hi-end digital applications like MPU/AP to grow in 2H.
 - Telecom-related chip applications, such as baseband, is growing markedly in 1H, but we expect some demand in 2H also.
 - For other applications, we expect growth in CMOS image sensors in 2H but slow growth overall for the full year.
- Memory testers
 - DRAM tester demand should recover gradually over the full year.
 - NAND flash memory tester demand should grow steadily as customers that use our testers are expanding capacity aggressively.



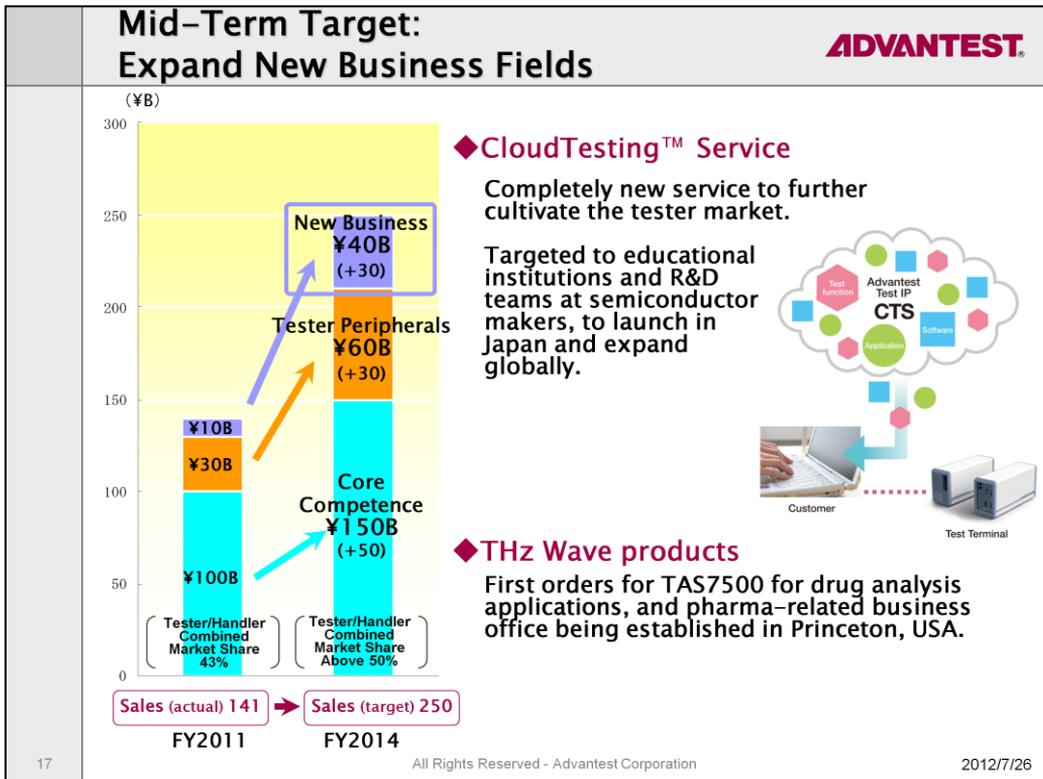
○ Progress in Mid-Term Management Targets

- First, testers and handlers, our core business
- Our policy of continuously introducing products that lead the market to maintain and raise market share has not changed with the Verigy integration. In Q1 we introduced new products in multiple markets.
- The Verigy integration is progressing smoothly. In the first customer satisfaction survey since the acquisition closed, we rose even higher in the rankings and were No.1 in the tester category. The New Advantest is off to a great start.
- Post integration, the higher levels of trust we have gained from customers will be a big foundation for further market share gains going forward.
- Our combined tester and handler market share in the Jan-May 2012 period was 49%, up 6% from 2011 year-end, according to our estimates. In future we will work to further raise market share and reach out 2014 target of tester and handler market share above 50%.



○ Next, Developments in Tester Periphery Business

- We aim for sales of ¥60B in this business, and probe cards will be a key growth driver.
 To date we are marketing the products to customers in S. Korea, Taiwan and the US and have received strong feedback from multiple customers.
- Moreover, our new factory under construction in Cheonan, S. Korea will play a core role in the global expansion of our handler and device interface businesses.
 Broke ground in June and construction started; production scheduled to start Jan 2013.



○ Finally, Progress in New Business Field Expansion

- We are cultivating businesses in a variety of fields for future growth. Status of main projects as of 1Q is as follows.
- CloudTesting Service, to launch this autumn, will open up a new market for testing solutions, targeting testing needs in the classroom and R&D lab. We've already received inquiries and have high expectations for this business.
- THz Wave products have had a successful launch and the TAS7500, launched in April for drug analysis solutions has received its first order. Also, to speed along the rollout of the pharma-related business, we are establishing an office in the US East Coast, where drug makers have many operations.
- As shown in this presentation, we are strengthening our growth foundations in tester periphery and new business fields, and will link this to meeting mid-term management targets.

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.