

**Advantest Corporation
Information Meeting**

Financial Results for 2nd Quarter of FY2012

October 25, 2012

**Hiroshi Nakamura
Director and Managing Executive Officer**

Summary of Results

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(¥B)

	FY2011				FY2012				
	1Q	2Q	3Q	4Q	1Q	2Q		1H	
						Results	QoQ (%)	Results	YoY (%)
Orders	38.4	27.6	25.9	34.3	46.2	25.3	-45.2	71.5	+8.3
Sales	26.8	37.7	30.7	45.8	33.4	39.2	+17.5	72.6	+12.6
Cost of Sales	13.7	20.5	17.3	20.8	15.8	18.7	+18.4	34.5	+0.9
Gross Profit	13.1	17.2	13.4	25.0	17.6	20.5	+16.8	38.1	+25.8
Operating Income	0.8	-3.1	-3.0	6.1	0.8	2.6	+245.6	3.4	-
Non-Operating Income	-0.4	-2.0	-0.4	-1.4	0.5	-0.8	-	-0.3	-
Income before Tax	0.4	-5.1	-3.4	4.7	1.3	1.8	+48.3	3.1	-
Net Income	0.3	-4.8	-3.2	5.5	0.4	1.1	+158.9	1.5	-
Order Backlog	41.2	40.0	35.2	23.6	36.4	22.5	-38.1	22.5	-43.6

2

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○ FY2012 2Q Results Summary

- Orders ¥25.3B -45% QoQ
- Sales ¥39.2B +18% QoQ
- Operating Income ¥2.6B
- Income Before Tax ¥1.8B
- Net Income ¥1.1B

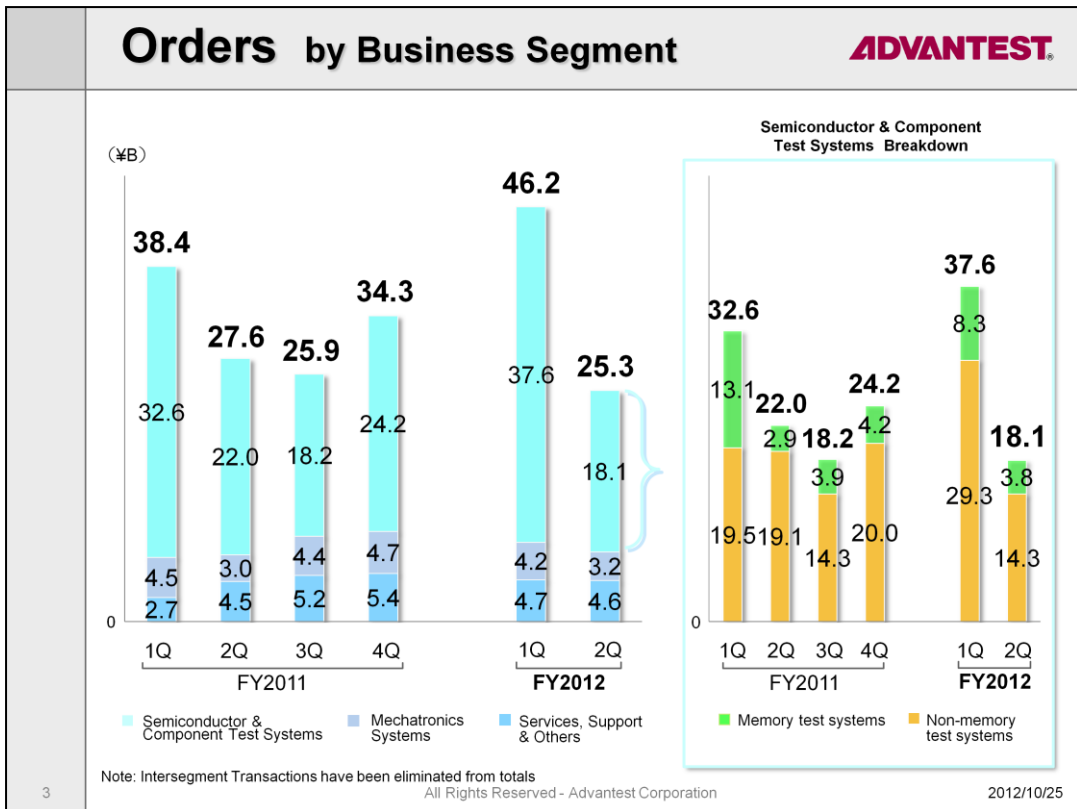
Main non-operating loss factors were FX (-¥0.4B) and valuation loss on investment securities (-¥0.4B).

○ FY2012 1H Results Summary

- Orders came in about 5% short of the ¥75B estimate (lower end of the estimate range) announced in July. Sales and operating income both were within the estimate range.

- Orders ¥71.5B +8% YoY
- Sales ¥72.6B +13% YoY
- Operating income ¥3.4B
- Income Before Tax ¥3.1B
- Net Income ¥1.5B

- Order backlog was ¥22.5B, down ¥13.9B from the end-of-June figure.



○ FY2012 2Q Orders by Segment

- Orders were forecast to fall from 1Q levels, as announced in July, but results were below ¥28.8B, the low end of the forecast range.
- Reason for missing estimates: weaker memory tester market.

○ Semiconductor & Component Test Systems

- ¥18.1B -52% QoQ
- Non-memory testers ¥14.3B
- Memory testers ¥3.8B

(Main factors in the decrease)

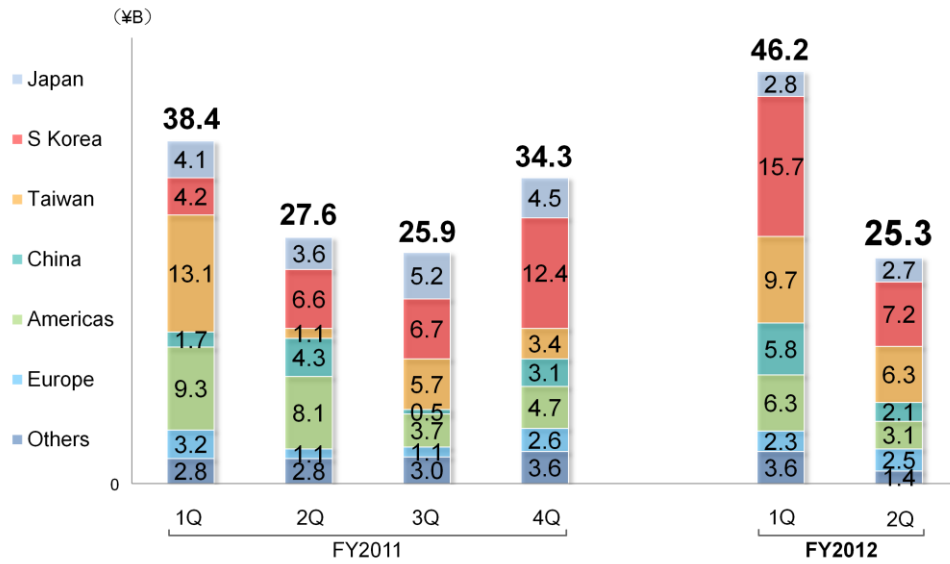
- Non-Memory
 - Bulk V93000 orders expected for 2Q came in 1Q, resulting in a fall in 2Q.
- Memory
 - Weak PC demand and falling DRAM prices caused new order demand to quickly drop from summer onward.

○ Mechatronics Systems

- ¥3.2B -23% QoQ
- Declined in step with the decrease in new tester orders.

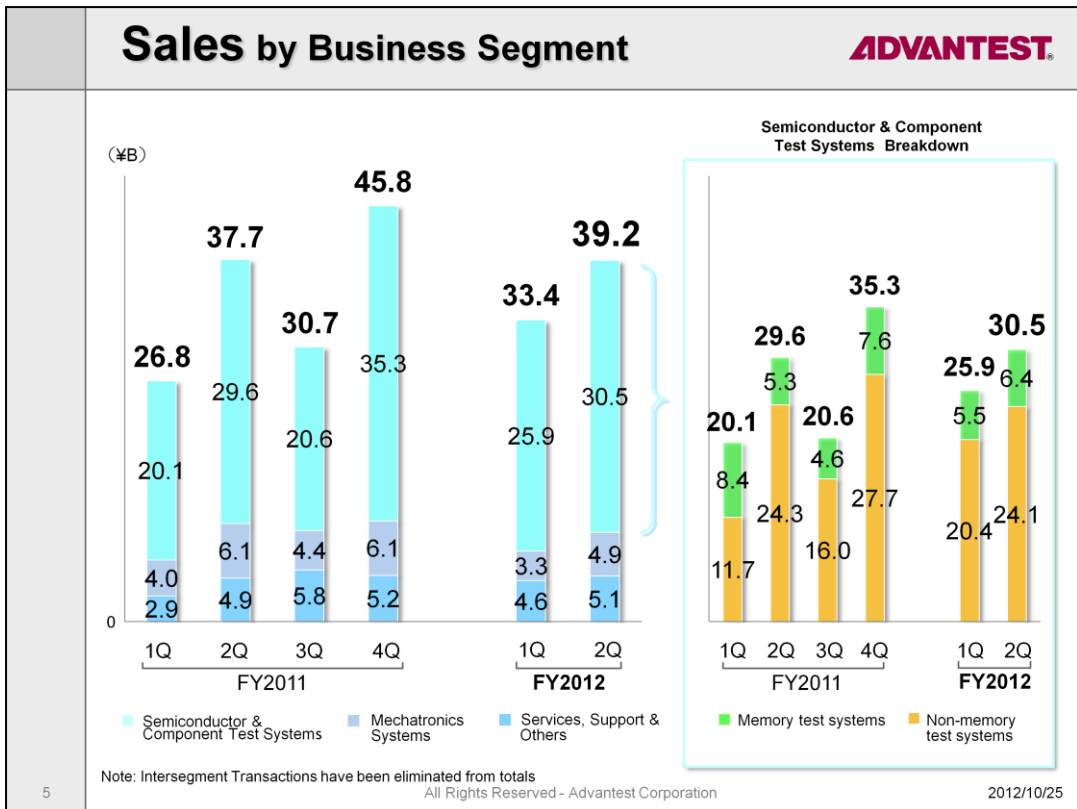
Orders by region

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○ FY2012 2Q Orders by Region

- Lower in almost every region
- South Korea
Decrease particularly large as bulk orders that were expected for 2Q came in during 1Q, resulting in a fall in 2Q.



○ FY2012 2Q Sales by Business Segment

- Sales for orders received in 1Q are steadily being recognized and sales came in within the estimate range announced in July.

○ Semiconductor & Component Test Systems

- ¥30.5B +18% QoQ

(Main factors in the increase)

- Non-memory
Higher V93000 sales for communications IC applications.
- Memory
Higher T5773 sales for NAND flash memory.

○ Mechatronics Systems

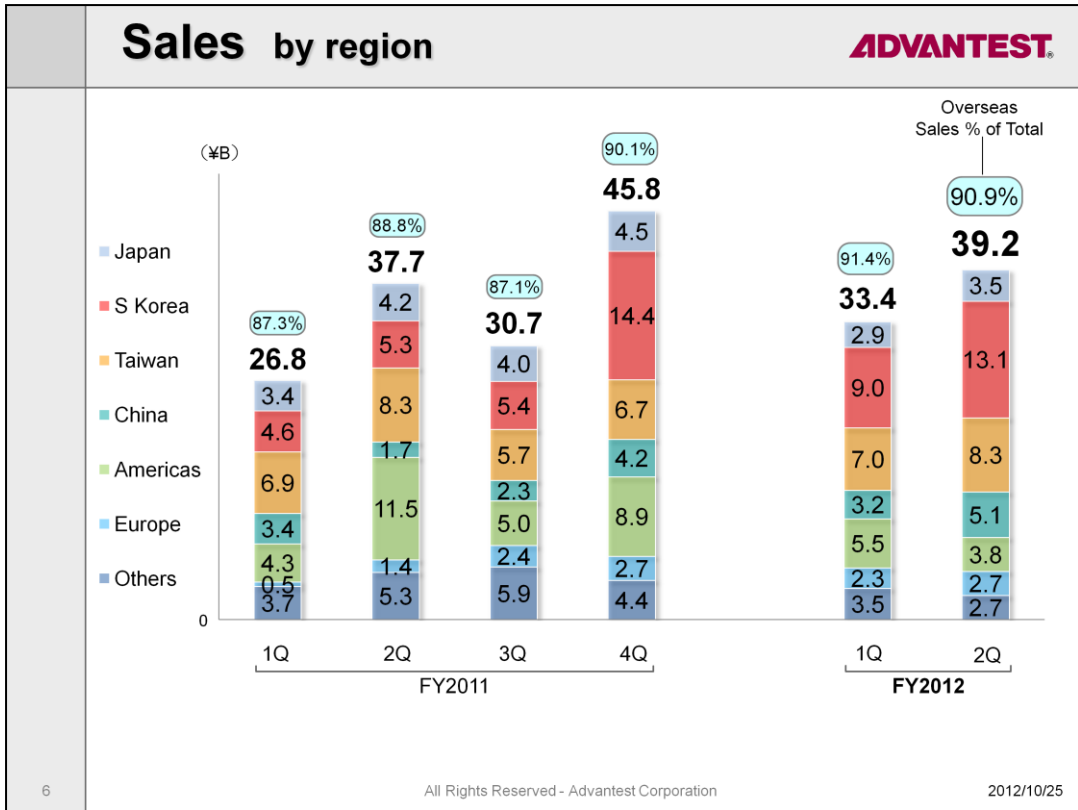
- ¥4.9B +44% QoQ

(Main factor in the increase)

- Higher logic IC handler sales.

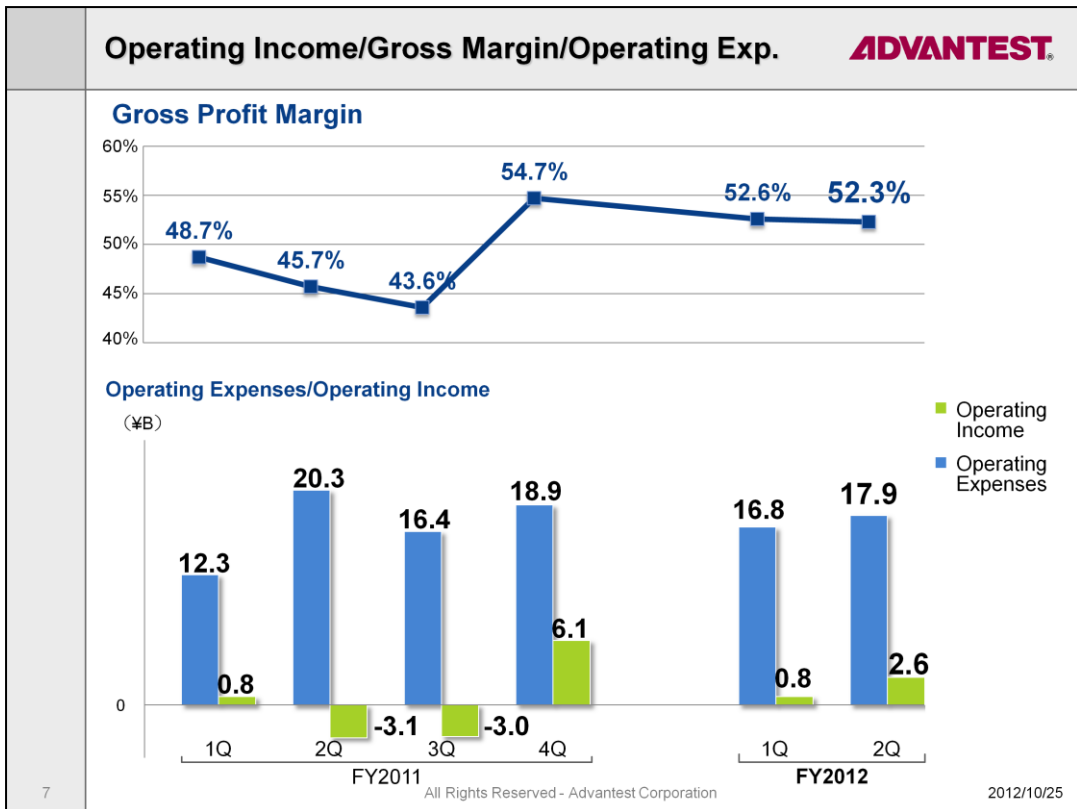
○ Service, Support and Others

- ¥5.1B +10% QoQ



○ FY2012 2Q Sales by Region

- Higher in all regions except for the Americas.
- South Korea
Higher V93000 sales for communications IC applications.
- China
Higher memory tester sales for NAND flash memory.



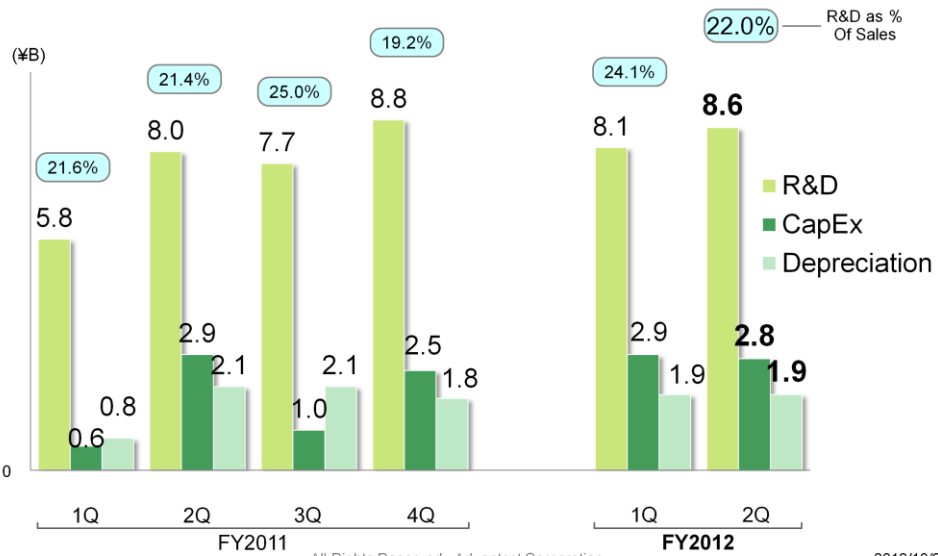
○ FY2012 2Q Operating Income

○ In FY2012 2Q

- Gross profit margin 52.3% Roughly flat QoQ
- Operating expenses ¥17.9B +¥1.1B QoQ
Main factor in increase was one-time bonuses paid to employees.
- Gross profit grew in excess of the operating expense increase.
Operating income ¥2.6B +¥1.9B QoQ

R&D Expenses/CapEx/Depreciation

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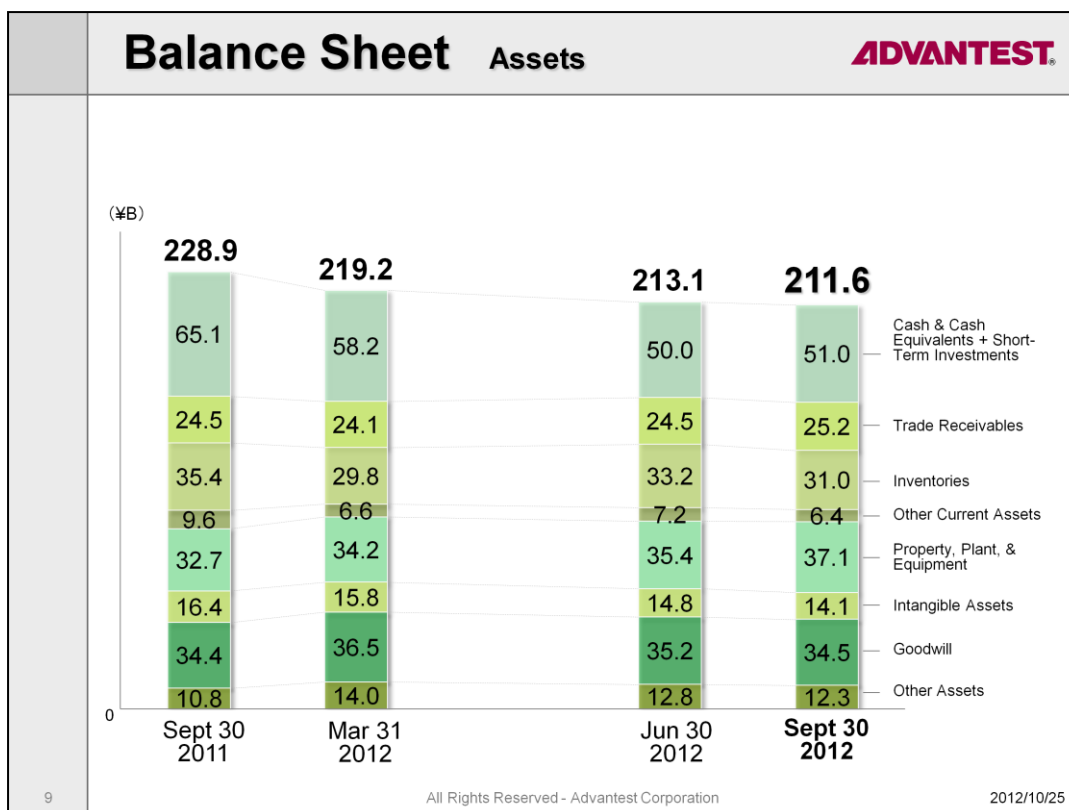
8

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○ FY2012 2Q Operating Expenses

- R&D expenses ¥8.6B +¥0.5B QoQ
Main factor was one-time bonuses paid to R&D employees.
- CapEx ¥2.8B
Main CapEx was equipment for new South Korean plant currently under construction.
- Depreciation/Amortization ¥1.9B
Includes ¥0.4 in intangible asset amortization resulting from the Verigy acquisition.



○ Balance Sheet as of Sept 30, 2012

○ Assets

- Cash, cash equivalents & short-term investments

¥51.0B +¥1.0B over Jun 30, 2012

- Inventories

¥31.0B -¥2.2B over Jun 30, 2012

Decrease in line with the increase in sales.

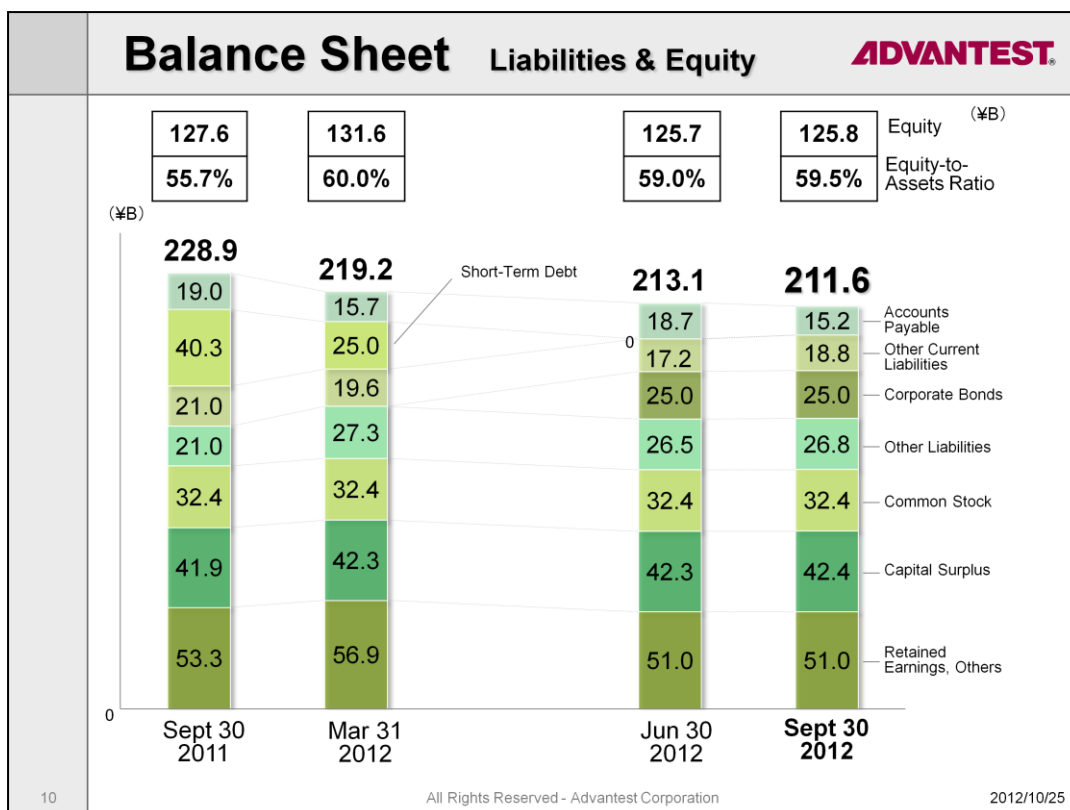
- Property, plant, and equipment

¥37.1B +¥1.8B over Jun 30, 2012

Increase due to new South Korean plant construction.

○ Total assets

¥211.6B -¥1.5B over Jun 30, 2012



○ Liabilities & Equity

- Accounts payable ¥15.2B
Decrease in line with lower orders received in 2Q.
- Equity ¥125.8B
- Equity-to-assets-ratio
59.5% 0.5 percentage points higher over Jun 30, 2012.

FY2012 2Q Business Update

**“First Half Sales and Income
Targets Met”**

**Orders Believed to have Bottomed in 2Q,
Recovery Expected in Early 2013**

October 25, 2012

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

FY2012 Earnings Forecast

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Figures in brackets are original estimates

(¥B)	FY2011 1H Result	FY2011 Full Year Result	FY2012 1H Forecast	FY2012 1H Result	FY2012 Full Year Forecast
Orders	66.0	126.2	75.0 - 80.0	71.5	142.0 - 168.0 (152.0 - 178.0)
Sales	64.5	141.0	72.0 - 77.0	72.6	140.0 - 160.0 (150.0 - 170.0)
Operating Income	-2.3	0.8	3.0 - 6.0	3.4	6.0 - 16.0 (12.0 - 20.0)

*FY2012 2H FX assumptions USD: ¥80 EUR: ¥100

Dividend per Share	¥5	¥15 (2H ¥10)	¥10	¥20 (2H ¥10 planned)
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- Sales and operating income 1H targets were met
- Reflecting slowing demand, full year estimates revised
- Orders believed to have bottomed in 2Q, recovery expected from early 2013

12

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○ 1H Review

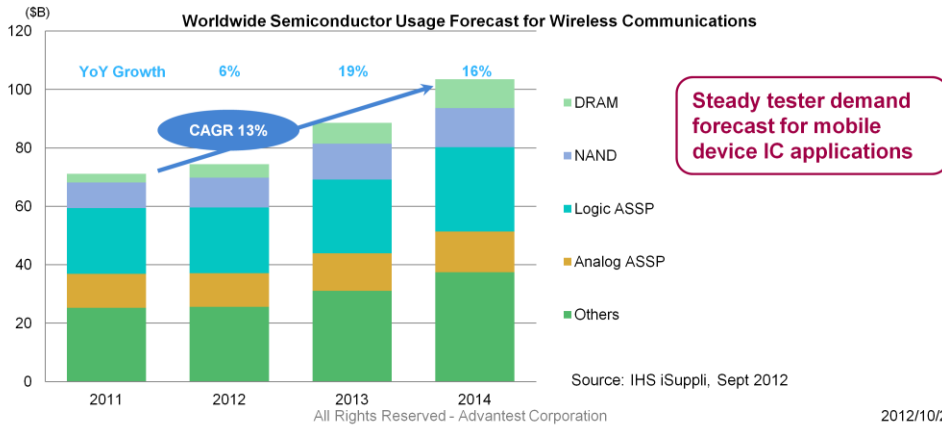
- In 1Q, orders for the V93000 set a quarterly record on strong mobile device-related demand. Memory testers also did well.
- In 2Q, memory tester demand slowed more than expected and orders missed estimates. Sales and income came in within target ranges however.
- Advantest believes the weakening in orders is due to the sluggish PC market.
- FX was also a factor in results being on the low end of estimates. Advantest is conducting more USD-based sales via the Verigy acquisition, but the JPY was stronger than forecast. FX impacted both 1H orders and sales about ¥2.0B.

○ Outlook Going Forward

- Global macro environment is quite uncertain and some customers are very cautious on new CapEx. When the PC market will recover is also unclear.
- Business slowdown has been greater than expected. Thus FY2012 full year estimates are revised as follows:
 - Orders ¥142 – 168B
 - Sales ¥140 – 160B
 - Operating Income ¥6 – 16B
- Bulk orders expected to come in during 2Q came in during 1Q, and the business environment weakened more than expected in 2Q; Advantest believes this to be the bottom. Business environment is sluggish but should recover steadily as the year-end approaches. Large demand expected for 4Q as major customers begin new fiscal years and implement new CapEx budgets.
- Mobile device-related market will be the driver of this.

◆ Mobile Device-Related Demand to Continue to be Driver

- Application processors, LCD drivers, CMOS image sensors to drive 2H orders
- NAND, DRAM markets expected to recover from early 2013
- Capture tablet computer and low-end smartphone-related growth opportunities

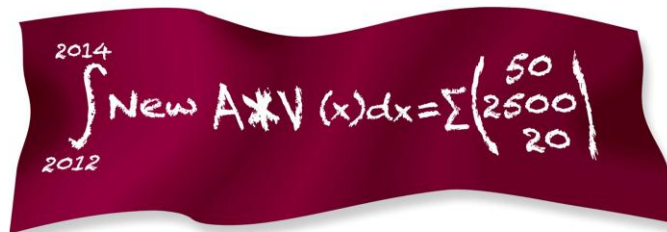


○ Earnings Estimates

- Mobile device demand will continue to drive Advantest's business. Increases in inquiries particularly foreseen in application processors, LCD driver ICs and CMOS image sensors.
- In memory testers, mobile device-related demand expected to drive market to recover from early 2013.
- In 2H onward, Advantest will work to capture market share and expand earnings in the tablet computer and low-end smartphone IC arena, which presents significant growth opportunities.
- Advantest has strong market share in testers for core mobile device components, namely application processors, baseband ICs and memory. Next year should be bright.

ACT2014

Advantest Culture Transformation



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Goals for 2014

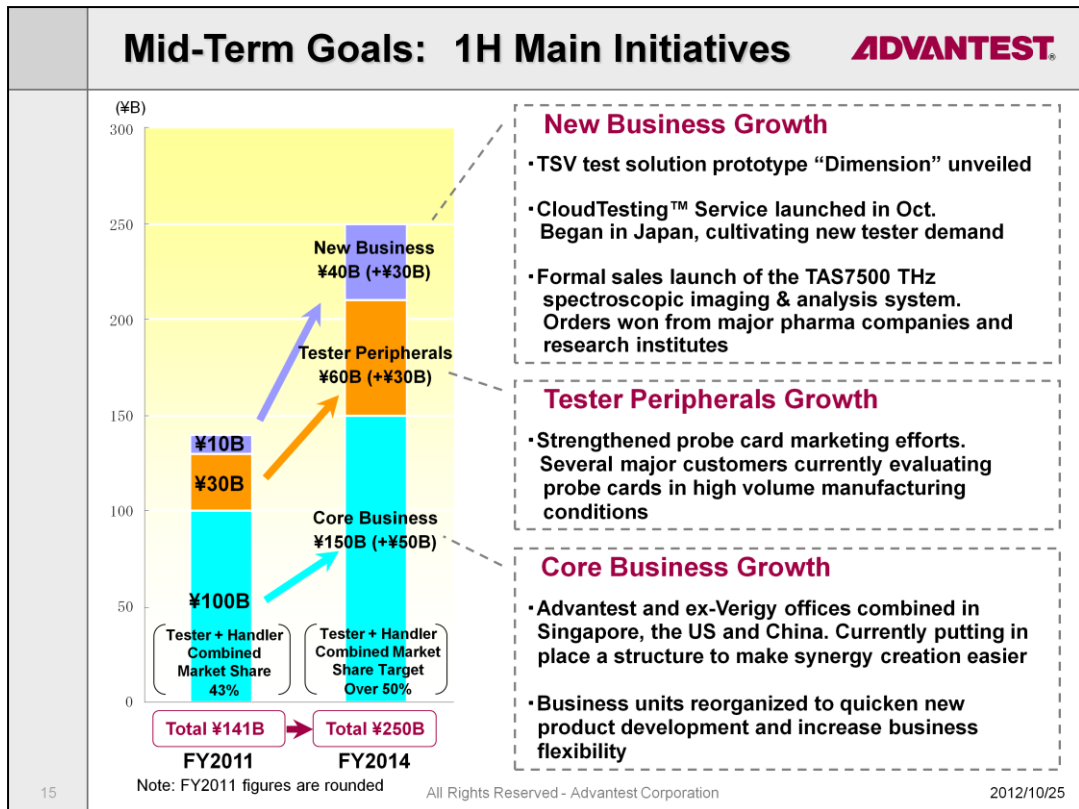
- **Sales: ¥250 billion**
- **Operating profit margin: 20% or greater**
- **Tester & handler combined market share: 50% or greater**
(47% as of July 2012)

○ ACT2014 Corporate Initiative

- Over the three fiscal years starting from FY2012, ACT2014 aims for business expansion and to build a solid foundation for sustainable future growth by generating innovation from the integration with Verigy.
- Three specific goals of ACT2014:
 - Sales of 250 billion yen
 - Operating profit margin of 20% or greater
 - Total combined tester and handler market of 50% or greater.

Advantest aims to meet these goals by FY2014.

- The current environment is still weak, but Advantest is making great strides toward future growth.



○ Main Initiatives Toward Meeting Mid-Term Goals

- Business foundations strengthened to further increase competitiveness in core tester & handler business. Advantest and Verigy offices combined in Singapore, the US and China, and business units reorganized.
- Key point going forward in the tester peripheral business, for which Advantest aims for ¥60B in sales, is marketing success in probe cards. Major customers in South Korea, Taiwan and the Americas are evaluating probe cards in high volume manufacturing.
- In new business field expansion, main efforts were:
 - Test solution developed for TSV (through silicon via) ICs
 - CloudTesting Service launched in Oct
 - Several new customers won for the TAS7500 THz analysis system

These business are not yet significant revenue contributors, but Advantest is placing great effort into expanding these markets in the near future.

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 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.