

FY2008 Third Quarter Consolidated Financial Results
(Prepared in accordance with U.S. GAAP)
 (Period ended December 31, 2008)
 (Unaudited)

January 28, 2009

Company name : **Advantest Corporation**
 (URL <http://www.advantest.co.jp/investors/en-index.shtml>)
 Stock exchanges on which shares are listed : First section of the Tokyo Stock Exchange
 Stock code number : 6857
 Company representative : Toshio Maruyama, Representative Board Director,
 President and CEO
 Contact person : Hiroshi Nakamura, Executive Officer and
 Vice President, Corporate Administration Group
 (03) 3214-7500
 Quarterly Report Filing Date (as planned) : February 5, 2009

(Rounded to the nearest million yen)

1. Consolidated Results of FY2008 Q3 (April 1, 2008 through December 31, 2008)

(1) Consolidated Financial Results (Accumulated)

(% changes as compared with the corresponding period of the previous fiscal year)

| | Net sales | | Operating income (loss) | | Income (loss) before income taxes and equity in earnings (loss) of affiliated company | | Net income (loss) | |
|------------------|---------------|--------------------------|----------------------------|--------------------------|------------------------------------------------------------------------------------------------|--------------------------|----------------------|--------------------------|
| | Million yen | % increase (decrease) | Million yen | % increase (decrease) | Million yen | % increase (decrease) | Million yen | % increase (decrease) |
| FY2008 Q3 | 67,117 | — | (15,545) | — | (17,977) | — | (10,701) | — |
| FY2007 Q3 | 149,871 | (9.8) | 25,589 | (36.2) | 29,382 | (32.2) | 19,945 | (28.2) |

| | Net income (loss) per share - basic | | Net income (loss) per share - diluted | |
|------------------|----------------------------------------|--|------------------------------------------|--|
| | Yen | | Yen | |
| FY2008 Q3 | (59.87) | | (59.87) | |
| FY2007 Q3 | 108.60 | | 108.36 | |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity-to-assets ratio | Net assets per share |
|------------------|----------------|----------------|------------------------|-------------------------|
| | Million yen | Million yen | % | Yen |
| FY2008 Q3 | 257,595 | 229,303 | 89.0 | 1,283.00 |
| FY2007 | 298,684 | 254,184 | 85.1 | 1,422.20 |

(Reference) Stockholders' equity: (Y) 229,303 million in FY2008 Q3, (Y) 254,184 million in FY2007

2. Dividends

| (Record Date) | Dividend per share | | | | |
|----------------------|--------------------|--------------------|-------------------|----------|--------------|
| | First quarter end | Second quarter end | Third quarter end | Year end | Annual total |
| | yen | yen | yen | yen | yen |
| FY2007 | — | 25.00 | — | 25.00 | 50.00 |
| FY2008 | — | 25.00 | — | — | — |
| FY2008 (forecast) | — | — | — | — | — |

(Note) Revision of dividends forecast for this period: Yes

The dividend forecast for the fiscal year ending March 31, 2009 has not been decided.

3. Projected Results for FY2008 (April 1, 2008 through March 31, 2009)

(Note) Revision of earnings forecast for this period : None

Advantest's business focuses on test systems for semiconductors, and relies heavily on the capital expenditures of semiconductor manufacturers, test houses and foundries. The capital expenditures of these companies are determined primarily by factors such as current or future trends in the demand for semiconductors. In recent years, as a result of expansion in application of semiconductors, in digital consumer products, mobile devices and motor vehicles, it has become difficult to foresee trends in the demand for semiconductors. Furthermore, movements towards restructuring by and between semiconductor manufacturers are accelerating as a result of the current decline in demand for semiconductors due to the global economic slowdown, and trends among semiconductor manufacturers and other corporations with respect to capital expenditures have become increasingly uncertain. Because of the great difficulty involved in forecasting earnings in such an operating environment, the earnings forecast for the fiscal year ending March 31, 2009 has not been presented. Advantest intends to promptly disclose the relevant earnings forecast when such disclosure becomes available.

4. Others

(1) Material changes in subsidiaries during this period (changes in scope of consolidation resulting from changes in subsidiaries): None

(2) Use of simplified accounting method and special accounting policy for quarterly consolidated financial statements: Yes

(Note) Please see "Business Results" 4. Others on page 6 for details.

(3) Changes in accounting principles, procedures and the presentation of the quarterly consolidated financial statements:

1) Changes based on revisions of accounting standard: Yes

2) Changes other than 1) above: None

(Note) Please see "Business Results" 4. Others on page 6 for details.

(4) Number of issued and outstanding stock (common stock):

1) Number of issued and outstanding stock at the end of each fiscal period (including treasury stock):
FY2008 Q3 199,566,770 shares; FY2007 199,566,770 shares.

2) Number of treasury stock at the end of each fiscal period:
FY2008 Q3 20,842,554 shares; FY2007 20,840,721 shares.

3) Average number of outstanding stock for each period (cumulative term):
FY2008 Q3 178,725,171 shares; FY2007 Q3 183,661,013 shares.

Explanation on the Appropriate Use of Future Earnings Projections and Other Special Instructions

1. This document contains "forward-looking statements" that are based on Advantest's current expectations, estimates and projections. These forward-looking statements 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 timely develop products that meet the changing needs of semiconductor manufacturers and communications network equipment and components 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.

2. The dividend forecast for the fiscal year ending March 31, 2009 has not been decided. Advantest intends to promptly disclose the dividend forecast when such disclosure becomes available. For detail, please refer to the "Revision of the Dividend Forecast for the Fiscal Year Ending March 31, 2009" released on January 28, 2009.

3. Effective from the current fiscal year, pursuant to Paragraph 93 of the "Regulations Concerning the Terminology, Forms and Methods of Preparation of Quarterly Financial Statements", the terminology, form and method of preparation of Advantest's quarterly consolidated financial statements are based on U.S. generally accepted accounting principles (U.S. GAAP).

【Business Results】

1. Analysis of Business Results

Consolidated Financial Results of FY2008 Q3 (October 1, 2008 through December 31, 2008)

(in billion yen)

| | Three months ended December 31, 2007 | Three months ended December 31, 2008 | As compared to the corresponding period of the previous fiscal year Increase (decrease) |
|---------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Orders input received | 31.2 | 8.9 | (71.7%) |
| Net sales | 35.0 | 14.6 | (58.3%) |
| Operating income (loss) | 1.0 | (11.6) | — |
| Income (loss) before income taxes and equity in earnings (loss) of affiliated company | 2.0 | (13.1) | — |
| Net income (loss) | 3.0 | (7.8) | — |

The operating environment in the third quarter of the fiscal year ending March 31, 2009 has shown signs of rapid economic downturn as a result of the trend towards global economic slowdown due to the bankruptcy of major U.S. financial institutions and other effects of the financial crisis worsening day by day, and the simultaneous rise in the value of the yen, falling stock prices, and other factors. In the test systems for semiconductors market, semiconductor manufacturers recorded reduced revenues as a result of the substantial decline in the individual consumption of end consumer items such as digital consumer products that utilize semiconductors, and have moved toward minimizing capital expenditures through substantial production adjustments. Moreover, trend towards restructuring and mergers and acquisitions by and between semiconductor manufacturers has accelerated, resulting in semiconductor manufacturers adopting a cautious attitude toward investments due to the prospect of a surplus of production facilities. As a result, along with other factors, Advantest's already challenging business environment has become more difficult. Accordingly, the results with respect to orders input received and net sales continued to be weak. Orders input received was (Y) 8.9 billion (a 71.7% decrease in comparison to the corresponding period of the previous fiscal year) and net sales were (Y) 14.6 billion (a 58.3% decrease). Furthermore, the percentage of net sales to overseas customers was 55.4%, compared to 78.4% in the corresponding period of the previous fiscal year.

With respect to income, measures to improve productivity were strongly emphasized throughout Advantest to reduce fixed expenses, such as cutting costs and minimizing capital expenditures. However, despite these efforts, in addition to a decline in income as a result of a significant decrease in net sales, Advantest recorded inventory valuation losses in accordance with reduced demand for the test systems for semiconductors. Accordingly, Advantest recorded an operating loss of (Y) 11.6 billion, and a loss before income taxes and equity in loss of affiliated company of (Y) 13.1 billion.

Conditions of business by segment are described below.

<Semiconductor and Component Test System Segment>

(in billion yen)

| | Three months ended December 31, 2007 | Three months ended December 31, 2008 | As compared to the corresponding period of the previous fiscal year Increase (decrease) |
|-------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Orders input received | 21.5 | 2.7 | (87.3%) |
| Net sales | 24.3 | 7.5 | (69.2%) |
| Operating income (loss) | 1.5 | (9.7) | — |

In the Semiconductor and Component Test System Segment, semiconductor manufacturers conducted substantial production adjustments as a result of a decline in revenue of semiconductor manufacturers due to the excess supply of semiconductors and significant decline in semiconductor prices, and many manufacturers either restrained their capital expenditures initiatives or froze them entirely. Demand for test systems for memory semiconductors continued to be weak, as a result of significantly reduced demand for DRAM semiconductors, which are used in computers and other products, and flash memory semiconductors, which are used for saving data in mobile phones and audio players, and the continued decline of semiconductor prices. The environment in the non memory semiconductor market continued to be difficult, as a result of semiconductor manufacturers beginning to implement production adjustments with respect to semiconductors installed in automobiles as a result of weak automobile production, in addition to manufacturers of LCD driver ICs continuing to restrain their capital expenditures.

As a result of the above, orders input received was (Y) 2.7 billion (a 87.3% decrease in comparison to the corresponding period of the previous fiscal year), net sales were (Y) 7.5 billion (a 69.2% decrease) and operating loss was (Y) 9.7 billion.

<Mechatronics System Segment>

(in billion yen)

| | Three months ended December 31, 2007 | Three months ended December 31, 2008 | As compared to the corresponding period of the previous fiscal year Increase (decrease) |
|-------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Orders input received | 6.3 | 1.7 | (73.9%) |
| Net sales | 7.1 | 2.3 | (67.9%) |
| Operating income (loss) | (0.0) | (1.5) | — |

Semiconductor manufacturers restrained their capital expenditures in almost all of the segments during the third quarter. Accordingly, demand for test handlers and device interface products, which connect to test systems, continued to be weak.

As a result of the above, orders input received was (Y) 1.7 billion (a 73.9% decrease in comparison to the corresponding period of the previous fiscal year), net sales were (Y) 2.3 billion (a 67.9% decrease) and operating loss was (Y) 1.5 billion.

<Services, Support and Others Segment>

(in billion yen)

| | Three months ended December 31, 2007 | Three months ended December 31, 2008 | As compared to the corresponding period of the previous fiscal year Increase (decrease) |
|-----------------------|--------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------|
| Orders input received | 4.5 | 4.6 | 4.2% |
| Net sales | 4.1 | 5.0 | 21.4% |
| Operating income | 1.1 | 0.0 | (98.5%) |

In accordance with the continuing weakness in demand for support and services for the test systems for semiconductors and test handler systems, orders input received was (Y) 4.6 billion (a 4.2% increase in comparison to the corresponding period of the previous fiscal year), net sales were (Y) 5.0 billion (a 21.4% increase) and operating income was (Y) 17 million (a 98.5% decrease).

With respect to the qualitative information concerning the consolidated business results for the first quarter and the second quarter of the fiscal year ending March 31, 2009, please refer to “FY 2008 First Quarter Consolidated Financial Results” (disclosed on July 25, 2008) and “FY 2008 Second Quarter Consolidated Financial Results” (disclosed on October 30, 2008). Monetary amounts recorded in the corresponding period of the previous fiscal year and percentages represented by changes as compared with the corresponding period of the previous fiscal year are included for reference.

2. Analysis of Financial Condition

Total assets at December 31, 2008 amounted to (Y) 257.6 billion, a decrease of (Y) 24.5 billion compared to September 30, 2008, primarily due to decreases in cash and cash equivalents, trade receivables and inventories. The amount of total liabilities was (Y) 28.3 billion, a decrease of (Y) 5.9 billion compared to September 30, 2008, primarily due to decreases in trade accounts payable and accrued expenses. Stockholders' equity was (Y) 229.3 billion. Equity to assets ratio was 89.0%, an increase of 1.1 percentage point from September 30, 2008.

(Cash Flow Condition)

Cash and cash equivalents held at December 31, 2008 were (Y) 118.2 billion, a decrease of (Y) 32.5 billion from September 30, 2008. Significant cash flows during the third quarter of this fiscal year and their causes are described below.

Net cash used in operating activities was (Y) 7.2 billion. This amount was primarily attributable to net loss of (Y) 7.8 billion.

Net cash used in investing activities was (Y) 16.3 billion. This amount was primarily attributable to expenditures in short-term investments in the amount of (Y) 15.4 billion and purchases of property, plant and equipment in the amount of (Y) 0.8 billion.

Net cash used in financing activities was (Y) 4.2 billion. This amount was primarily attributable to dividend payments in the amount of (Y) 4.2 billion.

3. Prospects for the Upcoming Fiscal Year

Since the occurrence of the financial crisis, the economic trends have worsened beyond what Advantest had contemplated and, going forward, Advantest anticipates unexpected destabilizing events will continue in the short term.

In this difficult environment, Advantest will continue to focus on manufacturing that emphasizes quality, cost and the timely introduction of products, without neglecting the development of new products in preparation for economic recovery, and on maintaining and expanding the market share, in addition to working towards reducing fixed expenses and reinforcing Advantest's financial position by reviewing additional cost cuts in all aspects of its operations.

Although the earnings forecast for the year ending March 31, 2009 has not been disclosed, as set forth on page 2 (summary information), Advantest intends to promptly disclose the relevant earnings forecast when such disclosure becomes available.

4. Others

(1) Material changes in subsidiaries during this period (changes in scope of consolidation resulting from changes in subsidiaries): None

(2) Use of simplified accounting method and special accounting policy for quarterly consolidated financial statements:

Tax expense is measured using an estimated annual effective tax rate. Advantest makes its best estimate of the annual effective tax rate for the full consolidated fiscal year and use that rate to provide for income taxes on a current year-to-date basis. The estimated effective tax rate includes the deferred tax effects of expected year-end temporary differences, and carryforwards must be projected.

(3) Changes in accounting principles, procedures and the presentation of the quarterly consolidated financial statements:

Effective from the current fiscal year, pursuant to Paragraph 93 of the "Regulations concerning the Terminology, Forms and Methods of Preparation of Quarterly Financial Statements", the terminology, form and method of preparation of Advantest's quarterly consolidated financial statements are based on U.S. generally accepted accounting principles (U.S. GAAP).

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value, and enhances fair value measurement disclosure.

SFAS 157 does not expand the use of fair value to any new circumstances, but does require additional disclosures in both annual and quarterly reports. Advantest adopted SFAS 157 and its related amendments for financial assets and liabilities on April 1, 2008. The adoption of SFAS 157 did not have a significant impact on its consolidated results of operations and financial condition. SFAS 157 will be effective for non-financial assets and liabilities in financial statements issued for fiscal years beginning after November 15, 2008.

5. Consolidated Financial Statements and Other Information

(1) Consolidated Balance Sheets (Unaudited)

| Assets | Yen (Millions) | |
|------------------------------------|-------------------|----------------|
| | December 31, 2008 | March 31, 2008 |
| Current assets: | | |
| Cash and cash equivalents | ¥ 118,240 | 147,348 |
| Short-term investments | 17,250 | — |
| Trade receivables, net | 12,631 | 30,124 |
| Inventories | 16,168 | 26,823 |
| Deferred tax assets | 12,298 | 12,678 |
| Other current assets | 5,704 | 6,474 |
| Total current assets | 182,291 | 223,447 |
| Investment securities | 6,216 | 9,754 |
| Property, plant and equipment, net | 44,697 | 50,765 |
| Deferred tax assets | 16,520 | 6,488 |
| Intangible assets, net | 3,524 | 3,476 |
| Other assets | 4,347 | 4,754 |
| Total assets | ¥ 257,595 | 298,684 |

| Liabilities and Stockholders' Equity | Yen (Millions) | |
|---------------------------------------------------|--------------------------|-----------------------|
| | December 31, 2008 | March 31, 2008 |
| Current liabilities: | | |
| Trade accounts payable | 4,343 | 11,765 |
| Income taxes payable | 0 | 585 |
| Other accounts payable | 1,395 | 2,458 |
| Accrued expenses | 6,030 | 10,940 |
| Accrued warranty expenses | 2,226 | 3,143 |
| Other current liabilities | 2,412 | 2,804 |
| Total current liabilities | 16,406 | 31,695 |
| Accrued pension and severance cost | 10,344 | 10,711 |
| Other liabilities | 1,542 | 2,094 |
| Total liabilities | 28,292 | 44,500 |
| Commitments and contingent liabilities | | |
| Stockholders' equity: | | |
| Common stock | 32,363 | 32,363 |
| Capital surplus | 40,244 | 40,072 |
| Retained earnings | 259,050 | 278,689 |
| Accumulated other comprehensive income (loss) | (13,027) | (7,615) |
| Treasury stock | (89,327) | (89,325) |
| Total stockholders' equity | 229,303 | 254,184 |
| Total liabilities and stockholders' equity | ¥ 257,595 | 298,684 |

(2) Consolidated Statements of Operations (Unaudited)

| | Yen |
|------------------------------------------------------------------------------------------|--------------------------|
| | (Millions) |
| | Nine months ended |
| | December 31, 2008 |
| Net sales | ¥ 67,117 |
| Cost of sales | 38,323 |
| Gross profit | 28,794 |
| Research and development expenses | 19,644 |
| Selling, general and administrative expenses | 24,695 |
| Operating income (loss) | (15,545) |
| Other income (expense): | |
| Interest and dividends income | 1,801 |
| Interest expense | (8) |
| Other, net | (4,225) |
| Total other income (expense) | (2,432) |
| Income (loss) before income taxes and equity in earnings (loss) of affiliated company | (17,977) |
| Income taxes | (7,374) |
| Equity in earnings (loss) of affiliated company | (98) |
| Net income (loss) | ¥ (10,701) |
| | Yen |
| | Nine months ended |
| | December 31, 2008 |
| Net income (loss) per share: | |
| Basic | ¥ (59.87) |
| Diluted | (59.87) |

| | Yen |
|------------------------------------------------------------------------------------------|---------------------------|
| | (Millions) |
| | Three months ended |
| | December 31, 2008 |
| Net sales | ¥ 14,597 |
| Cost of sales | 12,686 |
| Gross profit | 1,911 |
| Research and development expenses | 6,072 |
| Selling, general and administrative expenses | 7,469 |
| Operating income (loss) | (11,630) |
| Other income (expense): | |
| Interest and dividends income | 548 |
| Interest expense | (2) |
| Other, net | (2,008) |
| Total other income (expense) | (1,462) |
| Income (loss) before income taxes and equity in earnings (loss) of affiliated company | (13,092) |
| Income taxes | (5,361) |
| Equity in earnings (loss) of affiliated company | (27) |
| Net income (loss) | ¥ (7,758) |
| | Yen |
| | Three months ended |
| | December 31, 2008 |
| Net income (loss) per share: | |
| Basic | ¥ (43.40) |
| Diluted | (43.40) |

(3) Consolidated Statement of Cash Flows (Unaudited)

| | Yen |
|------------------------------------------------------------------------------------------|--------------------------|
| | (Millions) |
| | Nine months ended |
| | December 31, 2008 |
| Cash flows from operating activities: | |
| Net income (loss) | ¥ (10,701) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | |
| Depreciation and amortization | 6,956 |
| Deferred income taxes | (9,401) |
| Stock option compensation expense | 172 |
| Changes in assets and liabilities: | |
| Trade receivables | 16,648 |
| Inventories | 11,144 |
| Trade accounts payable | (7,143) |
| Income taxes payable | (156) |
| Accrued expenses | (4,839) |
| Accrued warranty expenses | (1,180) |
| Accrued pension and severance cost | (254) |
| Other | 6,456 |
| Net cash provided by operating activities | <u>7,702</u> |
| Cash flows from investing activities: | |
| (Increase) decrease in short-term investments | (18,417) |
| Proceeds from sale of non-marketable investment securities | 34 |
| Proceeds from sale of property, plant and equipment | 390 |
| Purchases of intangible assets | (568) |
| Purchases of property, plant and equipment | (4,523) |
| Other | (322) |
| Net cash used in investing activities | <u>(23,406)</u> |
| Cash flows from financing activities: | |
| Dividends paid | (8,669) |
| Other | (5) |
| Net cash used in financing activities | <u>(8,674)</u> |
| Net effect of exchange rate changes on cash and cash equivalents | <u>(4,730)</u> |
| Net change in cash and cash equivalents | <u>(29,108)</u> |
| Cash and cash equivalents at beginning of period | <u>147,348</u> |
| Cash and cash equivalents at end of period | <u>¥ 118,240</u> |

Effective from the current fiscal year, pursuant to Paragraph 93 of the “Regulations concerning the Terminology, Forms and Methods of Preparation of Quarterly Financial Statements”, the terminology, form and method of preparation of Advantest’s quarterly consolidated financial statements are based on U.S. generally accepted accounting principles (U.S. GAAP).

(4) Notes on Preconditions to Going Concerns: None

(5) Segment Information

1. Business Segment Information

| | Yen (Millions) | | | | |
|------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------|------------------------------------|---------------------------------|-----------------|
| | Three months ended December 31, 2008 | | | | |
| | Semiconductor and Component Test System Business | Mechatronics System Business | Services, Support and Others | Elimination and Corporate | Total |
| Net sales to unaffiliated customers | 7,404 | 2,189 | 5,004 | — | 14,597 |
| Inter-segment sales | 98 | 98 | — | (196) | — |
| Sales | 7,502 | 2,287 | 5,004 | (196) | 14,597 |
| Operating income (loss) before stock option compensation expense | (9,665) | (1,476) | 17 | (420) | (11,544) |
| Adjustment: | | | | | |
| Stock option compensation expense | | | | | 86 |
| Operating income (loss) | | | | | <u>(11,630)</u> |

| | Yen (Millions) | | | | |
|------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------|------------------------------------|---------------------------------|-----------------|
| | Nine months ended December 31, 2008 | | | | |
| | Semiconductor and Component Test System Business | Mechatronics System Business | Services, Support and Others | Elimination and Corporate | Total |
| Net sales to unaffiliated customers | 42,698 | 11,175 | 13,244 | — | 67,117 |
| Inter-segment sales | 448 | 2,175 | — | (2,623) | — |
| Sales | 43,146 | 13,350 | 13,244 | (2,623) | 67,117 |
| Operating income (loss) before stock option compensation expense | (8,277) | (3,181) | 1,005 | (4,920) | (15,373) |
| Adjustment: | | | | | |
| Stock option compensation expense | | | | | 172 |
| Operating income (loss) | | | | | <u>(15,545)</u> |

(Notes)

1. Adjustments to operating income (loss) in Corporate principally represent corporate general and administrative expenses and research and development expenses related to fundamental research activities that are not allocated to operating segments.

2. Advantest uses the operating income (loss) before stock option compensation expense for management's analysis of business segment results.

2. Consolidated Net Sales by Geographical Areas

| | <u>Yen (Millions)</u> |
|----------|---------------------------|
| | <u>Three months ended</u> |
| | <u>December 31, 2008</u> |
| Japan | 6,516 |
| Americas | 2,751 |
| Europe | 898 |
| Asia | <u>4,432</u> |
| Total | <u><u>14,597</u></u> |

| | <u>Yen (Millions)</u> |
|----------|--------------------------|
| | <u>Nine months ended</u> |
| | <u>December 31, 2008</u> |
| Japan | 20,477 |
| Americas | 10,794 |
| Europe | 1,792 |
| Asia | <u>34,054</u> |
| Total | <u><u>67,117</u></u> |

(Notes)

1. Net sales to unaffiliated customers are based on the customer's location.
2. Each of the segments includes primarily the following countries or regions:
 - (1) Americas U.S.A., Republic of Costa Rica, etc.
 - (2) Europe Israel, Ireland, Germany and Portugal, etc.
 - (3) Asia South Korea, Taiwan and China, etc.

(6) Notes on Significant Changes to Stockholders' Equity: None

【Reference】

FY2007 Third Quarter Consolidated Financial Statements

(1) Consolidated Statement of Income (Summary)

| Item | Q3 of FY2007 (April 1, 2007 through December 31, 2007) | | |
|--------------------------------------------------------------------------------|--------------------------------------------------------------|---------|-------------------|
| | Amount (in million yen) | | Percentage (%) |
| Net sales | | 149,871 | 100.0 |
| Cost of sales | | 70,430 | 47.0 |
| Gross profit | | 79,441 | 53.0 |
| Research and development expenses | | 22,888 | 15.3 |
| Selling, general and administrative expenses | | 30,964 | 20.6 |
| Operating income | | 25,589 | 17.1 |
| Other income (expense): | | | |
| Interest and dividends income | 3,117 | | |
| Interest expense | (9) | | |
| Other | 685 | 3,793 | 2.5 |
| Income before income taxes and equity in earnings (loss) of affiliated company | | 29,382 | 19.6 |
| Income taxes | | 9,394 | 6.3 |
| Equity in earnings (loss) of affiliated company | | (43) | (0.0) |
| Net income | | 19,945 | 13.3 |

| Item | Q3 of FY2007 (April 1, 2007 through December 31, 2007) | |
|----------------------|--------------------------------------------------------------|--------|
| | Amount (in yen) | |
| Net income per share | | |
| Basic | | 108.60 |
| Diluted | | 108.36 |

(2) Consolidated Statement of Cash Flows (Summary)

| | Q3 of FY2007 (April 1, 2007 through December 31, 2007) |
|--------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Item | Amount (in million yen) |
| I Cash flows from operating activities: | |
| Net income | 19,945 |
| Adjustments to reconcile net income to net cash provided by operating activities: | |
| Depreciation and amortization | 6,380 |
| Changes in assets and liabilities: | |
| Trade receivables | 9,309 |
| Inventories | (2,643) |
| Trade accounts payable | (12,712) |
| Income taxes payable | (9,260) |
| Other | (5,573) |
| Net cash provided by operating activities | 5,446 |
| II Cash flows from investing activities: | |
| Purchases of property, plant and equipment | (7,887) |
| Other | (1,858) |
| Net cash used in investing activities | (9,745) |
| III Cash flows from financing activities: | |
| Payments to acquire treasury stock | (36,563) |
| Dividends paid | (10,441) |
| Other | 239 |
| Net cash used in financing activities | (46,765) |
| IV Net effect of exchange rate changes on cash and cash equivalents | (1,147) |
| V Net change in cash and cash equivalents | (52,211) |
| VI Cash and cash equivalents at beginning of period | 196,395 |
| VII Cash and cash equivalents at end of period | 144,184 |

(3) Notes on Preconditions to Going Concerns: None

(4) Segment Information to the FY2007 Third Quarter

1. Business Segment Information

| | Q3 of FY2007 (April 1, 2007 through December 31, 2007) | |
|---------------------------------------------------------------------|--------------------------------------------------------------|-------------------|
| | Amount (in million yen) | Percentage (%) |
| Semiconductor and Component Test System | | |
| Net sales to unaffiliated customers | 107,342 | 97.9 |
| Intersegment sales | 2,274 | 2.1 |
| Sales | 109,616 | 100.0 |
| Operating expenses | 85,023 | 77.6 |
| Operating income before stock option compensation expense | 24,593 | 22.4 |
| Mechatronics System | | |
| Net sales to unaffiliated customers | 28,249 | 99.2 |
| Intersegment sales | 240 | 0.8 |
| Sales | 28,489 | 100.0 |
| Operating expenses | 25,057 | 88.0 |
| Operating income before stock option compensation expense | 3,432 | 12.0 |
| Services, Support and Others | | |
| Net sales to unaffiliated customers | 14,280 | 100.0 |
| Intersegment sales | - | - |
| Sales | 14,280 | 100.0 |
| Operating expenses | 11,572 | 81.0 |
| Operating income before stock option compensation expense | 2,708 | 19.0 |
| Elimination and Corporate | | |
| Net sales to unaffiliated customers | - | - |
| Intersegment sales | (2,514) | 100.0 |
| Sales | (2,514) | 100.0 |
| Operating expenses | 2,054 | - |
| Operating income (loss) before stock option compensation expense | (4,568) | - |
| Consolidated | | |
| Net sales to unaffiliated customers | 149,871 | 100.0 |
| Intersegment sales | - | - |
| Net sales | 149,871 | 100.0 |
| Operating expenses | 123,706 | 82.5 |
| Operating income before stock option compensation expense | 26,165 | 17.5 |
| Adjustment: Stock based compensation expense | 576 | 0.4 |
| Operating income | 25,589 | 17.1 |

(Notes)

1. Adjustments to operating income (loss) in Corporate principally represent corporate general and administrative expenses and research and development expenses related to fundamental research activities that are not allocated to operating segments.
2. Advantest uses the operating income (loss) before stock option compensation expense for management's analysis of business segment results.

2. Consolidated Net Sales by Geographical Areas

| Net sales to unaffiliated customers | Q3 of FY2007 (April 1, 2007 through December 31, 2007) | |
|-------------------------------------|--------------------------------------------------------------|-------------------|
| | Amount (in million yen) | Percentage (%) |
| Americas | 6,219 | 4.1 |
| Europe | 7,138 | 4.8 |
| Asia | 90,253 | 60.2 |
| Total Overseas | 103,610 | 69.1 |
| Japan | 46,261 | 30.9 |
| Consolidated | 149,871 | 100.0 |