

(The following is an unofficial English translation of the Convocation Notice of the 64th Ordinary General Meeting of Shareholders of Advantest Corporation (the "Company"). The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise.)

(Stock Code Number: 6857, TSE first section)
June 1, 2006

To Our Shareholders

Toshio Maruyama
Representative Board Director
President and CEO
ADVANTEST CORPORATION
32-1, Asahi-cho 1-chome,
Nerima-ku, Tokyo

CONVOCATION NOTICE OF THE 64th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

Notice is hereby given that the 64th ordinary general meeting of shareholders of ADVANTEST CORPORATION (the "Company") will be held as set forth below. Your attendance thereat is respectfully requested.

If you are not able to attend the meeting, we request that you exercise your voting rights in one of the following ways by 5:00 p.m. of June 26, 2006 (Monday) after carefully reading the reference documents as set forth below.

(Exercise of voting rights in writing by submitting the enclosed voting instruction form)

Please indicate your intention to vote "for" or "against" each agenda item in the enclosed voting instruction form, then send the said form to us.

(Exercise of voting rights by way of electro-magnetic method (via the Internet, etc.))

Please access the website for casting votes (<http://www.e-tosyodai.com>) and indicate your intention to vote "for" or "against" each agenda item by following the on-screen instructions. For details, please refer to "Instructions for the Exercise of Voting Rights via the Internet, etc." as set forth on page 24.

1. Date and time: June 27, 2006 (Tuesday) at 10:00 a.m.
2. Place: Main Conference Room of Advantest Corporation
32-1, Asahi-cho 1-chome, Nerima-ku, Tokyo
3. Subject matters of the general meeting of shareholders:
Matters to be reported:
Item No.1: Matters concerning the business report, consolidated balance sheets, consolidated statements of income, balance sheets, and statements of income for the 64th Fiscal Year (from April 1, 2005 to March 31, 2006);

Item No.2: Matters concerning the results of audit of the Company's consolidated statements by an independent auditor and the Board of Corporate Auditors

Matters to be resolved:

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| Agenda Item No. 1: | Approval of the proposed appropriation of retained earnings for the 64th fiscal year |
| Agenda Item No. 2 | Partial amendment to the Articles of Incorporation |
| Agenda Item No. 3: | Election of two directors |
| Agenda Item No. 4: | Election of one corporate auditor |
| Agenda Item No. 5: | Determination of the amount of remuneration for granting stock options to directors and corporate auditors |
| Agenda Item No. 6: | Issuance of the stock acquisition rights as stock options |
| Agenda Item No. 7: | Payment of money to directors and corporate auditors still in office following the abolishment of retirement allowance payment system |

4. Matters decided with respect to the convocation

- (1) If the voting right is exercised by way of both voting instruction form and electro-magnetic method, the exercise of voting right by way of electro-magnetic method shall be deemed valid.
- (2) If the voting right is exercised by way of electro-magnetic method multiple times, the last exercise of voting right shall be deemed valid.
- (3) If the voting right is exercised by a proxy, such proxy must be a shareholder of the Company having voting right, and the number of proxy shall be limited to one.

When you arrive at the meeting, please submit the enclosed voting instruction form to the reception desk at the site of the meeting.

Amendments to the reference documents for the general meeting of shareholders and/or attached materials, if any, will appear on the Company's website (<http://www.advantest.co.jp>).

We cordially invite you to attend a reception to be held after the meeting for shareholders and management members of the Company.

For shareholders who will be unable to attend the meeting on the date it is held, we expect to provide voice streaming of the actual meeting (solely with respect to the portion concerning matters to be reported) on the Company's website beginning on the day of the meeting.

Reference Documents for the general meeting of shareholders

Agenda Items and Reference Matters:

Agenda Item No. 1: Approval of the proposed appropriation of retained earnings for the 64th fiscal year

Considering the necessity to strengthen corporate constitution, future development of our business and other factors, the Company proposes that the appropriation of retained earnings for this fiscal year be as described on page 27 of the attached document “Report for the 64th Fiscal Year.”

The basic policy of the Company is to continue to provide stable dividends at a level consistent with its operating results, financial, condition and other elements based on the belief that shareholder value is premised on the realization of long-term and sustainable growth in corporate value.

Based on the above policy, the Company proposes to pay a yearend dividend of ¥45 per share for the fiscal year (which, together with the interim dividend of ¥25 per share already paid, amounts to a fiscal year total of ¥70 per share, representing an increase in ¥20 per share over the previous fiscal year).

Also, the Company proposes that, in view of the Company’s business results for the current fiscal year and the amount of dividends payable to shareholders, bonuses be paid to the seven directors who are in office at the close of the current fiscal year in an aggregate total sum of ¥180,000,000, and to the four corporate auditors who are in office at the close of the current fiscal year in an aggregate total sum of ¥23,000,000.

Agenda Item No. 2: Partial amendment to the Articles of Incorporation

1. Reason for amendments:

- (1) The Company proposes to amend Article 20 (Term of Office of Director) of the present Articles of Incorporation to shorten the term of office of directors from two years to one year. Based on this amendment, the Company aims to clarify directors’ management responsibilities and to establish a management system that is capable of quickly responding to changes in management environments. In addition, the Company proposes to include a provision in the Supplementary Provisions to the Articles of Incorporation to clearly state the term of office of the directors elected at the 63rd ordinary general meeting of shareholders of the Company held on June 28, 2005.
- (2) The Company proposes to amend the following provisions in response to the enforcement of the Company Law (Law No. 86 of 2005) on May 1, 2006:
 - (a) The Company Law allows distributions of retained earnings pursuant to approval by the Board of Directors if the Articles of Incorporation so provide. Accordingly, the Company proposes adding Article 42 (Organ to Decide Distribution of Retained Earnings, etc.) as described in the Proposed Amendment, amending Article 38 (Dividends) of the present Articles of Incorporation and deleting Article 6 (Acquisition of Treasury Shares) and Article 39 (Interim Dividends) of the present Articles of Incorporation. In this manner, the Company aims to implement a capital policy that is responsive to changes in management environments. Based on the foregoing amendments, the distributions of retained earnings, etc. will be determined by a resolution of the Board of Directors.
 - (b) As the restrictions limiting the place at which the general meeting of shareholders can be held have been abolished, the Company proposes to delete Paragraph 2 of Article

13 (Convocation of General Meeting of Shareholders) of the present Articles of Incorporation.

- (c) As the Company Law allows the Board of Directors to approve resolutions in writing, if the Articles of Incorporation so provide, the Company proposes to add Paragraph 4 to Article 22 (Convocation Notice and Resolutions of the Board of Directors) of the present Articles of Incorporation. The purpose of this amendment is to enable more prompt management decisions.
 - (d) Under the Company Law, the Company may enter into contracts with its outside corporate auditors to limit their liabilities. Accordingly, the Company proposes to add Paragraph 2 to Article 36 (Exemption of Corporate Auditors' Liabilities) of the present Articles of Incorporation. Based on such indemnification of their liabilities to a reasonable extent, auditors would be able to fulfill their expected roles to the maximum extent and, in addition, the Company may retain outstanding individuals as auditors.
 - (e) Under the Company Law, the Company may, if the Articles of Incorporation so provide, impose restrictions on the rights concerning share certificates constituting less than one unit of shares. Accordingly, the Company proposes to add Article 8 (Rights Concerning Shares Constituting Less than One Unit of Shares) as set forth in the Proposed Amendment.
 - (f) The Company proposes to amend Article 16 (Restriction on Voting by Proxy) of the present Articles of Incorporation to limit the number of proxies who may exercise voting rights at a general meeting of shareholders to one proxy per shareholder.
 - (g) Under the Company Law, the Company may, if the Articles of Incorporation so provide, deem to have provided the shareholders with reference documents for the general meeting of shareholders by disclosing such documents through the Internet. Accordingly, the Company proposes to add Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders, etc.) as set forth in the Proposed Amendment.
 - (h) The Company proposes to change expressions and terms in the present Articles of Incorporation to be consistent with the provisions of the Company Law.
- (3) The Company proposes to add Paragraph 2 to Article 26 (Exemption of Directors' Liabilities) of the present Articles of Incorporation to enable the Company to enter into contracts with its outside directors with a view to limiting such outside director's liabilities. Accordingly, based on such indemnification of their responsibilities to a reasonable extent, outside directors may play their expected roles to the maximum extent and, in addition, the Company may retain outstanding individuals as outside directors. The Company has obtained the consent from each of the corporate auditors with respect to the proposed addition of this paragraph.
 - (4) The Company proposes to amend Article 28 (Number of Corporate Auditors) of the present Articles of Incorporation to increase the maximum number of corporate auditors that can be appointed from four to five in order to strengthen the Company's auditing function.
 - (5) The Company proposes to make other necessary amendments and re-numbering of articles resulting from additions and deletions of the provisions.

2. Details of proposed amendments:

The details of the proposed amendments are as follows:

(Changes (including deletions) are underlined.)

Present Article	Proposed Amendment
Article 4. <i>(Method of Public Notice)</i> <u>The Company makes public notice by</u>	Article 4. <i>(Method of Public Notice)</i> <u>The method of the Company's public notice</u>

Present Article	Proposed Amendment
<p><u>electronic means; provided that it may do so in the Nikkei, in the event that the Company is unable to <u>make electronic announcements due to unforeseen circumstances or other unavoidable and valid reasons.</u></u></p> <p>Article 5. <i>(Total Number of <u>Shares Authorized to be Issued</u>)</i></p> <p>The total number of <u>shares authorized to be issued by the Company</u> shall be two hundred and twenty million (220,000,000) shares; <u>provided, however, that in the case of redemption of shares of the Company, the corresponding amount of shares redeemed shall be decreased therefrom.</u></p> <p>Article 6. <i>(Acquisition of Treasury Shares)</i></p> <p><u>The Company may acquire treasury shares by resolution of the Board of Directors pursuant to Article 211-3, Paragraph 1, Clause 2 of the Commercial Code.</u></p> <p>Article 7. <i>(Denomination of Share Certificates)</i></p> <p>The denominations of the share certificates issued by the Company shall be <u>determined</u> in accordance with the Share Handling Regulations to be prescribed by the Board of Directors.</p> <p>Article 8. <i>(Number of Shares and Not to Issue Share Certificates Constituting Less Than One Full Unit)</i></p> <p>1. The number of shares <u>constituting one unit of shares of the Company</u> shall be one hundred (100) shares.</p> <p>2. The Company shall not issue any <u>certificate for shares</u> constituting less than one full unit of shares (<u>hereinafter referred to as “shares constituting less than one full unit”</u>), unless the Share Handling Regulations provide otherwise.</p> <p style="text-align: center;">(Newly introduced)</p>	<p><u>shall be electronic method; provided that it may do so in the Nikkei, in the event that the Company is unable to <u>use electronic method due to accident or other unavoidable reasons.</u></u></p> <p>Article 5. <i>(Total Number of <u>Issuable Shares</u>)</i></p> <p>The total number of <u>the Company’s issuable shares</u> shall be two hundred and twenty million (220,000,000) shares.</p> <p style="text-align: center;">(Deleted)</p> <p>Article 6. <i>(Issuance of Share Certificates and Their Denominations)</i></p> <p>1. <u>The Company shall issue share certificates representing its shares.</u></p> <p>2. The denominations of the share certificates issued by the Company shall be determined in accordance with the Share Handling Regulations to be prescribed by the Board of Directors.</p> <p>Article 7. <i>(Number of Shares Constituting One Unit of Shares and Non-issuance of Share Certificates Constituting Less Than One Unit of Shares)</i></p> <p>1. The number of shares <u>of the Company constituting one unit of shares</u> shall be one hundred (100) shares.</p> <p>2. <u>Notwithstanding the provisions of the preceding article,</u> the Company shall not issue any <u>share certificates</u> constituting less than one unit of shares, unless the Share Handling Regulations provide otherwise.</p> <p>Article 8. <i>(Rights Concerning Shares Constituting Less Than One Unit of Shares)</i></p> <p><u>Shareholders (including beneficial shareholders, hereinafter the same) of the Company may not exercise his/her rights relating to the shares constituting less than one unit of shares that such shareholder holds other than those rights listed below or specified in these Articles of Incorporation:</u></p> <p>(1) Each of the rights provided in Article 189 Paragraph 2 of the Company Law;</p> <p>(2) The right to make a request pursuant to the</p>

Present Article	Proposed Amendment
<p>Article 9. <i>(Additional Sales of Shares Constituting Less Than One Full Unit)</i> <u>A holder of shares of the Company (including a beneficial holder of shares of the Company, hereinafter each a “Shareholder”)</u> <u>constituting less than one full unit</u> may, <u>in accordance with provisions of the Share Handling Regulations</u>, request the Company to sell to <u>the Shareholder</u> the number of shares that will constitute one full unit <u>together with his/her</u> shares constituting less than one <u>full</u> unit.</p> <p>Article 10. <i>(Share Handling Regulations)</i> <u>The registration of transfer of shares, the registration on the Beneficial Shareholders’ Register in writing or digitally, the purchase and the additional sales of shares constituting less than one full unit, and other</u> matters related to the handling of shares of the Company and fees therefor shall be governed by the Share Handling Regulations to be prescribed by the Board of Directors.</p> <p>Article 11. <i>(Transfer Agent)</i> 1. The Company shall have <u>a transfer agent for its shares</u>. 2. <u>The transfer agent</u> and its handling office shall be <u>appointed</u> by resolution of the Board of Directors and the public notice thereof shall be given. 3. <u>The Shareholders’ Register of the Company (including the Beneficial Shareholders’ Register of the Company, hereinafter the “Shareholders’ Register”) and the Register for Lost Share Certificates shall be kept at the handling office of the transfer agent, and the registration of transfer of shares, the registration on the Beneficial Shareholders’ Register in writing or digitally, the purchase and the additional sales of shares constituting less than one full unit, and other matters related to shares shall be handled by the transfer agent and shall not be handled by the Company.</u></p> <p>Article 12. <i>(Record Date)</i> 1. The Company shall deem the shareholders registered on the last Shareholders’ Register as of March 31 of each year in writing or digitally as those shareholders who are entitled to exercise</p>	<p><u>provisions of Article 166, Paragraph 1 of the Company Law; and</u> <u>(3) The right to receive an allocation of offered shares and offered stock acquisition rights pursuant to the number of shares held by the shareholder.</u></p> <p>Article 9. <i>(Additional Purchases of Shares Constituting Less Than One Unit of Shares)</i> <u>A shareholder of the Company may, pursuant to the provisions of the Share Handling Regulations</u>, request that the Company sell to <u>such shareholder</u> the number of shares that will constitute one unit <u>of shares when added to the number of shares constituting less than one unit of shares held by him/her</u>.</p> <p>Article 10. <i>(Share Handling Regulations)</i> Matters related to the handling of shares of the Company and fees therefor, <u>other than those provided for in laws and regulations or in these Articles of Incorporation</u>, shall be governed by the Share Handling Regulations to be prescribed by the Board of Directors.</p> <p>Article 11. <i>(Share Registration Agent)</i> 1. The Company shall have <u>a share registration agent</u>. 2. <u>Share registration agent and the location of its handling office</u> shall be <u>determined</u> by resolution of the Board of Directors and the public notice thereof shall be given. 3. <u>Preparation of, and maintenance and other business concerning, the shareholders’ register (including beneficial shareholders’ register, hereinafter the same), the register for stock acquisition rights and the register for lost share certificates shall be commissioned to the share registration agent and shall not be handled by the Company.</u></p> <p>Article 12. <i>(Record Date)</i> 1. The Company shall deem the shareholders registered on the last shareholders’ register as of March 31 of each year in writing or digitally as those shareholders who are entitled to exercise</p>

Present Article	Proposed Amendment
<p>their rights at the Ordinary General Meeting of Shareholders concerning the relevant <u>account settlement date</u>.</p> <p>2. In addition to the case provided for in the preceding paragraph, whenever necessary, in accordance with a resolution of the Board of Directors and upon giving prior public notice, the Company may deem the shareholders or the registered pledgees registered on the last Shareholder's Register <u>one</u> certain date in writing or digitally as those shareholders or the registered pledgees who are entitled to exercise their rights.</p> <p>Article 13. <i>(Convocation of General Meeting of Shareholders)</i></p> <p>1. (omitted)</p> <p>2. <u>The General Meeting of Shareholders of the Company shall be held at the location of the Head Office or at some place adjacent thereto, or in Tokyo.</u></p> <p>(Newly introduced)</p> <p>Article 14. <i>(Convener and Chairman of General Meeting of Shareholders)</i> (omitted)</p> <p>Article 15. <i>(Method of Resolution)</i></p> <p>1. Unless otherwise provided for by laws and ordinances or by the Articles of Incorporation, <u>the</u> resolution of <u>the</u> General Meeting of Shareholders shall be adopted by a majority vote of the total voting rights of the shareholders present at the meeting.</p> <p>2. Special resolutions of a General Meeting of Shareholders set forth in <u>Article 343 of the Commercial Code</u> shall be adopted by the affirmative vote of two-thirds <u>of the shares of voting stock represented in person or by proxy at the meeting</u>, and a quorum for the meeting shall consist of Shareholders holding at least one-third</p>	<p>their rights at the ordinary general meeting of shareholders concerning the relevant <u>fiscal year</u>.</p> <p>2. In addition to the case provided for in the preceding paragraph, whenever necessary, in accordance with a resolution of the Board of Directors and upon giving prior public notice, the Company may deem the shareholders or the registered pledgees <u>of shares</u> registered on the last shareholders' register <u>as of a</u> certain date in writing or digitally as those shareholders or the registered pledgees <u>of shares</u> who are entitled to exercise their rights.</p> <p>Article 13. <i>(Convocation of General Meeting of Shareholders)</i></p> <p>1. (present provisions maintained) (Deleted)</p> <p>Article 14. <i>(Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders, etc.)</i> <u>The Company may, in connection with the convocation of a general meeting of shareholders, deem the information concerning matters to be stated or indicated on the reference documents for a general meeting of shareholders, business report, statement of accounts and consolidated statement of account to have been provided to the shareholders by disclosing such information through the Internet pursuant to the applicable rules and the Ministerial Ordinance of the Ministry of Justice.</u></p> <p>Article 15. <i>(Convener and Chairman of General Meeting of Shareholders)</i> (present provisions maintained)</p> <p>Article 16. <i>(Method of Resolution)</i></p> <p>1. Unless otherwise provided for by laws and regulations or by the Articles of Incorporation, resolutions of general meetings of shareholders shall be adopted by a majority vote of the total voting rights of the shareholders present at the meeting <u>who are entitled to exercise their voting rights</u>.</p> <p>2. Special resolutions of general meetings of shareholders set forth in <u>Article 309, Paragraph 2 of the Company Law</u> shall be adopted by the affirmative vote of two-thirds <u>of the total voting rights of shareholders who are entitled to exercise their voting rights</u>, and a quorum for the meeting shall <u>require the presence</u> of shareholders holding</p>

Present Article	Proposed Amendment
<p>of <u>all the shares of voting stock</u>.</p> <p>Article <u>16</u>. (<i>Restriction on Voting by Proxy</i>) 1. A shareholder may exercise his/her voting right by entrusting <u>other shareholder who is entitled to exercise his/her voting right as his/her proxy</u>. 2. (omitted)</p> <p>Article <u>17</u>. (<i>Minutes of General Meeting of Shareholders</i>) <u>The substance of proceedings of the General Meeting of Shareholders and the results thereof shall be recorded in the minutes in writing or digitally, and the chairman and the Directors present shall affix their names and seals thereto or put their electronic signatures thereon.</u> (Newly introduced)</p> <p>Article <u>18</u>. (<i>Number of Directors</i>) The number of Directors of the Company shall be ten (10) <u>or less</u>.</p> <p>Article <u>19</u>. (<i>Election of Directors</i>) 1. (omitted) 2. <u>For the election of Directors, the attendance of the shareholders holding one third (1/3) or more of the voting rights of the total shareholders shall be required, and the resolution shall be adopted by a majority of votes thereof.</u> 3. (omitted)</p> <p>Article <u>20</u>. (<i>Term of Office of Director</i>) 1. The term of office of a Director shall expire at the <u>conclusion of the Ordinary General Meeting of Shareholders held with respect to the last account settlement date</u> within two (2) years after <u>their assumption of office</u>. 2. <u>The term of office of a Director elected to fill a vacancy or due to an increase in number of Directors shall be the same as the remaining term of the other Directors then in office.</u></p> <p>Article <u>21</u>. (<i>Representative Director and Director with Titles</i>) 1. The Board of Directors shall by its resolution <u>appoint</u> one or more Representative Directors. 2. The Board of Directors may by its resolution elect a Chairman of the Board and a Vice Chairmen of the Board.</p>	<p>at least one-third of the <u>total voting rights</u>.</p> <p>Article <u>17</u>. (<i>Restriction on Voting by Proxy</i>) 1. A shareholder may exercise his/her voting right by entrusting <u>one proxy, who shall be another shareholder</u>, to exercise his/her voting rights. 2. (present provisions maintained)</p> <p>Article <u>18</u>. (<i>Minutes of General Meeting of Shareholders</i>) <u>A summary of proceedings, results and other matters required by applicable laws and regulations regarding a general meeting of shareholders shall be recorded in the minutes in writing or digitally.</u></p> <p>Article <u>19</u>. (<i>Establishment of the Board of Directors</i>) <u>The Company shall establish the Board of Directors.</u></p> <p>Article <u>20</u>. (<i>Number of Directors</i>) The number of directors of the Company shall be <u>no more than ten</u> (10).</p> <p>Article <u>21</u>. (<i>Election of Directors</i>) 1. (present provisions maintained) 2. <u>A resolution to elect a director shall be made at a meeting at which the shareholders holding one-third (1/3) or more of the voting rights of all shareholders who are entitled to exercise their voting rights, and shall be adopted by a majority of votes thereof.</u> 3. (present provisions maintained)</p> <p>Article <u>22</u>. (<i>Term of Office of Directors</i>) 1. The term of office of a director shall expire at the <u>close of the ordinary general meeting of shareholders pertaining to the last fiscal year ending</u> within one (1) year after <u>appointment</u>. (deleted)</p> <p>Article <u>23</u>. (<i>Representative Directors and Directors with Titles</i>) 1. The Board of Directors shall by its resolution <u>elect</u> one or more representative directors. 2. The Board of Directors may by its resolution elect a Chairman of the Board and a Vice Chairmen of the Board.</p>

Present Article	Proposed Amendment
<p>Article <u>22</u>. (<i>Convocation Notice and Resolutions of the Board of Directors</i>)</p> <ol style="list-style-type: none"> 1. (omitted) 2. (omitted) 3. (omitted) <p style="text-align: center;">(Newly introduced)</p>	<p>Article <u>24</u>. (<i>Convocation Notice and Resolutions of the Board of Directors</i>)</p> <ol style="list-style-type: none"> 1. (present provisions maintained) 2. (present provisions maintained) 3. (present provisions maintained) 4. <u>If a director submits a proposal to resolve a matter that is subject to resolution by the Board of Directors and if all the directors (limited to those directors who are entitled to participate in the resolution of such matter) consent to such proposal in writing or digitally (except when any corporate auditor objects such proposal), the Company shall deem that there was a resolution by the Board of Directors adopting such proposal.</u>
<p>Article <u>23</u>. (<i>Regulations of the Board of Directors</i>)</p> <p style="text-align: center;">(omitted)</p>	<p>Article <u>25</u>. (<i>Regulations of the Board of Directors</i>)</p> <p style="text-align: center;">(present provisions maintained)</p>
<p>Article <u>24</u>. (<i>Minutes of Meeting of the Board of Directors</i>)</p> <p><u>The substance of proceedings of the meeting of the Board of Directors and the results thereof shall be recorded in the minutes in writing or digitally, and the Directors and the Corporate Auditors present at the meeting shall affix their names and seals thereto or put their electronic signatures thereon.</u></p>	<p>Article <u>26</u>. (<i>Minutes of Meeting of the Board of Directors</i>)</p> <p><u>A summary of proceedings, results and other matters required by laws and regulations regarding a meeting of the Board of Directors shall be recorded in the minutes in writing or digitally, and the directors and corporate auditors present at the meeting shall affix their names and seals thereto or put their electronic signatures thereon.</u></p>
<p>Article <u>25</u>. (<i>Remuneration of Directors</i>)</p> <p><u>The amount of remuneration and that of retirement allowance to Directors shall be determined at the General Meeting of Shareholders.</u></p>	<p>Article <u>27</u>. (<i>Remuneration, etc. of Directors</i>)</p> <p><u>Remuneration, bonuses and other financial interests received by directors from the Company as compensation for undertaking their functions (“Remuneration, etc.”) shall be determined at a general meeting of shareholders.</u></p>
<p>Article <u>26</u>. (<i>Exemption of Directors’ Liabilities</i>)</p> <p>Pursuant to Article 266, Paragraph 12 of the Commercial Code and to the extent permitted by law and regulations, the Company may, by resolution of the Board of Directors, exempt the liabilities of its Directors (including persons who have previously served as the Company’s Directors) with respect to acts described under Paragraph 1, Clause 5 of the said Article.</p> <p style="text-align: center;">(Newly introduced)</p>	<p>Article <u>28</u>. (<i>Exemption of Directors’ Liabilities</i>)</p> <ol style="list-style-type: none"> 1. Pursuant to <u>the provisions of Article 426, Paragraph 1 of the Company Law</u> and to the extent permitted by laws and regulations, the Company may, by resolution of the Board of Directors, exempt liabilities of its directors (including persons who have previously served as the Company’s directors) <u>for failing to perform their duties.</u> 2. <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Company Law, the Company may enter into contracts with its outside directors to limit their liabilities for a failure to perform their duties, provided that the maximum amount of liabilities under such contracts shall be the total of the amounts provided in each item of Article 425, Paragraph 1 of the Company Law.</u>

Present Article	Proposed Amendment
<p>Article <u>27</u>. <i>(Counselors and Advisors)</i> (omitted)</p> <p>(Newly introduced)</p> <p>Article <u>28</u>. <i>(Number of Corporate Auditors)</i> The number of Corporate Auditors of the Company shall be <u>four (4) or less</u>.</p> <p>Article <u>29</u>. <i>(Election of Corporate Auditors)</i> 1. (omitted) 2. <u>For the election of Corporate Auditors, the attendance of shareholders holding not less than one third (1/3) of the voting rights of the total shareholders shall be required, and the resolution shall be adopted by a majority of votes thereof.</u></p> <p>Article <u>30</u>. <i>(Term of Office of Corporate Auditors)</i> 1. The term of office of Corporate Auditors shall expire at the <u>conclusion of the Ordinary General Meeting of Shareholders held with respect to the last account settlement date</u> within four (4) years after <u>their assumption of office</u>. 2. The term of office of a Corporate Auditor elected to fill a vacancy of another Corporate Auditor who has retired before his/her term of office expires, shall be <u>the same as the remaining term of office of the retired Corporate Auditor</u>.</p> <p>Article <u>31</u>. <i>(Standing Corporate Auditor)</i> <u>Corporate Auditors shall by their mutual vote appoint</u> Standing Corporate Auditor(s).</p> <p>Article <u>32</u>. <i>(Convocation Notice of the Board of Corporate Auditors and Resolution Thereof)</i> and Article <u>33</u>. <i>(Regulations of the Board of Corporate Auditors)</i> (omitted)</p> <p>Article <u>34</u>. <i>(Minutes of Meeting of the Board of Corporate Auditors)</i> <u>The substance of proceedings of the meeting of the Board of Corporate Auditors and the results thereof</u> shall be recorded in the minutes in writing or digitally, and the Corporate Auditors present at the meeting shall affix their names and seals thereto or put their electronic signatures thereon.</p>	<p>Article <u>29</u>. <i>(Counselors and Advisors)</i> (present provisions maintained)</p> <p><u>Article 30. (Corporate Auditors and the Board of Corporate Auditors)</u> <u>The Company shall have corporate auditors and the Board of Corporate Auditors.</u></p> <p>Article <u>31</u>. <i>(Number of Corporate Auditors)</i> The number of corporate auditors of the Company shall be <u>no more than five (5)</u>.</p> <p>Article <u>32</u>. <i>(Election of Corporate Auditors)</i> 1. (present provisions maintained) 2. <u>A resolution to elect a corporate auditor shall be made at a meeting at which the shareholders holding one-third (1/3) or more of the voting rights of the total shareholders who are entitled to exercise their voting rights, and shall be adopted by a majority of votes thereof.</u></p> <p>Article <u>33</u>. <i>(Term of Office of Corporate Auditors)</i> 1. The term of office of a corporate auditor shall expire at the close of the ordinary general meeting of shareholders <u>pertaining to the last fiscal year ending</u> within four (4) years after <u>his/her appointment</u>. 2. The term of office of a corporate auditor elected to fill a vacancy of another corporate auditor, who has retired before <u>such another corporate auditor</u> term of office expires, shall be <u>until the term of office of such predecessor would expire</u>.</p> <p>Article <u>34</u>. <i>(Standing Corporate Auditor(s))</i> <u>The Board of Corporate Auditors shall by its resolution elect</u> standing corporate auditor(s).</p> <p>Article <u>35</u>. <i>(Convocation Notice of the Board of Corporate Auditors and Resolution Thereof)</i> and Article <u>36</u>. <i>(Regulations of the Board of Corporate Auditors)</i> (present provisions maintained)</p> <p>Article <u>37</u>. <i>(Minutes of Meeting of the Board of Corporate Auditors)</i> <u>A summary of proceedings, results and other matters required by applicable laws and regulations regarding</u> a meeting of the Board of Corporate Auditors shall be recorded in the minutes in writing or digitally, and the corporate auditors present at the meeting shall affix their names and seals thereto or put their electronic</p>

Present Article	Proposed Amendment
<p>Article <u>35</u>. (<i>Remuneration of Corporate Auditors</i>) <u>The amount of remuneration and that of retirement allowance to Corporate Auditors shall be determined at the General Meeting of Shareholders.</u></p> <p>Article <u>36</u>. (<i>Exemption of Corporate Auditors' Liabilities</i>) <u>Pursuant to Article 280, Paragraph 1 of the Commercial Code and to the extent permitted by law and regulations, the Company may, by resolution of the Board of Directors, exempt the liabilities of its Corporate Auditors (including persons who have previously served as the company's Corporate Auditors).</u></p> <p style="text-align: center;">(Newly introduced)</p> <p style="text-align: center;">(Newly introduced)</p> <p>CHAPTER VI. ACCOUNTING</p> <p>Article <u>37</u>. (<i>Business Year</i>) <u>The business year of the Company shall be one (1) year starting from April 1 of each year and ending on March 31 of the following year and the last day of each business year shall be the account settlement date.</u></p> <p style="text-align: center;">(Newly introduced)</p> <p>Article <u>38</u>. (<i>Dividends</i>) <u>Dividends of the Company shall be paid to the shareholders or registered pledgees registered on the last Shareholders' Register as of March 31,</u></p>	<p>signatures thereon.</p> <p>Article <u>38</u>. (<i>Remuneration, etc. of Corporate Auditors</i>) <u>Remuneration, etc. of corporate auditors shall be determined at a general meeting of shareholders.</u></p> <p>Article <u>39</u>. (<i>Exemption of Corporate Auditors' Liabilities</i>) <u>1. Pursuant to the provisions of Article 426, Paragraph 1 of the Company Law and to the extent permitted by laws and regulations, the Company may, by resolution of the Board of Directors, exempt the liabilities of its corporate auditors (including persons who have previously served as the Company's corporate auditors) for failing to perform their duties.</u> <u>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Company Law, the Company may enter into contracts with its outside corporate auditors to limit their liabilities for a failure to perform their duties, provided that the maximum amount of liabilities under such contracts shall be the total of the amounts provided in each item of Article 425, Paragraph 1 of the Company law.</u></p> <p>CHAPTER VI. ACCOUNTING AUDITOR(S) <u>Article 40. (<i>Accounting Auditor(s)</i>)</u> <u>The Company shall have accounting auditor(s).</u></p> <p>CHAPTER VII. ACCOUNTING <u>Article 41. (<i>Fiscal Year</i>)</u> <u>The fiscal year of the Company shall be one (1) year starting from April 1 of each year and ending on March 31 of the following year.</u></p> <p>Article <u>42</u>. (<i>Organ to Decide Distribution of Retained Earnings, etc.</i>) <u>Unless otherwise provided for in laws and regulations, the Board of Directors may, by its resolution, decide the matters, such as distribution of retained earnings, that are provided in each item of Article 459, Paragraph 1 of the Company Law.</u></p> <p>Article <u>43</u>. (<i>Record Date for Distribution of Surplus</i>) <u>1. The record date for the distribution of fiscal-year-end dividends of the Company shall be March 31 of each year.</u></p>

Present Article	Proposed Amendment
<p><u>of each year in writing or digitally.</u> (Newly introduced)</p> <p>(Newly introduced)</p> <p><u>Article 39. (Interim Dividends)</u> The Company may, by resolution of the Board of Directors, make such cash distribution as provided for in Article 293-5 of the Commercial Code (hereinafter called “interim dividends”) to the shareholders or registered pledgees registered on the last Shareholders’ Register as of September 30, of each year in writing or digitally.</p> <p><u>Article 40. (Effective Period for Dividend Payment)</u> If the dividends or interim dividends should not be received within three (3) years after the commencing date of the payment thereof, the Company shall be released from the obligation to make such payment.</p> <p>(Newly introduced)</p>	<p><u>2. The record date for the distribution of an interim dividend of the Company shall be September 30 of each year.</u></p> <p><u>3. In addition to the record dates set forth in the preceding two paragraphs, the Company may distribute retained earnings by setting a record date.</u></p> <p>(Deleted)</p> <p><u>Article 44. (Expiration for Dividend Payment)</u> If the asset to be distributed as dividends is cash and if such cash is not received within three (3) years after the date on which the Company commenced payment thereof, the Company shall be released from the obligation to make such payment.</p> <p><u>(Supplementary Provisions)</u></p> <p><u>1. Notwithstanding the provisions of Article 22 (Term of Office of Directors), the term of office of the directors elected at the 63rd ordinary general meeting of shareholders held on June 28, 2005 shall expire at the close of the 65th ordinary general meeting of shareholders to be held in 2007. This supplementary provision shall be deleted as of the close of the 65th ordinary general meeting of shareholders to be held in 2007.</u></p>

Agenda Item No. 3: Election of two directors

In order to reinforce the Company's management lineup and to substantiate corporate governance, we request that you elect two new directors.

The profile of the candidates for directors is set forth below.

	Name (Date of Birth)	Brief personal history; position and assignment in the Company; and representative director's position in other companies, if any	Number of the Company's shares owned
1	Naoyuki Akikusa (December 12, 1938)	April 1961 Joined Fuji Communication Apparatus Mfg. Co., Ltd. (currently Fujitsu Limited) June 1988 Director of Fujitsu Limited June 1991 Managing Director of Fujitsu Limited June 1992 Senior Managing Director of Fujitsu Limited June 1998 Representative Board Director and President of Fujitsu Limited June 2003 Representative Board Director and Chairman of Fujitsu Limited (present position) June 2005 Corporate Auditor of Advantest Corporation (present position)	0
2	Yasushige Hagio (November 24, 1947)	April 1972 Assistant Judge, Tokyo District Court April 1982 Judge, Tokyo District Court April 1998 Instructor, Legal Training and Research Institute December 2003 Chief of Shizuoka District Court June 2004 Attorney-at-Law June 2004 Joined Seiwa Patent Office and Law (present position)	0

Note:

- 1: These candidates do not have any special interest in the Company.
- 2: Messrs. Naoyuki Akikusa and Yasushige Hagio are candidates for outside directors within the meaning of Item 15 of Article 2 of the Company Law.
- 3: Mr. Naoyuki Akikusa, who is presently serving as the Company's corporate auditor, is scheduled to resign from that office as of the close of this general meeting of shareholders.

Agenda Item No. 4: Election of one corporate auditor

As Mr. Naoyuki Akikusa, corporate auditor, will resign from his office as of the close of this general meeting of shareholders, we request that you elect one corporate auditor as his successor. The term of office of the corporate auditor who will be elected at this general meeting of shareholders shall be until the close of the 66th ordinary general meeting of shareholders to be held in 2008 which is the remaining term of his predecessor, pursuant to the provisions of the Articles of Incorporation. We have obtained consent of the Board of Corporate Auditors with respect to this agenda item.

The profile of the candidate for corporate auditor is set forth below.

Name (Date of Birth)	Brief personal history; position and assignment in the Company; and representative director's position in other companies, if any	Number of the Company's shares owned
Megumi Yamamuro (March 8, 1948)	April 1974 Assistant Judge, Tokyo District Court April 1984 Judge, Tokyo District Court April 1988 Instructor, Legal Training and Research Institute April 1997 Judge, Tokyo High Court July 2004 Attorney-at-Law July 2004 Joined CAST Law P.C. (currently CAST Itoga Law P.C.) (present position) October 2004 Professor, The University of Tokyo Graduate School of Law and Politics (present position) June 2005 Corporate Auditor of Fujitsu Limited (present position)	0

Note

- 1: This candidate does not have any special interest in the Company.
- 2: Mr. Megumi Yamamuro is a candidate for outside corporate auditor within the meaning of Item 16 of Article 2 of the Company Law.

Agenda Item No. 5: Determination of the amount of remuneration for granting stock options to directors and corporate auditors

We request that you approve the determination of the amount of remuneration for granting the stock acquisition rights as stock options to directors and corporate auditors of the Company as described below.

1. Reason for requesting shareholder approval

The Company has issued the stock acquisition rights as stock options to directors and corporate auditors of the Company since 2002 to improve directors' performance and morale, and corporate auditors' awareness of proper auditing. In this manner, the Company aims to promote a management style conscious of increasing shareholder value and to attract and retain outstanding personnel. Before the implementation of the Company Law (Law No.86 of 2005), we requested approval by special resolution at shareholders' meetings for issuance of the stock acquisition rights as stock options on especially favorable terms to persons other than shareholders. But now that the Company Law is in effect, because the stock acquisition rights allocated to directors and corporate auditors as stock options are regarded as remuneration, we request Shareholders' Meeting approval for the determination of the details of remuneration for granting stock options to directors and corporate auditors.

2. The amount of remuneration for Directors and Corporate Auditors

Taking into consideration all circumstances, including the grant of stock options up to the present, the amount of remuneration for granting the stock acquisition rights as stock options to directors shall be no more than 700,000,000 yen per fiscal year, in addition to the amount of remuneration approved at the 54th ordinary general meeting of shareholders held on June 27, 1996, and the amount of remuneration for granting the stock acquisition rights as stock options to corporate auditors shall be no more than 50,000,000 yen per fiscal year, in addition to the amount of remuneration approved at the 55th ordinary general meeting of shareholders held on June 27, 1997. The Company may issue the stock acquisition rights to directors and corporate auditors up to such remuneration amount. Stock options will be granted by (i) allocating the stock acquisition rights with a fair value as the subscription price, (ii) providing cash compensation that is equal to the total amount of such subscription price, and (iii) setting off such compensation obligation against the subscription price of the stock acquisition rights. Currently, the number of directors is seven (7) and the number of corporate auditors is four (4). However, the number of directors will be nine (9) and the number of corporate auditors will be four (4) if Agenda Item Nos. 3 and 4 are approved without any change.

3. Details of the stock acquisition rights

(1) Class and total number of shares to be issued or delivered upon exercise of the stock acquisition rights

The class of shares to be issued or delivered upon exercise of the stock acquisition rights shall be common stock of the Company.

The number of shares to be issued or delivered upon exercise of each stock acquisition right shall be 100 shares, provided, that if the subscription price per share has been adjusted in accordance with sub-paragraph (3) below, the number of such shares shall be adjusted according to the following formula. This adjustment shall be made only with respect to stock acquisition rights that have not yet been exercised as of the time of adjustment. Any fractional share that arises as a result of an adjustment will be rounded down to the nearest whole number of shares.

$$\text{Number of shares to be issued or delivered upon exercise of each stock acquisition right} = \frac{\text{Total subscription price}}{\text{Subscription price per share}}$$

(2) Total number of the stock acquisition rights to be issued

The total amount of the fair value of the stock acquisition rights to be issued to directors and corporate auditors within one (1) year from the ordinary general meeting of shareholders for each fiscal year, shall not exceed the amount of compensation for granting the stock acquisition rights in paragraph 2 above. The fair value of such stock acquisition rights shall be obtained by multiplying each stock acquisition right by its fair value computed based on the Black Sholes model on the date of allocation.

(3) Subscription price to be paid upon exercise of each stock acquisition right

The subscription price to be paid upon exercise of each stock acquisition right shall be determined by multiplying (i) the subscription price per share as determined in the following paragraph, by (ii) the number of shares to be issued or delivered upon exercise of each stock acquisition right as specified in sub-paragraph (1) above (initially, 100 shares).

The subscription price per share shall be 1.05 times the average closing price, rounded up to the nearest yen, of the common stock of the Company in regular trading on the Tokyo Stock Exchange on each day of the month preceding the month in which any stock acquisition rights are allocated (excluding any such day on which there was no trade); provided that if such amount is less than the closing price of the common stock of the Company on such day of allocation (or, if there was no trade on such day of allocation, the closing price on the immediately preceding day on which there was any trade), the subscription price per share shall be equal to the closing price on such day of allocation. The Company may determine the subscription price per share for the stock acquisition rights to be issued within one (1) year from the ordinary general meeting of shareholders for a fiscal year to be the same as that for the first stock acquisition rights issued after the ordinary general meeting of shareholders for that fiscal year (if the subscription price per share for the first stock acquisition right is adjusted by the method described below, such adjusted subscription price per share) for any subsequent stock acquisition right issued.

If, subsequent to the issuance of the stock acquisition rights, the Company splits or consolidates its common stock, or issues new shares or disposes of its treasury shares below market price (subject to certain exceptions, including the issuance or delivery of shares upon exercise of the stock acquisition rights), the subscription price per share shall be adjusted according to the formula set forth below, rounded up to the nearest yen. Furthermore, the subscription price per share may, to the extent necessary and reasonable, be adjusted in a way deemed appropriate by the Company, in the case of merger or split of the Company, stock-for-stock exchange or certain other events. The Company may determine the subscription price per share for each stock acquisition right issued after such adjustment but within one (1) year from the previous ordinary general meeting of shareholders to be the same as such adjusted subscription price per share.

(a) Formula for adjustment in the case of share split or consolidation

$$\text{Subscription price per share after adjustment} = \text{Subscription price per share before adjustment} \times \frac{1}{\text{Ratio of split / consolidation}}$$

(b) Formula for adjustment in the case of issue of new shares or disposition of treasury stock below market price

$$\text{Subscription price per share after adjustment} = \text{Subscription price per share before adjustment} \times \frac{\text{Outstanding number of shares} + \frac{\text{Number of new shares to be issued} \times \text{Subscription price per share to be issued}}{\text{Market price per share}}}{\text{Outstanding number of shares} + \text{Number of new shares to be issued}}$$

In the above formula, “outstanding number of shares” shall mean the total number of outstanding shares of the Company after deduction of shares held by the Company as treasury stock. In the case of a disposition of treasury stock, “number of new shares to be issued” in the above formula shall be read as “number of treasury shares to be disposed of”.

(4) Exercise period of the stock acquisition rights

The exercise period for each stock acquisition right shall be determined by resolution at the meeting of the Board of Directors to approve the issuance of that stock acquisition right, and shall be not more than five (5) years from the day following the date of allocation.

(5) Other details of the stock acquisition rights

Details of items described in sub-paragraphs (1) through (4) above and other matters will be determined by resolution at the meeting of the Board of Directors to approve the issuance of the stock acquisition rights.

Agenda Item No. 6: Issuance of the stock acquisition rights as stock options

Pursuant to Articles 236, 238 and 239 of the Company Law, we request that you approve the issuance of the stock acquisition rights as stock options to executive officers and employees of the Company and directors, corporate auditors and employees of its domestic and overseas subsidiaries as described below.

1. Reason for the issuance of the stock acquisition rights on especially favorable terms

The Company will issue stock acquisition rights as stock options on especially favorable terms to executive officers and employees of the Company and directors, corporate auditors and employees of its domestic and overseas subsidiaries to improve performance and morale of executive officers and employees of the Company and directors and employees of its domestic and overseas subsidiaries, and corporate auditors' awareness of proper auditing at the Company's domestic and overseas subsidiaries. In this manner, the Company aims to promote a management style conscious of increasing shareholder value and to attract and retain outstanding personnel.

2. Details of the stock acquisition rights

(1) Persons to whom the stock acquisition rights will be allocated

Executive officers and employees of the Company and directors, corporate auditors and employees of its domestic and overseas subsidiaries, and overseas subsidiaries of the Company. The overseas subsidiaries will then allocate the same rights as the stock acquisition rights pursuant to applicable local laws to directors, corporate auditors and employees of other overseas subsidiaries.

(2) Class and total number of shares to be issued or delivered upon exercise of the stock acquisition rights

Not exceeding 700,000 shares of common stock of the Company.

The number of shares to be issued or delivered upon exercise of each stock acquisition right shall be 100 shares, provided, that if the subscription price per share has been adjusted in accordance with sub-paragraph (5) below, the number of such shares shall be adjusted according to the following formula. This adjustment has been made only with respect to stock acquisition rights that have not yet been exercised as of the time of adjustment. Any fractional share that arises as a result of an adjustment will be rounded down to the nearest whole number of shares.

$$\begin{array}{l} \text{Number of shares to be issued or} \\ \text{delivered upon exercise of each} \\ \text{stock acquisition right} \end{array} = \frac{\text{Total subscription price}}{\text{Subscription price per share}}$$

When the number of shares to be issued or delivered upon exercise of each stock acquisition right has been adjusted, the total number of shares to be issued or delivered upon exercise of the stock acquisition rights shall be adjusted to the number obtained by multiplying (i) the number of shares to be issued or delivered upon exercise of each stock acquisition right after adjustment by (ii) the number of the stock acquisition rights that have not yet been exercised as of such adjustment, then adding the number of shares that have been issued or delivered upon exercise of the stock acquisition rights. After the adjustment, the total number of shares to be issued or delivered upon exercise of the stock acquisition rights may exceed 700,000 shares.

(3) Total number of the stock acquisition rights to be issued

Not exceeding 7,000.

(4) Issue price of the stock acquisition rights

No consideration.

(5) Subscription price to be paid upon exercise of each stock acquisition right

The subscription price to be paid upon exercise of each stock acquisition right shall be determined by multiplying (i) the subscription price per share as determined in the following paragraph, by (ii) the number of shares to be issued or delivered upon exercise of each stock acquisition right as specified in sub-paragraph (2) above (initially, 100 shares).

The subscription price per share shall be 1.05 times the average closing price, rounded up to the nearest yen, of the common stock of the Company in regular trading on the Tokyo Stock Exchange on each day of the month preceding to the month in which any stock acquisition rights are allocated (excluding any such day on which there was no trade); provided, however, that if such amount is less than the closing price of the common stock of the Company on such day of allocation (or, if there was no trade on such day of allocation, the closing price on the immediately preceding day on which there was any trade), the subscription price per share shall be equal to the closing price on such day of allocation. The Company may determine the subscription price per share to be the same as that for the first stock acquisition rights issued based upon this Shareholders' Meeting (if the subscription price per share for the first stock acquisition right is adjusted by the method described below, such adjusted subscription price per share) for any subsequent stock acquisition rights issued.

If, subsequent to the issuance of the stock acquisition rights, the Company splits or consolidates its common stock, or issues new shares or disposes of its treasury shares below market price (subject to certain other exceptions including the issuance or delivery of shares upon exercise of the stock acquisition rights), the subscription price per share shall be adjusted according to the formula set forth below, rounded up to the nearest yen. Furthermore, the subscription price per share may, to the extent necessary and reasonable, be adjusted in a way deemed appropriate by the Company, in the case of merger or split of the Company, stock-for-stock exchange or certain other events. The Company may determine the subscription price per share for each stock acquisition right issued pursuant to the resolution this Shareholders' Meeting after such adjustment to be the same as the adjusted subscription price per share.

(a) Formula for adjustment in the case of share split or consolidation

$$\text{Subscription price per share after adjustment} = \text{Subscription price per share before adjustment} \times \frac{1}{\text{Ratio of split / consolidation}}$$

(b) Formula for adjustment in the case of issue of new shares or disposition of treasury stock below market price

$$\text{Subscription price per share after adjustment} = \text{Subscription price per share before adjustment} \times \frac{\text{Outstanding number of shares} + \frac{\text{Number of new shares to be issued} \times \text{Subscription price per share to be issued}}{\text{Market price per share}}}{\text{Outstanding number of shares} + \text{Number of new shares to be issued}}$$

In the above formula, "outstanding number of shares" shall mean the total number of outstanding shares of the Company after deduction of shares held by the Company as treasury stock. In the case of disposition of treasury stock, "number of new shares to be issued" in the above formula shall be read as "number of treasury shares to be disposed of."

(6) Exercise period of the stock acquisition rights

Between April 1, 2007 and March 31, 2011 (4 years).

(7) Conditions for exercise of the stock acquisition rights

- (a) A person to whom the stock acquisition rights has been allocated, other than overseas subsidiaries of the Company, must be a director, corporate auditor, executive officer or employee of the Company or its domestic or overseas subsidiary at the time of exercise, except where there are any reasons the Company deems justifiable.
 - (b) The stock acquisition rights may not be inherited.
 - (c) No stock acquisition right may be exercised in part.
 - (d) Other terms and conditions will be determined at a meeting of the Board of Directors to be held subsequent to the Shareholders' Meeting.
- (8) The Company's acquisition of the stock acquisition rights
- The Company shall automatically acquire the stock acquisition rights, for no consideration, if:
- (a) the general meeting of shareholders resolves to approve (if approval by the shareholders' meeting is not legally required, then the Board of Directors may approve) (i) any merger agreement pursuant to which the Company shall dissolve, (ii) any agreement or a plan pursuant to which the Company shall split all or part of its business or (iii) any stock-for-stock exchange agreement or stock-transfer plan pursuant to which the Company shall become a wholly-owned subsidiary of another company;
 - (b) a person to whom the stock acquisition rights has been allocated, other than overseas subsidiaries of the Company, does not hold the position of a director, corporate auditor, executive officer, employee or any other similar position of the Company or its domestic and overseas subsidiaries, except where there are any reasons the Company deemed justifiable;
 - (c) a person to whom the stock acquisition rights has been allocated, other than overseas subsidiaries of the Company, dies;
 - (d) a person to whom the stock acquisition rights has been allocated waives all or part of his stock acquisition rights to the Company;
 - (e) a person to whom the stock acquisition rights has been allocated, other than overseas subsidiaries of the Company, becomes a director, corporate auditor, executive officer or employee of a company that competes with the Company, except where such change of position has approved by the Company;
 - (f) a person to whom the stock acquisition rights has been allocated is in violation of laws and regulations, internal rules or other regulations of the Company, except where there are any reasons the Company deems justifiable; and
 - (g) other events as determined by resolution at a meeting of the Board of Directors to be held subsequent to the Shareholders' Meeting occur.
- (9) Matters concerning the amount of capital and the additional paid-in capital increased by the issuance of shares upon exercise of the stock acquisition rights
- (a) The amount of capital increased by the issue of the shares upon exercise of the stock acquisition rights shall be the amount equal to one-half of the maximum limit of capital increase, as calculated in accordance with Article 40, Paragraph 1 of the Company Accounting Regulation (*kaisha keisan kisoku*), and any fraction less than one (1) yen arising as a result of such calculation shall be rounded up to the nearest one (1) yen.
 - (b) The amount of additional paid-in capital increased by the issue of the shares upon exercise of the stock acquisition rights shall be the amount obtained by subtracting the capital to be increased, as provided in the sub-paragraph (a) above, from the maximum limit of capital increase, as also provided in the sub-paragraph (a) above.

- (10) Restriction on the transfer of the stock acquisition rights
Approval by the Board of Directors is required upon a transfer of the stock acquisition rights ,
except where the Company is the transferee with respect to such transfer.
- (11) Other details in respect of the stock acquisition rights will be determined by resolution at a
meeting of the Board of Directors to be held subsequent to the Shareholders' Meeting.

Agenda Item No. 7: Payment of money to directors and corporate auditors still in office following the abolishment of retirement allowance payment system

The Company decided, by resolution of the Board of Directors held on May 26, 2006, to abolish, as of the close of this general meeting of shareholders, the retirement allowance payment system for directors and corporate auditors, a part of review of directors' and corporate auditors' remuneration structures. Accordingly, the Company proposes to pay to seven directors and four corporate auditors who are still in office retirement allowances corresponding to the periods from their assumption of office of directors and corporate auditors, respectively, until the close of this general meeting of shareholders, in accordance with the standard set by the Company, as reward for their services up to now.

The timing of payment shall be at the time of retirement from the position of both director and executive officer for the relevant director, and at the time of retirement from the position of corporate auditor for the relevant corporate auditor. We request that the amount of such retirement allowances and the method of payment thereof be decided by the Board of Directors with respect to the payments to directors, and by mutual consultation among corporate auditors with respect to the payments to corporate auditors.

Brief personal history of the directors and corporate auditors still in office, to whom the retirement allowances is to be paid, is set forth below.

Name	Brief Personal History	
Shimpei Takeshita	June 1985 December 1990 June 1995 June 1997 June 2001 June 2005	Director of Advantest Corporation Managing Director Senior Managing Director Representative Board Director and, Corporate Executive Vice President Vice Chairman of the Board Chairman of the Board (present position)
Toshio Maruyama	June 1989 June 1995 June 1999 June 2001 June 2003 June 2005	Director of Advantest Corporation Managing Director Senior Managing Director Representative Board Director and President Representative Board Director, President and COO Representative Board Director, President and CEO (present position)
Hiroshi Oura	June 1989 June 2001 June 2005	Representative Board Director and President of Advantest Corporation Representative Board Director, Chairman of the Board and CEO Director, Senior Executive Advisor (present position)
Junji Nishiura	June 1993 June 1997 June 2001 June 2003	Director of Advantest Corporation Managing Director Senior Managing Director Director, Senior Executive Officer (present position)
Hiroji Agata	June 1993 June 1999 June 2003	Director of Advantest Corporation Managing Director Director, Senior Executive Officer (present position)
Hitoshi Owada	June 1997 June 2000 June 2003	Director of Advantest Corporation Managing Director Director, Managing Executive Officer (present position)
Takashi Tokuno	June 2004	Director, Managing Executive Officer of Advantest Corporation (present position)
Noboru Yamaguchi	June 2001	Standing Corporate Auditor of Advantest Corporation (present position)
Tadahiko Hirano	June 2000	Standing Corporate Auditor of Advantest Corporation (present position)
Naoyuki Akikusa	June 2005	Corporate Auditor of Advantest Corporation (present position)
Takashi Takaya	June 2003	Corporate Auditor of Advantest Corporation (present position)

(Instructions for the Exercise of Voting Rights via the Internet, etc.)

If you choose to exercise your voting rights via the Internet, etc., please read the following instructions before doing so:

(Method to vote via the Internet)

1. Voting rights may exercised online only by using the following website designated by the Company (<http://www.e-tosyodai.com>). It is possible to access this site through Internet access on a mobile phone.
(Please note that you will need the voting number and dedicated voting password as indicated on the enclosed voting instruction form if you want to exercise your voting rights on the Internet.)
2. Any connection charges due to Internet service providers and communication charges due to communication carriers incurred as a result of using the voting website shall be paid by the shareholder.

Note: The following system environment must be satisfied if you use the voting website via the Internet by using a mobile phone:

- (1) Any one of i-mode, EZweb or Vodafone live! services is available.
- (2) The mobile phone must have SSL communication function which enables cryptographic communication. (i-mode, EZweb and Vodafone live! are trademarks or registered trademarks of NTT Docomo, KDDI Co., Ltd. and Vodafone Group Plc., respectively.)

Any inquiries relating to the procedures for exercising voting rights online shall be directed to the following:

Share registration agent: Tokyo Securities Transfer Agent Co., Ltd.
Phone number: 0120-49-7009 (toll-free number)

[To: Institutional Shareholders]

The Company is a participant in the electronic voting platform operated by ICJ Inc.