(Translation)

June 1, 2004

To Our Shareholders

Toshio Maruyama
President and COO
ADVANTEST CORPORATION
32-1, Asahi-cho 1-chome,
Nerima-ku, Tokyo

CONVOCATION NOTICE OF THE 62ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Sirs and Madams:

Notice is hereby given that the 62nd 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, you may exercise your voting rights in one of the following ways after examining 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 voting instruction form, then affix your seal and send the said form to us.

(Exercise of voting rights via the Internet)

Please access the website for casting votes on the general meeting of shareholders (http://www.e-tosyodai.com), 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" as set forth on page 31.

1. Date and time: June 25, 2004 (Friday) 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 meeting:

   Matters to be reported:

   Matters concerning the business report, balance sheet and statement of income for the 62nd Fiscal Year (from April 1, 2003 to March 31, 2004).

   Matters to be resolved:

   Agenda Item No. 1: Approval of the proposed appropriation of retained earnings for the 62nd fiscal year

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

   (An outline of this agenda item is set forth on pages 25 through 26 of the "Reference Documents with respect to the Exercise of Voting Rights" below)

Agenda Item No. 3:	Election of one director
Agenda Item No. 4:	Election of two corporate auditors
Agenda Item No. 5:	Issuance of stock acquisition rights as stock options
	(An outline of this agenda item is set forth on pages 27 through 30 of the "Reference Documents with respect to the Exercise of Voting Rights" below)

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

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 video 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.

(Attachment)

Business Report

(April 1, 2003 through March 31, 2004)

1. Overview of Business

(1) Results of Business

(a) Business Conditions

During the fiscal year, business conditions affecting the Company have been generally very favorable due to an increased appetite for capital expenditures in the semiconductor manufacturing industry, as stimulated by the strong performance of digital consumer products including digital cameras and DVD recorders, decreased volatility of DRAM prices, and improved demands for personal computers.

Under this environment, the Company made concentrated efforts to increase incoming orders and expand sales through the timely introduction of new products. The Company and its group companies combined forces in a drive towards improving profitability by shortening production time and improving production efficiency, in part through a reorganization of its manufacturing operations implemented on July 1, 2003 to consolidate certain of its manufacturing subsidiaries under Advantest Manufacturing, Inc., as well as continuing its efforts from the previous fiscal year to reduce fixed costs.

As a result of the above, the Company returned to profit as incoming orders increased by 120.4% to ¥172.4 billion and net sales increased by 96.3% to ¥150.5 billion, each as compared with the previous fiscal year, while achieving net income before income taxes of ¥21.0 billion and net income of ¥11.9 billion. Overseas sales as a percentage of total sales was 64.9%, as compared to 52.9% in the previous fiscal year.

In the automated test equipment segment, flash memory testers in the memory tester market performed strongly both domestically and overseas. In addition, DRAM testers experienced solid sales, particularly with respect to new models such as the T5593 high-speed memory tester for next generation DDR memory and general purpose high-speed memory testers, which generated a high level of purchase inquiries both in and outside of Japan.

In the SoC (System-on-a-chip) and application specific semiconductor testers market, testers for SoC used in mobile phones and digital consumer devices and testers for LCD driver ICs continued their robust sales from the previous fiscal year particularly in Japan and Taiwan. In addition, the Company has introduced new products aiming at the CCD and in-car device market. The Company has also launched the T2000 series of new-concept testers based on OPENSTAR™,[*1] which recorded strong sales in the North American market.

As a result of the above, incoming orders in the automated test equipment segment increased by 139.3% to ¥160.0 billion while net sales of the segment increased by 113.8% to ¥138.2 billion, each as compared with the previous fiscal year. Overseas sales as a percentage of total sales in the automated test equipment segment was 68.5%, as compared to 57.7% in the previous fiscal year.

In the measuring instrument segment, business conditions continued to be severe due to delays in the recovery of demand in the communication market in general, despite certain market, such as the wireless LAN market, performing well in the wireless communications related market. In this segment, despite efforts to introduce new products based on the WMT[*2] platform, including a high-performance signal analyzer for next generation mobile communication, full-fledged recovery was not seen in sales or profits.

[*1] OPENSTAR™ – The name of an open architecture standard published by the Semiconductor Test Consortium, Inc.

[*2] WMT (Wizard of Module Test) is a common platform proprietarily developed by the Company for measuring instruments.

As a result of the above, incoming orders in the measuring instrument segment increased by 9.0% to ¥12.3 billion while net sales of the segment increased by 2.2% to ¥12.3 billion, each as compared with the previous fiscal year. Overseas sales as a percentage of total sales in the measuring instrument segment was 24.6%, as compared to 27.3% in the previous fiscal year.

However, the measuring instrument segment has faced operating deficits in the two preceding fiscal years and, despite the Company's restructuring efforts, did not return to profitability in the current fiscal year, with no such prospects for the foreseeable future. Therefore, the Company has made a determination to recognize an impairment loss on the fixed assets of this segment by recording a charge in the aggregate amount of ¥2.9 billion, which was included in extraordinary loss of this fiscal year.

For further information on the prospects of the measuring instrument segment, please refer to the section entitled "(b) Challenges Ahead".

(Sales Breakdown by Segment)

Fiscal Year / Segment	FY2002		FY2003		Change from the previous period	
	Amount (in million yen)	Percentage (%)	Amount (in million yen)	Percentage (%)	Amount (in million yen)	Percentage increase (%)
Automated Test Equipment	64,656	84.3%	138,258	91.8%	73,602	113.8%
Measuring Instrument	12,030	15.7%	12,300	8.2%	270	2.2%
Total	76,686	100.0%	150,558	100.0%	73,872	96.3%
Export	40,570	52.9%	97,744	64.9%	57,174	140.9%

(b) Challenges Ahead

With respect to business conditions in the upcoming fiscal year, the Company expects to see a continuing increase in demand for digital consumer devices as well as a solid increase in semiconductor demand in light of the recovery of the personal computer market and expansion of the third-generation mobile phone market. In addition, the Company expects an increase in capital expenditures by semiconductor manufacturers resulting from investments relating to 300mm wafers and the transition to a generation of memory devices. Notwithstanding the existence of certain factors that may have a negative impact, such as the strengthening of yen and the prospects for economic recovery, the Company expects the business environment to improve in general.

In order to respond to these expected increases in demand, the Company plans to implement a number of measures aimed at furthering its profitability, including plans to increase sales through the timely introduction of new products that meet market needs, as well as its continued efforts to shorten time-to-delivery through improvements in manufacturing efficiency and to reduce costs.

In connection with the regrouping and reorganization, as described below, of the Company's business in FY2004, the Company plans to reclassify and regroup its two reportable segments of "Automated Test Equipment" and "Measuring Instruments" into the following three new segments – "Semiconductor and Component Test System Business", "Mechatronics System Business" and "Services, Support and Others".

The measuring instrument segment, which has historically been one of the Company's reportable segments, has suffered poor results with grim prospects for recovery. Therefore, the Company has undertaken a fundamental review of this segment, and made the decision to reorganize the segment by selectively focusing on certain of its existing businesses, centering on the act of "measurement", which is the basic pillar of the Company's business.

The first segment of "Semiconductor and Component Test System Business" focuses on the markets for semiconductors and electronic parts. This segment combines the Company's product lines of memory testers, SoC testers and application specific semiconductor testers with certain measuring instrument product lines, as well as incorporating the constituent technologies, sophisticated engineering teams and other resources developed in the measuring instrument business.

The second segment of "Mechatronics System Business" focuses on peripheral devices used for "measurement", which will include handlers, which are used for the purpose of factory automation, device interfaces, which serve as interface with devices to be measured, and nano-techonology related operations.

The last segment of "Services, Support and Others" will consist of solutions provided in connection with the above businesses, support services, and the equipment lease business.

The Company is focused on improving operating results through establishing an operating structure that responds timely to market changes, promoting fast development of key future technologies and providing timely customer solutions under the concept of "GETsolution".*[3] To achieve these objectives, the Company is driven to further strengthen its product development operations and improve production efficiency by selectively focusing on certain businesses, while strengthening its overseas operations in the U.S., Europe and Asia.

Further, the Company seeks to achieve better transparency and strengthen its corporate branding by stressing the importance of corporate social responsibilities, enhancing its disclosure process and compliance system, and addressing environmental as well as human rights issues.

In October 2001, the Company launched a company-wide initiative called "Initiative21". This initiative seeks to promote new ideas and improvement strategies at all levels of the Company, from divisions ranging from sales, development and manufacturing to maintenance and administration, with an aim toward strengthening the Company's competitiveness. The Company expects to achieve further growth and fulfill its social mission by having each employee take the initiative to tackle new issues. This initiative will continue into 2004, the year of the Company 50th anniversary.

We look forward to your continued support and guidance as shareholders.

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*3 GETsolution (Globally Enabled Total solution) is the Company's service business designed to provide a set of comprehensive solutions to deal with issues ranging from the design to the delivery of semiconductors.

(c) Capital Expenditures

The Company invested a total of ¥2.3 billion in capital expenditures in FY2003 that focused on new product development, manufacturing streamlining, power saving and expansion of manufacturing capacity.

(d) Financing

No significant financing activity took place in FY2003.

(2) Historical Data on Business Results and Assets

	FY2000	FY2001	FY2002	FY2003
Net sales (in million yen)	225,309	72,928	76,686	150,558
Net income (in million yen)	31,820	(19,265)	(11,467)	11,957
Net income per share (in yen)	319.08	(193.71)	(116.49)	119.97
Net assets (in million yen)	230,988	204,058	178,253	188,891
Total assets (in million yen)	354,357	258,544	235,456	277,047

Note 1: The calculation of "net income per share" was based on the average number of total shares outstanding during the relevant fiscal year.

Note 2: The calculation of "net income per share" since FY2001 was based on the average number of issued shares during the relevant fiscal year reduced by the average number of treasury shares held during the fiscal year. Beginning in FY2002, the Company has adopted the "Accounting Standards Regarding Calculations of Earnings Per Share of current net earnings" (ASB Statement No. 2) and "Guidelines for Accounting Standards Regarding Calculations of Earnings Per Share of current net earnings" (ASB Guidelines No. 4).

Note 3: Beginning in FY2003, the Company has adopted the "Accounting Standards for Impairment Accounting of Fixed Assets" (BADC) and "Implementation Guidelines for Impairment Accounting of Fixed Assets" (ASB Implementation Guidelines No. 6).

2. Company Information (as of March 31, 2004)

(1) Primary Areas of Business

The Company designs, manufactures and sales automated test equipment used for the testing of function and performance of various types of semiconductors, as well as general-purpose and customized measuring instruments used in the communications, electronic devices and computer systems industries.

(2) Equity Stock

(a) Total number of authorized shares 220,000,000 shares

(b) Total number of issued shares 99,783,385 shares

(c) Number of shareholders 33,112

(d) Major shareholders

Name of Shareholder	Status of Ownership		The Company's Interest in such Shareholder	
	Number of Shares (in thousand shares)	Percentage in Voting Rights (%)	Number of Shares (in thousand shares)	Percentage in Voting Rights (%)
Mizuho Trust & Banking Co., Ltd. (retirement benefit trust (Fujitsu account))	16,023	16.33	–	–
The Master Trust Bank of Japan, Ltd. (trust account)	8,716	8.88	–	–
Japan Trustee Services Bank, Ltd. (trust account)	8,042	8.19	–	–
Fujitsu Limited	4,047	4.12	–	–
Barclays Bank PLC Sub-Account Barclays Capital Securities Limited	2,164	2.20	–	–
The Dai-ichi Mutual Life Insurance Company	1,724	1.75	–	–
Shinsei Bank, Limited	1,627	1.65	–	–
BNP Paribas Securities (Japan) Limited	1,584	1.61	–	–
Fukoku Mutual Life Insurance Company	1,546	1.57	–	–
Credit Suisse First Boston Securities (Japan) Limited	1,399	1.42	–	–

(Notes) 1. Treasury shares held by the Company, in the number of 1,507 thousand shares, have not been included in the table above.

2. Mizuho Trust & Banking Co., Ltd. holds the 16,023 thousand shares of common stock referred above as the trustee of a retirement benefit plan of Fujitsu Limited, and exercises its voting rights pursuant to instructions given by Fujitsu Limited.

(3) Acquisition, Disposition and Holding of Treasury Stock

(i) Acquisition

Common stock	4,141 shares
Aggregate cost of acquisition	¥31,548 thousand

(ii) Disposition

Common stock	33,422 shares
Aggregate proceeds from disposition	¥286,159 thousand

(iii) Lapse

Common stock	- shares

(iv) Number of treasury stock as of end of period

Common stock	1,507,745 shares

(4) Employees

Number of Employees	Change from End of Previous Period	Average Age	Average Years of Service
1,450	(157)	36.72	11.83

(Notes) 1. The employee numbers set forth above do not include employees seconded to associated companies.

2. The number of employees decreased by 157 as compared to the end of the previous fiscal year primarily due to a transfer of manufacturing personnel effected in connection with the spin-off of the Company's manufacturing division and its subsequent merger into Advantest Manufacturing, Inc.

(5) Business Combinations

(a) Significant Subsidiaries

Name of Subsidiary	Common Stock	Percentage of Ownership	Principal Activities
Advantest Laboratories Ltd.	¥50 million	100%	Research and development of measuring and testing technologies
Advantest Customer Support Corporation	¥300 million	100%	Maintenance service for the Company's products
Advanmechatec Co., Ltd.	¥300 million	100%	Manufacturing of the Company's products
Advanmicrotec Co., Ltd.	¥50 million	100%	Manufacturing of components used in the Company's products
Advantest Manufacturing, Inc.	¥80 million	100%	Manufacturing of the Company's products
Japan Engineering Co., Ltd.	¥305 million	100%	Development, manufacturing and sales of the Company's products
Advantest Finance Inc.	¥1,000 million	100%	Leasing of the Company's products
Advantest America Corporation (Holding Co.)	US$43,000 thousand	100%	Headquarters of North American operations
Advantest America, Inc.	US$42,000 thousand	100%	Manufacturing and sales of the Company's products
Advantest (Europe) GmbH	10,792 thousand Euros	100%	Headquarters of European operations; sales of the Company's products
Advantest Taiwan Inc.	560,000 thousand New Taiwan Dollars	100%	Sales of the Company's products
Advantest (Singapore) Pte. Ltd.	15,300 thousand Singapore Dollars	100%	Headquarters of Asian operations; sales of the Company's products

(Note) Percentage of ownership includes indirectly held shares.

(b) Business Combination Activities

(i) On April 1, 2003, the Company established Advantest RF Technology Corporation as a development subsidiary for measuring instruments.

(ii) On July 1, 2003, the Company separated its information technology department to establish a spin-off company, Advantest Information Systems, Inc.

(iii) Advantest Instruments Corporation was merged into Advanelectron Co., Ltd. on July 1, 2003 as part of the Company's efforts to consolidate its manufacturing operations. In addition, Advanelectron Co., Ltd. has been renamed Advantest Manufacturing, Inc.

(iv) Japan Engineering Co., Ltd. became a wholly-owned subsidiary of the Company upon the completion of a share subscription on August 5, 2003 and a share acquisition by share exchange on December 16, 2003, both conducted by the Company with respect to Japan Engineering's shares.

(v) Advantest America Design Center, Inc. terminated operations on June 30, 2003.

(vi) On October 1, 2003, Advantest (Singapore) Pte. Ltd. was consolidated with Advantest Asia Pte. Ltd., which is the Company's subsidiary that oversees Asia operations. In addition, Advantest Asia Pte. Ltd. has been renamed Advantest (Singapore) Pte. Ltd. after the consolidation.

(vii) On March 19, 2004, Advantest Test Engineering Corporation was merged into Advantest America R&D Center, Inc. to improve efficiency.

(c) Results of Business Combination Activities

The Company has 40 consolidated subsidiaries, including the 12 significant subsidiaries set forth above. In FY2003, consolidated net sales was ¥174.2 billion (up 78.2% from the previous fiscal year) and consolidated net income was ¥17.3 billion.

(6) Significant Sales Offices and Branch Offices

Category	Name of Office	Location
Head Office and Other Offices	Head Office	Shinjuku-ku, Tokyo
	Nerima Office	Nerima-ku, Tokyo
	Gyoda Office	Gyoda-shi, Saitama
	Western Japan Office	Suita-shi, Osaka
R&D Centers	Gunma R&D Center	Meiwa-machi, Ora-gun, Gunma
	Otone R&D Center	Otone-machi, Kitasaitama-gun, Saitama
	Kitakyushu R&D Center	Yahatahigashi-ku, Kitakyushu-shi, Fukuoka
Laboratories	Advantest Laboratories	Aoba-ku, Sendai-shi, Miyagi
Factories	Gunma Factory	Ora-machi, Ora-gun, Gunma
	Gunma Factory 2	Ora-machi, Ora-gun, Gunma
	Menuma Factory	Menuma-machi, Osato-gun, Saitama

(7) Directors and Corporate Auditors

Title	Name	Area of Responsibility
Chairman of the Board and CEO	Hiroshi Oura	
Vice Chairman of the Board	Shinpei Takeshita	
President and COO	Toshio Maruyama	
Director and Senior Executive Officer	Kiyoshi Miyasaka	In charge of corporate planning and strategies; Senior Vice President, Strategic Business Initiatives
Director and Senior Executive Officer	Junji Nishiura	In charge of technologies and production
Director and Senior Executive Officer	Hiroji Agata	In charge of marketing
Director and Managing Executive Officer	Hitoshi Owada	In charge of administration
Corporate Standing Auditor	Noboru Yamaguchi	
Corporate Standing Auditor	Tadahiko Hirano	
Corporate Auditor	Keizo Fukagawa	Executive Advisor of Fujitsu Limited
Corporate Auditor	Takashi Takaya	Corporate Standing Auditor of Fujitsu Limited

(Note) 1. Changes in the appointment of directors and corporate auditors during FY2003 are as follows:

(1) Changes adopted by the 61st ordinary general meeting of shareholders on June 27, 2003

Retiring:

Senior Managing Director	Shigeru Sugamori
Managing Director	Isao Kitaoka
Managing Director	Kenichi Mitsuoka
Managing Director	Takashi Tokuno
Managing Director	Masakazu Ando
Director	Jiro Katoh
Director	Tetsuo Aoki
Director	Norihito Kotani
Director	Takao Tadokoro
Director	Hiroyasu Sawai
Director	Yuri Morita
Director	Hiroshi Tsukahara
Director	Masao Shimizu

Newly elected:

Corporate Auditor	Takashi Takaya

(2) Changes adopted by the Meeting of the Board of Directors on June 27, 2003

Representative Board Director	Toshio Maruyama	(Previous position: President and COO)
Director	Kiyoshi Miyasaka	(Previous position: Senior Managing Director)
Director	Junji Nishiura	(Previous position: Senior Managing Director)
Director	Hiroji Agata	(Previous position: Managing Director)
Director	Hitoshi Owada	(Previous position: Managing Director)

2. There was no significant change in the area of responsibility or position of directors after March 31, 2004.

3. Of the corporate auditors set forth above, Keizo Fukagawa and Takashi Takaya are outside corporate auditors appointed pursuant to Article 18, Paragraph 1 of the "Law Concerning Exceptions to the Commercial Code Relating to Audit, etc. of Stock Corporations."

4. Effective June 27, 2003, the Company has introduced the positions of Executive Officer. The appointments of Executive Officers are set forth below:

   (* Indicates an Executive Officer who also serves on the Board of Directors)

President and COO	Toshio Maruyama*
Senior Executive Officer	Kiyoshi Miyasaka*
Senior Executive Officer	Junji Nishiura*
Senior Executive Officer	Hiroji Agata*
Managing Executive Officer	Hitoshi Owada*
Managing Executive Officer	Kenichi Mitsuoka
Managing Executive Officer	Takashi Tokuno
Managing Executive Officer	Norihito Kotani
Managing Executive Officer	Yuri Morita
Executive Officer	Jiro Katoh
Executive Officer	Takao Tadokoro
Executive Officer	Hiroyasu Sawai
Executive Officer	Hiroshi Tsukahara
Executive Officer	Masao Shimizu
Executive Officer	Masao Araki
Executive Officer	Yoshiaki Furuse
Executive Officer	Yuichi Kurita
Executive Officer	Yoshiro Yagi
Executive Officer	Hideaki Imada

(8) Stock Acquisition Rights

(a) Stock acquisition rights currently outstanding

(Stock acquisition rights granted in accordance with the resolution passed at the ordinary general meeting of shareholders held on June 27, 2002)

Number of stock acquisition rights	7,030
Class and total number of shares to be issued or delivered upon exercise	703,000 shares of common stock
Issuance price	¥0

(Stock acquisition rights granted in accordance with the resolution passed at the ordinary general meeting of shareholders held on June 27, 2003)

Number of stock acquisition rights	7,500
Class and total number of shares to be issued or delivered upon exercise	750,000 shares of common stock
Issuance price	¥0

(b) Stock acquisition rights issued during FY2003 under especially favorable terms to persons who are not shareholders

(Stock acquisition rights granted in accordance with the resolution passed at the ordinary general meeting of shareholders held on June 27, 2002)

- Issued on April 25, 2003 -

1. Class and total number of shares to be issued or delivered upon exercise — 14,000 shares of common stock
2. Number of stock acquisition rights — 140 (each stock acquisition right is exercisable for 100 shares)
3. Issuance price — ¥0
4. Exercise price to be paid upon exercise — ¥8,148 per share
5. Exercise period — May 1, 2003 to March 31, 2007
6. Terms of exercise
   (a) A person to whom stock acquisition rights are allocated (a "rights holder") may not exercise its rights if:
      (i) the rights holder ceases to be a director, corporate auditor or employee of the Company or of its subsidiary before the expiration of the exercise period, and is not appointed or rehired as a director, corporate auditor, employee, advisor or non-regular employee of such entities, except where the termination is due to the completion of his/her term of office or his/her reaching retirement age;
      (ii) the rights holder dies;
      (iii) the rights holder notifies the Company of his/her intention to waive the rights;
      (iv) for any reason the rights holder becomes an officer or employee of a company engaging in a competing business, and is notified by the Company of the revocation of his/her rights; or
      (v) upon the exercise of the stock acquisition rights, the rights holder violates any law, Company rule or agreement governing the granting of such stock acquisition rights, and is notified by the Company of the revocation of his/her rights.
   (b) The stock acquisition rights may not be inherited.
   (c) No stock acquisition right may be exercised in part.
7. Cancellation of stock acquisition rights
   (a) The Company may cancel, for no consideration, any stock acquisition right in the event that the general meeting of the shareholders resolves to approve (i) any merger agreement pursuant to which the Company shall cease to exist, or (ii) any share exchange agreement or share transfer pursuant to which the Company shall become a wholly-owned subsidiary of another company.

(b) The Company may cancel, for no consideration, all or part of the stock acquisition rights of a rights holder to the extent that such stock acquisition rights are not exercisable due to the rights holder's failure to satisfy any of the conditions for exercise of stock acquisition rights.

8. Favorable terms related to the stock acquisition rights

   The stock acquisition rights were issued for no consideration to directors, and employees of the Company's overseas subsidiaries.

(Stock acquisition rights granted in accordance with the resolution passed at the ordinary general meeting of shareholders held on June 27, 2003)

- Issued on June 27, 2003 -

1.	Class and total number of shares to be issued or delivered upon exercise	734,000 shares of common stock
2.	Number of stock acquisition rights	7,340 (each stock acquisition right is exercisable for 100 shares)
3.	Issuance price	¥0
4.	Exercise price to be paid upon exercise	¥5,160 per share
5.	Exercise period	April 1, 2004 to March 31, 2008

6. Terms of exercise

   (a) A person to whom stock acquisition rights are allocated (a "rights holder") may not exercise its rights if:

      (i) the rights holder becomes a person who does not hold any position as a director, corporate auditor, executive officer, employee, advisor or non-regular employee of the Company or of any of its subsidiaries , except where the Company deems that it is appropriate to allow him/her to exercise his/her stock acquisition rights and notifies him/her to that effect;

      (ii) the rights holder dies;

      (iii) the rights holder notifies the Company of his/her intention to waive the rights;

      (iv) for any reason the rights holder becomes an officer or employee of a company engaging in a competing business, and is notified by the Company of the revocation of his/her rights; or

      (v) upon the exercise of the stock acquisition rights, the rights holder violates any law, Company rule or agreement governing the granting of such stock acquisition rights, and is notified by the Company of the revocation of his/her rights.

   (b) The stock acquisition rights may not be inherited.

   (c) No stock acquisition right may be exercised in part.

7. Cancellation of stock acquisition rights

   Same as the stock acquisition rights issued on April 25, 2003.

8. Favorable terms related to the stock acquisition rights

   The stock acquisition rights were issued for no consideration to directors, corporate auditors, executive officers and employees of the Company and its domestic and overseas subsidiaries.

- Issued on August 29, 2003 -

1.	Class and total number of shares to be issued or delivered upon exercise	6,000 shares of common stock
2.	Number of stock acquisition rights	60 (each stock acquisition right is exercisable for 100 shares)
3.	Issuance price	¥0
4.	Exercise price to be paid upon exercise	¥8,090 per share
5.	Exercise period	Same as the stock acquisition rights issued on June 27, 2003.

6. Terms of exercise

   Same as the stock acquisition rights issued on June 27, 2003.

7. Cancellation of stock acquisition rights

   Same as the stock acquisition rights issued on April 25, 2003.

8. Favorable terms related to the stock acquisition rights

   The stock acquisition rights were issued for no consideration to employees of the Company's overseas subsidiaries.

- Issued on January 27, 2004 -

1.	Class and total number of shares to be issued or delivered upon exercise	7,000 shares of common stock
2.	Number of stock acquisition rights	70 (each stock acquisition right is exercisable for 100 shares)
3.	Issuance price	¥0
4.	Exercise price to be paid upon exercise	¥9,220 per share
5.	Exercise period	Same as the stock acquisition rights issued on June 27, 2003.

6. Terms of exercise

   Same as the stock acquisition rights issued on June 27, 2003.

7. Cancellation of stock acquisition rights

   Same as the stock acquisition rights issued on April 25, 2003.

8. Favorable terms related to the stock acquisition rights

   The stock acquisition rights were issued for no consideration to directors of the Company's overseas subsidiaries.

- Issued on March 31, 2004 -

1.	Class and total number of shares to be issued or delivered upon exercise	3,000 shares of common stock
2.	Number of stock acquisition rights	30 (each stock acquisition right is exercisable for 100 shares)
3.	Issuance price	¥0
4.	Exercise price to be paid upon exercise	¥8,550 per share
5.	Exercise period	Same as the stock acquisition rights issued on June 27, 2003.

6. Terms of exercise

   Same as the stock acquisition rights issued on June 27, 2003.

7. Cancellation of stock acquisition rights

   Same as the stock acquisition rights issued on April 25, 2003.

8. Favorable terms related to the stock acquisition rights

   Same as the stock acquisition rights issued on August 29, 2003.

(Names of the persons to which stock acquisition rights were granted and the numbers granted)

(i) Directors of the Company

Name	Number of stock acquisition rights
Hiroshi Oura, Shinpei Takeshita, Toshio Maruyama	300 each
Kiyoshi Miyasaka, Junji Nishiura, Hiroji Agata	200 each
Hitoshi Owada	180

(ii) Corporate Auditors of the Company

Name	Number of stock acquisition rights
Noboru Yamaguchi, Tadahiko Hirano, Keizo Fukagawa, Takashi Takaya	30 each

(iii) Executive Officers of the Company

Name	Number of stock acquisition rights
Kenichi Mitsuoka, Takashi Tokuno, Norihito Kotani, Yuri Morita	160 each
Jiro Katoh, Takao Tadokoro, Hiroyasu Sawai, Hiroshi Tsukahara, Masao Shimizu, Masao Araki, Yoshiaki Furuse, Yuichi Kurita, Yoshiro Yagi, Hideaki Imada	120 each

(iv) Advisors to the Company

Name	Number of stock acquisition rights
Tetsuo Aoki, Masakazu Ando, Keishi Kaetsu, Mineo Kamiya, Katsusaburo Kawaguchi, Isao Kitaoka, Shigeru Sugamori, Michiaki Chamoto, Shoji Niki, Hiromi Maruyama, Katsuaki Minami	30 each

(v) Employees of the Company; Directors and employees of the Company's subsidiaries (top 10 persons only)

Name	Number of stock acquisition rights
Lin Gang	200
Kim Young Hwan, Cheng Sui Yoong, Nicholas Konidaris, Josef Schraetzenstaller, Keith Lee	100 each
Robert Sauer	80
Ping Nieh	50
Tony Capitanio, Georg Schmederer	40 each

(Note) The number of stock acquisition rights granted to Lin Gang, Tony Capitanio and Georg Schmederer include rights granted on April 25, 2003 and June 27, 2003. The number of stock acquisition rights granted to Keith Lee include rights granted on June 27, 2003 and January 27, 2004.

(vi) Directors of the Company's subsidiaries who were granted at least the same number of stock acquisition rights as the least number granted to Directors or Corporate Auditors of the Company

Name	Number of stock acquisition rights
Ryozo Kobayashi, Takashi Horio	30 each

(Note) Persons listed above in (v) have been excluded from this table.

(vii) Breakdown of stock acquisition rights granted to employees of the Company and directors and employees of the Company's subsidiaries

Category	Number of stock acquisition rights	Class and total number of shares to be issued or delivered upon excercise	Total number of persons granted stock acquisition rights
Employees of the Company	1,540	154,000 shares of common stock	66
Directors of the Company's subsidiaries	950	95,000 shares of common stock	17
Employees of the Company's subsidiaries	1,180	118,000 shares of common stock	70

Balance Sheet

(As of March 31, 2004)

(In million yen)

Assets		Liabilities	
Current assets	203,388	Current liabilities	56,504
Cash and deposits	64,469	Trade accounts payable	38,444
Trade notes receivable	4,978	Current installments of bonds	4,500
Accounts receivable	67,042	Other accounts payable	1,173
Finished goods	8,154	Accrued expenses	6,647
Raw materials	6,134	Income tax payable	32
Work in progress	21,258	Allowance for product warranty	1,771
Supplies	42	Other	3,935
Deferred tax assets	21,776		
Other	9,541	Noncurrent liabilities	31,651
Allowance for doubtful accounts	(10)	Bonds	20,000
		Long-term borrowings	82
Noncurrent assets	73,658	Allowance for retirement benefits	9,386
Property, plant and equipment	40,054	Allowance for officers' retirement benefits	1,261
Buildings and improvements	16,183	Other	920
Structures	1,043	Total liabilities	88,155
Machinery and equipment	3,252	Stockholders' equity	
Vehicles and delivery equipment	0	Common stock	32,362
Tools and furniture	1,338	Capital surplus	32,973
Land	18,141	Additional paid-in capital	32,973
Construction in progress	94	Retained earnings	135,672
Intangible fixed assets	1,884	Legal reserve	3,083
Software and other	1,884	Voluntary reserve	119,942
Investments and other assets	31,718	[Reserve for losses in foreign investments]	[27,062]
Investment securities	6,713	[General reserve]	[92,880]
Investments in associated companies	16,347	Unappropriated earnings at end of year	12,647
Long-term loans receivable	1,408	Net unrealized holding gains on other securities	793
Deferred tax assets	5,707	Treasury stock	(12,910)
Other	1,542		
		Total stockholders' equity	188,891
Total assets	277,047	Total liabilities and stockholder's equity	277,047

(Note) All amounts above are truncated after the million.

Beginning this fiscal year, the Company prepares its financial statements in accordance with the amended Commercial Code Regulations that included amendments required by the "Ministry of Justice Ordinance to Amend Certain Parts of the Commercial Code Regulations" (Ministry of Justice Ordinance No. 7, issued on February 28, 2003) and "Ministry of Justice Ordinance to Amend Certain Parts of the Commercial Code Regulations" (Ministry of Justice Ordinance No. 68, issued on September 22, 2003).

1. Short-term receivables from associated companies ¥40,381 million
   Long-term receivables from associated companies ¥1,380 million
2. Short-term payables to associated companies ¥10,271 million
3. Outstanding loan guarantees ¥26 million
4. Accumulated depreciation on property, plant and equipment (including accumulated impairment losses) ¥56,449 million
5. Assets pledged as collateral
   Property, plant and equipment ¥403 million
6. In addition to the noncurrent assets on the balance sheet, the Company uses certain computer equipment under lease contracts.

7. The amount of outstanding warrants attached to bonds, class of equity issuable upon exercise of such warrants and their exercise prices are as set forth below:

	Amount outstanding	Class of equity issuable upon exercise	Exercise price
Series 3 unsecured bonds with warrants	¥225 million	Common stock	¥14,018.00

8. Increase in net assets within the meaning of Article 124, Clause 3 of the Commercial Code Regulations: ¥793 million

Statement of Income

(April 1, 2003 through
March 31, 2004)

(In million yen)

Ordinary profit and loss	Operating profit and loss	Operating income		
		Net sales		150,558
		Operating expenses		
		Cost of sales	86,008	
		Selling, general and administrative expenses	40,772	126,781
		Operating income		23,776
	Non-operating profit and loss	Non-operating income		
		Interest and dividends income	1,614	
		Other	2,452	4,067
		Non-operating expenses		
		Interest expenses	466	
		Other	3,344	3,811
	Ordinary income			24,033
Extraordinary profit and loss	Extraordinary loss			
	Impairment loss		2,996	2,996
Net income before income taxes				21,036
Income taxes - current				86
Income taxes - deferred				8,993
Net income				11,957
Retained earnings brought forward				2,180
Interim dividends				1,473
Loss from disposition of treasury stock				16
Unappropriated earnings at end of year				12,647

(Note) All amounts above are truncated after the million.

1. Transactions with associated companies

Sales	¥71,227 million
Purchases	¥41,139 million
Non-operating transactions	¥3,862 million

2. Net income per share ¥119.97

Net income as reported on statement of income	¥11,957 million
Net income allocated to common stock	¥11,787 million
Amount not allocated to common stock Bonuses to officers by appropriation of earnings	¥170 million
Average number of common stock outstanding during the fiscal year	98,250,830 shares

Significant Accounting Policies

1. Valuation of securities

(1) Investments in subsidiaries

Stated at cost using the moving average method

(2) Other securities

(a) Securities with fair value

Stated at fair value based on market prices at the end of the relevant period (unrealized holding gains and losses are accounted for as a component of stockholders' equity; cost of other securities sold is determined using the moving average method).

(b) Securities not practicable to estimate fair value

Stated at cost using the moving average method

2. Valuation of inventories

(1) Finished goods

Stated at cost using the periodic average method

(2) Raw materials

Stated at lower of cost or market using the periodic average method

(3) Work in progress

Stated at cost using the periodic average method

(4) Supplies

Stated at cost using the specific identification method

3. Depreciation and amortization of noncurrent assets

(1) Depreciation of plant, property and equipment

Based on the declining balance method

However, buildings (excluding attached improvements) acquired on or after April 1, 1998 are depreciated using the straight-line method.

(2) Amortization of intangible fixed assets

Based on the straight-line method

However, software for internal use is amortized using the straight-line method over its estimated useful life of 5 years.

4. Allowances

(1) Allowance for doubtful accounts

To prepare for credit losses on accounts receivable and loans, etc., an allowance equal to the estimated amount of uncollectible receivables is provided for general receivables based on a historical write-off ratio, and for bad receivables based on a case-by-case determination of collectibility.

(2) Allowance for product warranty

To reasonably account for repair costs covered under product warranty in the respective periods in which they arise, the allowance for a given year is provided in an amount determined based on the ratio of repair costs in that year to net sales in the preceding year.

(3) Allowance for retirement benefits

To provide for employee retirement benefits, an allowance for retirement benefits is provided in an amount determined based on the estimated retirement benefit obligations and pension assets at the end of the fiscal year.

Past service liabilities are amortized on a straight-line basis over a fixed number of years (17 years) during the average remaining years of service of employees.

Any actuarial gains and losses are amortized on a straight-line basis over a fixed number of years (17 years) during the average remaining years of service of employees, and the amount is recorded in the fiscal year subsequent to its occurrence.

(4) Allowance for officers' retirement benefits

To provide for officers' retirement benefits, an allowance is provided for the aggregate amount payable at the end of the period pursuant to the Company's rules on officers' retirement benefits. This allowance is stipulated under Article 43 of the Commercial Code Regulations.

5. Accounting for lease transactions

Finance lease transactions not involving a transfer of title to the lessee are accounted for in the same way as usual operating lease transactions.

6. Accounting for consumption taxes

Consumption taxes are accounted using the net-of-tax method.

(Changes in Accounting Policies)

From this fiscal year, the Company has adopted the accounting standard for impairment of fixed assets (“Opinion on Establishing an Accounting Standard for Impairment of Fixed Assets” (BADC, August 9, 2002)) and “Implementation Guidelines for Impairment Accounting of Fixed Assets” (ASB Implementation Guidelines no. 6, October 31, 2003), as these standard and guidelines became applicable to financial statements of fiscal years ending on or after March 31, 2004. The adoption of the above has negatively affected income before income taxes by ¥2,996 million.

(Changes in the Method of Presentation)

From this fiscal year, the Company has adopted the “Special Exception Relating to Associated Companies” under Article 48, Paragraph 1 of the Commercial Code Regulations. In accordance with this Exception, certain statements or notes have been presented for the category “associated companies” rather than for “subsidiaries” as was previously. In addition, pursuant to Article 197 of the Commercial Code Regulations, the Company has adopted the terminology and forms provided in the “Regulations on Financial Statements, etc.” in certain parts of its balance sheet and statement of income, and as a result has renamed the line item “net unrealized holding gains on equity shares, etc.” to “net unrealized holding gains on other securities”. Neither of the above changes had any effect on the amounts to be presented.

Proposed Appropriation of Retained Earnings

(In yen)

Item	Amount
Unappropriated earnings at end of year	12,647,472,145
Earnings will be appropriated as follows:	
Dividends	
¥25 per share	2,456,891,000
Directors’ bonus	150,000,000
Corporate Auditors’ bonus	20,000,000
General reserve	7,000,000,000
Earnings to be carried forward	3,020,581,145

(Note) On December 10, 2003, the Company paid interim dividends of ¥15 per share (or ¥1,473,669,120 in total) to its shareholders of record as of September 30, 2003.

Copy of Independent Auditor's Report

Independent Auditor's Report

May 17, 2004

To the Board of Directors of Advantest Corporation:

Shin Nihon & Co.

Shigenori Hanada
Daihyo Shain and
Kanyo Shain
Certified Public Account

Mitsuo Cho
Kanyo Shain
Certified Public Account

We have audited the financial statements, which included the balance sheet, statement of income, the business report (limited to accounting matters), the proposed appropriation of retained earnings and the supporting schedules (limited to accounting matters), of Advantest Corporation for its 62nd fiscal year (April 1, 2003 through March 31, 2004) for the purpose of reporting under the provisions of Article 2, Paragraph 1 of the "Law Concerning Exceptions to the Commercial Code Relating to Audit, etc. of Stock Corporations." With respect to the aforementioned business report and the supporting schedules, our audit was limited to those matters based on the accounting records of the Company. The management of the Company was responsible for the preparation of these financial statements and the supporting schedules, and our responsibility is to express an opinion on the financial statements and the supporting schedules based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. The auditing standards require us to obtain reasonable assurance that the financial statements and the supporting schedules are free of material misstatement. The audit was conducted based on a test basis, and included assessing the accounting principles used, the method of their application and estimates made by management as well as evaluating the overall presentation of the financial statements and the supporting schedules. We believe that our audit provides a reasonable basis for our opinion. The auditing procedures also include those considered necessary for its subsidiaries.

As a result of the audit, our opinion is as follows:

(1) the balance sheet and statement of income present properly the financial position and the results of operations of the Company in conformity with related laws and regulations and the Articles of Incorporation of the Company;
As stated in the Significant Accounting Policies, the Company has adopted the accounting standard for impairment of fixed assets ("Opinion on Establishing an Accounting Standard for Impairment of Fixed Assets" (BADC, August 9, 2002)) and "Implementation Guidelines for Impairment Accounting of Fixed Assets" (ASB Implementation Guidelines no. 6, October 31, 2003) from this fiscal year with which we concur as its purpose was to reduce the carrying amount of the fixed assets of the measuring instrument segment to their current valuation based on current conditions as well as the Company is planning to reorganize its measuring instrument operations.

(2) the business report (limited to accounting matters) presents properly the current state of the Company in conformity with related laws and regulations and the Articles of Incorporation of the Company;

(3) the proposed appropriation of retained earnings has been prepared in conformity with related laws and regulations and the Articles of Incorporation of the Company;

(4) there is nothing to point out as to the supporting schedules (limited to accounting matters) in conformity with the provisions of the Commercial Code.

We have no interest in the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountant Law.

Copy of Board of Corporate Auditors' Audit Report

Audit Report

This Audit Report was prepared by the Board of Corporate Auditors based on reports from each Corporate Auditor with respect to the method and results of audit concerning the performance by each Director of his respective duty during the 62nd fiscal year (April 1, 2003 through March 31, 2004) of Advantest Corporation. We hereby report as follows.

1. Method of Audit

   Pursuant to the audit policies established by the Board of Corporate Auditors, each Corporate Auditor has attended meetings of the Board of Directors and other important meetings, posed questions to Directors on the state of business, reviewed important approval-granting documents, inspected the state of business and assets at the Head Office and other important branch offices, and reviewed the financial statements and the supporting schedules upon report from independent auditors. The Corporate Auditors have also sought reports from subsidiaries of the Company on their state of business, and performed on-site inspection of the state of business and assets of important subsidiaries whenever necessary.

   In the case of any engagement in competing transactions by a Director, transactions involving any conflict of interests between the Company and a Director, offering of advantage by the Company for no consideration, transactions at unusual terms with a subsidiary or shareholder, or the acquisition or disposition of treasury stock, the Corporate Auditors have, in addition to the method of audit described above, requested reports from the Directors and inspected such transactions in detail whenever necessary.

2. Result of Audit

   (1) The method and result of audit performed by Shin Nihon & Co., the independent auditor of the Company, are appropriate.
   (2) The business report of the Company accurately presents the financial conditions of the Company in conformity with related laws and regulations and the Articles of Incorporation of the Company.
   (3) In consideration of the financial position of the Company and other matters, the proposed appropriation of retained earnings plan presents fairly all matters required to be presented, and no irregularity was found that need to be pointed out.
   (4) The supporting schedules present fairly all matters required to be presented, and no material irregularity requiring disclosure was found.
   (5) No irregularity or violation of related laws or regulations or the Articles of Incorporation of the Company was found with respect to the activities of the Board Directors, including activities related to subsidiaries of the Company.
   In addition, no breach of fiduciary duty by any Directors was found with respect to engagements in competing transactions by a Director, transactions involving any conflict of interest between the Company and a Director, offering of advantage by the Company for no consideration, transactions at unusual terms with a subsidiary or shareholder, or the acquisition or disposition of treasury stock.

May 20, 2004

Board of Corporate Auditors of Advantest Corporation

Noboru Yamaguchi
Corporate Standing Auditor

Tadahiko Hirano
Corporate Standing Auditor

Keizo Fukagawa
Corporate Auditor

Takashi Takaya
Corporate Auditor

(Note) Keizo Fukagawa and Takashi Takaya are outside corporate auditors appointed pursuant to Article 18, Paragraph 1 of the "Law Concerning Exceptions to the Commercial Code Relating to Audit, etc. of Stock Corporations."

Reference Documents with respect to the Exercise of Voting Rights

1. Number of voting rights of all shareholders: 981,144 voting rights

2. Agenda Items and Reference Matters:

Agenda Item No. 1: Approval of the proposed appropriation of retained earnings for the 62nd fiscal year

The details of the appropriation of retained earnings for this fiscal year are as described on page 22 of the attached document.

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

During this fiscal year, the Company made concentrated efforts to increase incoming orders and expand sales through the timely introduction of new products. In addition, the Company continued its efforts from the previous fiscal year to reduce overheads through a reorganization of its manufacturing operations to shorten production time and improve manufacturing efficiency. As a result, net sales of the fiscal year increased significantly to ¥150.5 billion as the Company returned to profits after two years of deficits.

In light of the need to provide sufficient reserves to strengthen the Company's financial position in expectation of future expansions, the Company proposes to pay a yearend dividend of ¥25 per share for the fiscal year (which, together with the interim dividend of ¥15 per share already paid, amounts to a fiscal year total of ¥40 per share, representing an increase of ¥10 per share over the previous fiscal year).

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

1. Reason for amendment:

(1) Following the implementation of the "Law to Amend Certain Parts of the Commercial Code and the Law Concerning Exceptions to the Commercial Code Relating to Audit, etc. of Stock Corporations" (Law No. 132 of 2003) effective as of September 25, 2003, a company may acquire treasury shares by Board resolution if authorized to so do in its Articles of Incorporation. In order to provide flexibility in the implementation of capital policies in response to changes in business conditions, we propose that a new Article 6 (Acquisition of Treasury Shares) be inserted.

(2) The "Law to Amend Certain Parts of the Commercial Code and the Law Concerning Exceptions to the Commercial Code Relating to Audit, etc. of Stock Corporations" (Law No. 149 of 2001) effective as of May 1, 2002 provides for the reduction of personal liabilities of directors and corporate auditors. The Company believes that by limiting liabilities to a reasonable extent, Directors and Corporate Auditors can more fully perform the functions expected of them. Therefore, we propose that a new Article 26 (Exemption of Directors' Liabilities) and a new Article 36 (Exemption of Corporate Auditors' Liabilities) be inserted. The proposal with respect to the addition of a new Article 26 has been given unanimous consent by the Board of Corporate Auditors.

(3) In addition to the foregoing, the Company will renumber certain Articles to accommodate the insertions of new Articles proposed above.

2. Details of proposed amendments:

The details of the proposed amendments are as follows:

(Changes are underlined.)

Present Article	Proposed Amendment
(Newly introduced)	Article 6. *(Acquisition of Treasury Shares)* 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.
Article 6. *(Denomination of Share Certificates)* ~ (omitted) Article 24. *(Remuneration of Directors)*	Article 7. *(Denomination of Share Certificates)* ~ (present provisions maintained) Article 25. *(Remuneration of Directors)*
(Newly introduced)	Article 26. *(Exemption of Directors' Liabilities)* 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.
Article 25. *(Counselors and Advisors)* ~ (omitted) Article 33. *(Remuneration of Corporate Auditors)*	Article 27. *(Counselors and Advisors)* ~ (present provisions maintained) Article 35. *(Remuneration of Corporate Auditors)*
(Newly introduced)	Article 36. *(Exemption of Corporate Auditors' Liabilities)* 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).
Article 34. *(Business Year)* ~ (omitted) Article 37. *(Effective Period for Dividend Payment)*	Article 37. *(Business Year)* ~ (present provisions maintained) Article 40. *(Effective Period for Dividend Payment)*

Agenda Item No. 3: Election of one director

To strengthen the Company's management structure and corporate governance, we would request that you elect one new director.

The profile of the nominee is set forth below.

Pursuant to Article 19, Paragraph 2 of the Articles of Incorporation, the term of office of the Director to be elected at this Shareholders' Meeting shall be the same as the remaining term of the other Directors currently in office.

Name (Date of Birth)	Brief Personal History (Appointment to other companies, if any)		Number of the Company's shares owned
Takashi Tokuno (October 9, 1948)	April 1971 June 1996 June 2000 June 2003	Joined Advantest Corporation Director Managing Director Managing Executive Officer (present position)	2,636

Note: This nominee does not have any special interest in the Company.

Agenda Item No. 4: Election of two corporate auditors

Because, upon the closing of this ordinary general meeting of shareholders, Mr. Noboru Yamaguchi and Mr. Keizo Fukagawa will conclude their terms of office as the corporate auditor, we would like you to elect two corporate auditors.

The profiles of the nominees are set forth below.

We have obtained consent of the Board of Corporate Auditors with respect to this Agenda Item.

	Name (Date of Birth)	Brief Personal History (Appointment to other companies, if any)		Number of the Company's shares owned
1	Noboru Yamaguchi (November 12, 1941)	April 1965 June 1995 June 1997 June 2001	Joined Fuji Communication Apparatus Mfg. Co., Ltd. (currently Fujitsu Limited) Managing Director of Advantest Corporation Senior Managing Director of Advantest Corporation Corporate Standing Auditor of Advantest Corporation (present position)	2,973
2	Kuniaki Suzuki (August 28, 1945)	July 1969 June 2000 April 2003 June 2003	Joined Fujitsu Limited Director of Fujitsu Limited Corporate Executive Vice President of Fujitsu Limited (present position) Director of Fujitsu Limited (present position)	0

Note
1: None of the nominees has any special interest in the Company.
2: Mr. Kuniaki Suzuki is a nominee for outside corporate auditor under Article 18, Paragraph 1 of the "Law Concerning Exceptions to the Commercial Code Relating to Audit, etc. of Stock Corporations".

Agenda Item No. 5: Issuance of stock acquisition rights as stock options

Pursuant to Articles 280-20 and 280-21 of the Commercial Code, we request that you approve the issuance of stock acquisition rights on especially favorable terms as described below.

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

The stock acquisition rights will be issued as stock options to directors, corporate auditors, executive officers and employees of the Company and its domestic and overseas subsidiaries to provide them an incentive towards better business performance and to retain and attract talented individuals.

2. Details of stock acquisition rights

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

Directors, corporate auditors, executive officers and employees of the Company and 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 800,000 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, however, that when the subscription price per share is adjusted in accordance with (5) below, the number of such shares shall be adjusted according to the following formula. This adjustment is made only with respect to any such stock acquisition rights that have not yet been exercised as of the time of adjustment. Any fraction of a share that arises as a result of an adjustment will be rounded down to the nearest number of shares.

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

When the number of shares to be issued or delivered upon exercise of each stock acquisition right is 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 stock acquisition rights that have not yet been exercised as of the time of adjustment, then adding the number of shares that have been issued or delivered upon exercise of 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 800,000 shares.

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

Not exceeding 8,000.

(4) Issue price of the stock acquisition rights

No consideration shall be paid.

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

The total 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 (2) above (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 (excluding any such day on which there was no trade) preceding the first occasion on which any stock acquisition rights approved by this Shareholders' Meeting are issued; provided, however, that if such amount is less than the closing price of the common stock of the Company on such day of issue (or, if there was no trade on such day of issue, the closing price on the immediately preceding day on which there was any trade), the subscription price per share shall equal the closing price on such day.

If, subsequent to the issue 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 (other than to issue or deliver shares upon exercise of stock acquisition rights or warrants, with certain other exceptions), the subscription price per share shall be adjusted according to the following formula, 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 a capital reduction, merger or split of the Company or certain other events.

(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

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

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, 2005 and March 31, 2009 (4 years).

(7) Conditions for exercise of stock acquisition rights

(a) A person to whom stock acquisition rights are allocated (a “rights holder”), 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 reasons deemed reasonable.

(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 subsequent to the Shareholders’ Meeting.

(8) Cancellation of stock acquisition rights

(a) The Company may cancel, for no consideration, any stock acquisition right in the event that the general meeting of the shareholders resolves to approve (i) any merger agreement pursuant to which the Company shall cease to exist, or (ii) any share exchange agreement or share transfer pursuant to which the Company shall become a wholly-owned subsidiary of another company.

(b) The Company may cancel, for no consideration, all or part of the stock acquisition rights of a rights holder to the extent that such stock acquisition rights are not exercisable due to the rights holder’s failure to satisfy any of the conditions for exercise of stock acquisition rights.

(9) Restriction on the transfer of stock acquisition rights

Any transfer of stock acquisition rights shall require the approval of the Board of Directors, except where the transferee is the Company.

(10) Other details of the stock acquisition rights will be determined in a meeting of the Board of Directors subsequent to the Shareholders' Meeting.

(Instructions for the Exercise of Voting Rights via the Internet)

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

1. Voting rights may exercised online only by using the following website designated by the Company (http://www.e-tosyodai.com). It is not 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. If you cast your vote both on the Internet and through the voting instruction form, only your vote cast on the Internet shall be deemed valid.

3. If you cast your vote on the Internet more than once, only your last vote shall be deemed valid.

4. Any connection charges due to Internet service providers and communication charges due to communication carriers incurred as a result of using the voting casting website shall be paid by the shareholder.

5. If you choose to cast your vote online, please do so by 5:00 pm of June 24, 2004 (Thursday) to the extent possible in order for us to have time to count the results.

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

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