

**Quarterly Consolidated Financial Statements**

**Elpida Memory, Inc. and Consolidated Subsidiaries**

*At December 31, 2008 and  
Three-month and nine-month periods ended December 31, 2008*

Elpida Memory, Inc. and Consolidated Subsidiaries

Quarterly Consolidated Financial Statements

At December 31, 2008 and  
Three-month and nine-month periods ended December 31, 2008

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Elpida Memory, Inc. and Consolidated Subsidiaries

Quarterly Consolidated Balance Sheet

	<b>December 31, 2008</b>	
	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
<b>Assets</b>		
Current assets:		
Cash and time deposits	¥ 207,465	\$ 2,279,084
Notes and accounts receivable, trade	50,697	556,926
Allowance for doubtful accounts	(2,151)	(23,631)
Finished goods	44,360	487,312
Semi-finished goods	9,330	102,494
Raw materials	713	7,833
Work in process	16,513	181,402
Supplies	1,633	17,939
Accounts receivable, other	3,090	33,945
Other current assets	30,180	331,539
Total current assets	<u>361,830</u>	<u>3,974,843</u>
Property, plant and equipment:		
Buildings and structures	83,639	918,807
Machinery and equipment	512,668	5,631,858
Furniture and fixtures	50,355	553,169
Land	4,206	46,205
Construction in progress	20,744	227,881
	<u>671,612</u>	<u>7,377,920</u>
Accumulated depreciation	(297,749)	(3,270,889)
Property, plant and equipment, net	<u>373,863</u>	<u>4,107,031</u>
Investments and other assets:		
Goodwill	1,534	16,852
Software	5,137	56,432
Investment in affiliated companies	57,488	631,528
Investment securities	2,164	23,772
Long-term prepaid expenses	8,120	89,201
Deferred income taxes	1,156	12,699
Other assets	1,251	13,743
Total investments and other assets	<u>76,850</u>	<u>844,227</u>
Total assets	<u>¥ 812,543</u>	<u>\$8,926,101</u>

	<b>December 31, 2008</b>	
	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
<b>Liabilities and net assets</b>		
Current liabilities:		
Current portion of long-term debt	¥ 61,833	\$ 679,260
Current portion of convertible bond type bonds with subscription rights to shares	50,000	549,269
Current portion of obligation under capital leases	8,757	96,199
Accounts payable, trade	63,265	694,991
Accounts payable, other	33,670	369,878
Accrued income taxes	754	8,283
Provisions	3,304	36,296
Other current liabilities	21,997	241,645
Total current liabilities	<u>243,580</u>	<u>2,675,821</u>
Long-term liabilities:		
Long-term debt	313,667	3,445,754
Obligation under capital leases	21,816	239,657
Provisions	8,773	96,375
Other long-term liabilities	4,081	44,831
Total long-term liabilities	<u>348,337</u>	<u>3,826,617</u>
Total liabilities	<u>591,917</u>	<u>6,502,438</u>
Net assets:		
Shareholders' equity:		
Common stock:		
Issued – 129,813,600 shares	155,665	1,710,041
Additional paid-in capital	166,707	1,831,341
Retained earnings	(83,479)	(917,049)
Treasury stock – 1,296 shares	(4)	(44)
Total shareholders' equity	<u>238,889</u>	<u>2,624,289</u>
Valuation and translation adjustments:		
Unrealized losses on investment securities	(537)	(5,899)
Deferred losses on hedges	(361)	(3,966)
Translation adjustments	(17,590)	(193,233)
Total valuation and translation adjustments	<u>(18,488)</u>	<u>(203,098)</u>
Share subscription rights	225	2,472
Total net assets	<u>220,626</u>	<u>2,423,663</u>
Total liabilities and net assets	<u>¥ 812,543</u>	<u>\$8,926,101</u>

*See notes to quarterly consolidated financial statements.*

Elpida Memory, Inc. and Consolidated Subsidiaries

Quarterly Consolidated Statement of Operations

	<b>Nine-month period ended December 31, 2008</b>	
	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Net sales	<b>¥284,573</b>	<b>\$3,126,145</b>
Cost of sales	<b>336,472</b>	<b>3,696,276</b>
Gross loss	<b>(51,899)</b>	<b>(570,131)</b>
Selling, general and administrative expenses	<b>46,099</b>	<b>506,415</b>
Operating loss	<b>(97,998)</b>	<b>(1,076,546)</b>
Other income (expense):		
Interest income	<b>555</b>	<b>6,097</b>
Foreign exchange gains	<b>2,695</b>	<b>29,606</b>
Interest expense	<b>(4,645)</b>	<b>(51,027)</b>
Equity in losses of affiliated companies	<b>(10,365)</b>	<b>(113,864)</b>
Maintenance costs for idle assets	<b>(1,068)</b>	<b>(11,732)</b>
Gain on sales of property, plant and equipment	<b>132</b>	<b>1,450</b>
Loss on impairment of investment security	<b>(2,054)</b>	<b>(22,564)</b>
Loss on sales of property, plant and equipment	<b>(6)</b>	<b>(66)</b>
Loss on disposal of property, plant and equipment	<b>(562)</b>	<b>(6,174)</b>
Accrual for settlements and litigation	<b>(6,010)</b>	<b>(66,022)</b>
Other expense, net	<b>(952)</b>	<b>(10,459)</b>
	<b>(22,280)</b>	<b>(244,755)</b>
Loss before income taxes	<b>(120,278)</b>	<b>(1,321,301)</b>
Income taxes:		
Current	<b>1,108</b>	<b>12,172</b>
Income taxes for prior years	<b>320</b>	<b>3,515</b>
Deferred	<b>(3,715)</b>	<b>(40,811)</b>
	<b>(2,287)</b>	<b>(25,124)</b>
Net loss	<b>¥ (117,991)</b>	<b>\$(1,296,177)</b>

*See notes to quarterly consolidated financial statements.*

Elpida Memory, Inc. and Consolidated Subsidiaries

Quarterly Consolidated Statement of Operations

	<b>Three-month period ended December 31, 2008</b>	
	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Net sales	<b>¥61,770</b>	<b>\$678,568</b>
Cost of sales	<b>104,627</b>	<b>1,149,368</b>
Gross loss	<b>(42,857)</b>	<b>(470,800)</b>
Selling, general and administrative expenses	<b>15,035</b>	<b>165,166</b>
Operating loss	<b>(57,892)</b>	<b>(635,966)</b>
Other income (expense):		
Interest income	<b>246</b>	<b>2,702</b>
Foreign exchange gains	<b>1,413</b>	<b>15,522</b>
Interest expense	<b>(1,830)</b>	<b>(20,103)</b>
Equity in losses of affiliated companies	<b>(7,427)</b>	<b>(81,588)</b>
Maintenance costs for idle assets	<b>(265)</b>	<b>(2,911)</b>
Gain on sales of property, plant and equipment	<b>1</b>	<b>11</b>
Loss on impairment of investment security	<b>(159)</b>	<b>(1,747)</b>
Loss on disposal of property, plant and equipment	<b>(192)</b>	<b>(2,109)</b>
Accrual for settlements and litigation	<b>(5,379)</b>	<b>(59,090)</b>
Other expense, net	<b>(304)</b>	<b>(3,340)</b>
	<b>(13,896)</b>	<b>(152,653)</b>
Loss before income taxes	<b>(71,788)</b>	<b>(788,619)</b>
Income taxes:		
Current	<b>181</b>	<b>1,989</b>
Income taxes for prior years	<b>320</b>	<b>3,515</b>
Deferred	<b>60</b>	<b>659</b>
	<b>561</b>	<b>6,163</b>
Net loss	<b>¥ (72,349)</b>	<b>\$(794,782)</b>

*See notes to quarterly consolidated financial statements.*

Elpida Memory, Inc. and Consolidated Subsidiaries

Quarterly Consolidated Statement of Cash Flows

	<b>Nine-month period ended December 31, 2008</b>	
	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
<b>Operating activities</b>		
Loss before income taxes	¥(120,278)	\$(1,321,301)
Depreciation and amortization	78,764	865,253
Increase in allowances	5,896	64,770
Interest income	(555)	(6,097)
Interest expense	4,645	51,027
Foreign exchange losses	6,141	67,461
Equity in losses of affiliated companies	10,365	113,864
Gain on sales of property, plant and equipment	(126)	(1,384)
Loss on disposal of property, plant and equipment	562	6,174
Loss on impairment of investment security	2,054	22,564
Decrease in receivables, trade	16,579	182,127
Decrease in inventories	1,552	17,049
Decrease in accounts receivable, other	1,101	12,095
Increase in payables, trade	7,147	78,513
Decrease in accounts payable, other	(2,707)	(29,737)
Other	(3,423)	(37,604)
Subtotal	7,717	84,774
Interest received	813	8,931
Interest paid	(3,727)	(40,943)
Local government subsidy received	328	3,603
Income taxes paid	(1,204)	(13,226)
Income taxes paid for prior years	(320)	(3,515)
Net cash provided by operating activities	3,607	39,624
<b>Investing activities</b>		
Disbursements for time deposits	(571)	(6,273)
Withdrawal of time deposits	1,203	13,215
Purchases of property, plant and equipment	(56,382)	(619,378)
Proceeds from sales of property, plant and equipment	17,271	189,729
Purchases of intangible assets	(1,383)	(15,193)
Increase in long-term prepaid expenses	(1,801)	(19,785)
Payment of loan receivables	(15,942)	(175,129)
Other	1	12
Net cash used in investing activities	(57,604)	(632,802)
<b>Financing activities</b>		
Proceeds from long-term loans	110,000	1,208,393
Repayment of long-term loans	(14,700)	(161,485)
Proceeds from issuance of bonds	49,985	549,105
Proceeds from issuance of stock	108	1,186
Proceeds from sale and lease-back transactions	32,831	360,661
Repayments of obligation under capital leases	(11,159)	(122,586)
Purchases of treasury stock	(1)	(10)
Net cash provided by financing activities	167,064	1,835,264
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(2,557)	(28,090)
<b>Net increase in cash and cash equivalents</b>	110,510	1,213,996
<b>Cash and cash equivalents at beginning of the period</b>	96,955	1,065,088
<b>Cash and cash equivalents at end of the period</b>	¥ 207,465	\$ 2,279,084

See notes to quarterly consolidated financial statements.

# Elpida Memory, Inc. and Consolidated Subsidiaries

## Notes to Quarterly Consolidated Financial Statements

December 31, 2008

### 1. Basis of Presentation

The accompanying quarterly consolidated financial statements of Elpida Memory, Inc. (the “Company”) are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the quarterly consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Amounts in U.S. dollars with respect to the quarterly consolidated financial statements for the three-month period ended December 31, 2008 are included solely for the convenience of the readers. The rate of ¥91.03 = US\$1.00, the approximate rate of exchange in effect on December 31, 2008, has been used. The inclusion of such amounts is not intended to imply that yen amounts have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

### 2. Change in Significant Accounting Policies

Significant accounting policies are consistent with those applied in the consolidated financial statements for the year ended March 31, 2008, except for:

#### (1) Evaluation of Inventories

On July 5, 2006, the Accounting Standards Board of Japan (“ASBJ”) issued an Accounting Standard ASBJ Statement No. 9, “Accounting Standard for Measurement of Inventories,” which is effective for the fiscal year beginning on or after April 1, 2008. This standard requires that inventories held for sale in ordinary course of business be stated at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and direct selling expenses. Effective April 1, 2008, the Company and its domestic consolidated subsidiary has adopted this standard. There is no effect of this adoption on operating result.

#### (2) Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

Effective for the fiscal year beginning on or after April 1, 2008, the Company has adopted the Practical Issues Task Force No.18, “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements,” issued by the ASBJ on May 17, 2006. The effect of this adoption on operating result is inconsequential.

## Elpida Memory, Inc. and Consolidated Subsidiaries

### Notes to Quarterly Consolidated Financial Statements (continued)

#### 3. Business Combination

Effective April 1, 2008, Hiroshima Elpida Memory, Inc., a 100% owned subsidiary of the Company, has merged into the Company.

##### (1) Purpose of Merger

The Company aimed to build a centralized management of technological development, manufacturing and sales activities to use business resources efficiently by fully merging its operations with its DRAM manufacturing subsidiary, Hiroshima Elpida Memory, Inc.

There is no issuance of new shares or increase in capital stock associated with this merger since the Company directly owned 100% of its shares.

Assets of ¥478,995 million (\$4,500,987 thousand) and liabilities of ¥476,963 million (\$4,481,893 thousand) of Hiroshima Elpida Memory, Inc. have been carried to the Company.

##### (2) Method of Merger

In accordance with Paragraph 3 of Article 796 and Paragraph 1 of Article 784 in the Corporation Law in Japan, Hiroshima Elpida Memory, Inc. has merged into the Company and dissolved.

##### (3) Method of Accounting

The merger is accounted for as a transaction under common control according to “Accounting Standard for Business Combinations” (issued by the Business Accounting Council of Japan on October 31, 2003) and ASBJ Guidance No. 10, “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (revised by ASBJ on November 15, 2007).

#### 4. Cash and Cash Equivalents

A reconciliation of cash and cash equivalents as of December 31, 2008 to cash and time deposits in the accompanying quarterly consolidated balance sheet is as follows:

	<b>December 31, 2008</b>	
	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Cash and time deposits	<b>¥207,465</b>	<b>\$2,279,084</b>
Less:		
Time deposits with maturity in excess of three months	—	—
Cash and cash equivalents	<b>¥207,465</b>	<b>\$2,279,084</b>

## Elpida Memory, Inc. and Consolidated Subsidiaries

### Notes to Quarterly Consolidated Financial Statements (continued)

#### 5. Investment Securities

The Company recognized an impairment loss of ¥2,054 million (\$22,564 thousand) for certain marketable security at December 31, 2008, due to the significant change of the fair value of investment security from the previous fiscal year. The loss is recorded as a loss on impairment of investment security in the accompanying quarterly consolidated statement of operations. Information regarding marketable securities classified as other securities at December 31, 2008 is summarized as follows:

Description	December 31, 2008					
	Acquisition Cost	Carrying value	Unrealized losses	Acquisition cost	Carrying value	Unrealized losses
	<i>(Millions of yen)</i>			<i>(Thousands of U.S. dollars)</i>		
Equity securities	¥377	¥377	¥ -	\$4,141	\$4,141	\$ -

Note: The acquisition cost above represents the cost after the impairment recognized.

#### 6. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the nine-month period and three-month period ended December 31, 2008 are as follows:

	Nine-month period ended December 31, 2008		Three-month period ended December 31, 2008	
	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
	Payroll and bonuses	¥ 6,090	\$ 66,901	¥ 2,045
Provision for accrued bonuses	1,714	18,829	615	6,756
Retirement benefit expenses	561	6,163	159	1,747
Depreciation and amortization	4,094	44,974	1,563	17,170
Subcontractor fees	8,679	95,342	2,553	28,046
Prototype	7,827	85,983	2,504	27,507
Others	17,134	188,223	5,596	61,474
	¥46,099	\$506,415	¥15,035	\$165,165

#### 7. Income taxes for prior years

Income taxes for prior years of 320 million yen refer to tax expenses accompanied by filing an amended income tax return due to miscalculation of income taxes in prior years incurred at Hiroshima Elpida Memory, Inc (which merged into the Company in April, 2008).

## Elpida Memory, Inc. and Consolidated Subsidiaries

### Notes to Quarterly Consolidated Financial Statements (continued)

#### 8. Contingencies

- (1) A number of purported class actions and individual lawsuits were filed against the Company and other DRAM suppliers in the U.S. federal and state courts and in the provincial courts in Canada on behalf of direct and indirect purchasers of our DRAM products. An investigation by the European Commission is also ongoing. The Company has provided an allowance of ¥7,373 million (\$80,995 thousand) as of December 31, 2008 for future outcome on these litigations, currently assessed as probable and estimable.
- (2) The Company guarantees the lease obligation of ¥26,192 million (\$287,729 thousand) and bank loans of ¥83,938 million (\$922,092 thousand) of Rexchip Electronics Corporation (“Rexchip”), an affiliated company. With respect to the guarantees of the lease obligation and a part of bank loans (¥30,313 million (\$333,000 thousand)) the Company is only liable for up to ¥28,253 million (\$310,370 thousand) due to the joint guarantee as of December 31, 2008. These guarantees for Rexchip’s lease obligation and a part of bank loans requires the Company to maintain certain level of net assets as a debt covenant.

#### 9. Segment Information

The Company is primarily engaged in a single business segment of development, design, manufacture and sale of DRAM products. Therefore, the disclosure related to business segment is omitted.

#### *Geographical Segment Information*

	Three-month period ended December 31, 2008						
	Japan	Asia	Europe	North America	Total	Eliminations	Consolidated
	<i>(Millions of yen)</i>						
Sales and operating income:							
1. Sales to third parties	¥ 28,118	¥17,735	¥4,231	¥11,686	¥61,770	¥ -	¥61,770
2. Inter-segment sales and transfers	30,846	35	8	0	30,889	(30,889)	-
Total sales	<u>¥58,964</u>	<u>¥17,770</u>	<u>¥4,239</u>	<u>¥11,686</u>	<u>¥92,659</u>	<u>¥(30,889)</u>	<u>¥61,770</u>
Operating income (loss)	<u>¥ (58,510)</u>	<u>¥ 570</u>	<u>¥ (30)</u>	<u>¥ 86</u>	<u>¥ (57,884)</u>	<u>¥ (8)</u>	<u>¥ (57,892)</u>

Elpida Memory, Inc. and Consolidated Subsidiaries

Notes to Quarterly Consolidated Financial Statements (continued)

9. Segment Information (continued)

Three-month period ended December 31, 2008							
Japan	Asia	Europe	North America	Total	Eliminations	Consolidated	
<i>(Thousands of U.S. dollars)</i>							
Sales and operating income:							
1. Sales to third parties	\$308,887	\$194,826	\$46,479	\$128,375	\$678,567	\$ –	\$678,567
2. Inter-segment sales and transfers	338,855	384	88	0	339,328	(339,328)	–
Total sales	<u>\$647,743</u>	<u>\$195,210</u>	<u>\$46,567</u>	<u>\$128,375</u>	<u>\$1,017,895</u>	<u>\$(339,328)</u>	<u>\$678,567</u>
Operating income (loss)	<u>\$(642,755)</u>	<u>\$ 6,262</u>	<u>\$ (330)</u>	<u>\$ 945</u>	<u>\$ (635,878)</u>	<u>\$ (88)</u>	<u>\$ (635,966)</u>

Nine-month period ended December 31, 2008							
Japan	Asia	Europe	North America	Total	Eliminations	Consolidated	
<i>(Millions of yen)</i>							
Sales and operating income:							
1. Sales to third parties	¥ 131,614	¥85,562	¥18,970	¥48,427	¥284,573	¥ –	¥284,573
2. Inter-segment sales and transfers	141,050	57	24	69	141,200	(141,200)	–
Total sales	<u>¥272,664</u>	<u>¥85,619</u>	<u>¥18,994</u>	<u>¥48,496</u>	<u>¥425,773</u>	<u>¥(141,200)</u>	<u>¥284,573</u>
Operating income (loss)	<u>¥(101,166)</u>	<u>¥ 2,588</u>	<u>¥ (177)</u>	<u>¥ 768</u>	<u>¥(97,987)</u>	<u>¥ (11)</u>	<u>¥(97,998)</u>

Nine-month period ended December 31, 2008							
Japan	Asia	Europe	North America	Total	Eliminations	Consolidated	
<i>(Thousands of U.S. dollars)</i>							
Sales and operating income:							
1. Sales to third parties	\$1,445,831	\$939,932	\$208,393	\$531,989	\$3,126,145	\$ –	\$3,126,145
2. Inter-segment sales and transfers	1,549,489	626	264	758	1,551,137	(1,551,137)	–
Total sales	<u>\$2,995,320</u>	<u>\$940,558</u>	<u>\$208,657</u>	<u>\$532,747</u>	<u>\$4,677,282</u>	<u>\$(1,551,137)</u>	<u>\$3,126,145</u>
Operating income (loss)	<u>\$(1,111,348)</u>	<u>\$ 28,430</u>	<u>\$ (1,944)</u>	<u>\$ 8,437</u>	<u>\$(1,076,425)</u>	<u>\$ (121)</u>	<u>\$ (1,076,546)</u>

- Notes: 1. Geographical distances are considered in segmentation of country or area.
2. Major countries or areas included in each segment other than Japan are as follows:
- (1) Asia: Hong Kong, Singapore, Taiwan
  - (2) Europe: Germany, Switzerland
  - (3) North America: The United States of America

Elpida Memory, Inc. and Consolidated Subsidiaries

Notes to Quarterly Consolidated Financial Statements (continued)

9. Segment Information (continued)

Overseas Sales

	Three-month period ended December 31, 2008			
	North America	Asia	Europe	Total
	<i>(Millions of yen)</i>			
I. Overseas sales	¥12,960	¥17,865	¥9,639	¥ 40,463
II. Consolidated sales				61,770
III. Percentage of overseas sales over consolidated sales (%)	21.0%	28.9%	15.6%	65.5%
	<i>(Thousands of U.S. dollars)</i>			
I. Overseas sales	\$142,371	\$196,254	\$105,888	\$ 444,513
II. Consolidated sales				678,568
III. Percentage of overseas sales over consolidated sales (%)	21.0%	28.9%	15.6%	65.5%
	Nine-month period ended December 31, 2008			
	North America	Asia	Europe	Total
	<i>(Millions of yen)</i>			
I. Overseas sales	¥60,128	¥93,707	¥41,252	¥ 195,087
II. Consolidated sales				284,573
III. Percentage of overseas sales over consolidated sales (%)	21.1%	32.9%	14.5%	68.5%
	<i>(Thousands of U.S. dollars)</i>			
I. Overseas sales	\$660,529	\$1,029,408	\$453,169	\$ 2,143,106
II. Consolidated sales				3,126,145
III. Percentage of overseas sales over consolidated sales (%)	21.1%	32.9%	14.5%	68.5%

Notes: 1. Geographical distances are considered in classification of country or area.

2. Major countries or areas included in each segment except for Japan are as follows:

- (1) North America: The United States of America
- (2) Asia: Taiwan, Hong Kong, Singapore
- (3) Europe: whole Europe

3. Overseas sales represent sales of the Company and consolidated subsidiaries to countries and areas outside of Japan.

Elpida Memory, Inc. and Consolidated Subsidiaries

Notes to Quarterly Consolidated Financial Statements (continued)

**10. Amount Per Share**

Amount per share

	<b>Nine-month period ended December 31, 2008</b>		<b>Three-month period ended December 31, 2008</b>	
	<i>(Yen)</i>	<i>(U.S. dollars)</i>	<i>(Yen)</i>	<i>(U.S. dollars)</i>
Net loss:				
Basic	<b>¥(908.99)</b>	<b>\$(9.99)</b>	<b>¥(557.34)</b>	<b>\$(6.12)</b>
Diluted	—	—	—	—
	<b>December 31, 2008</b>		<b>March 31, 2008</b>	
	<i>(Yen)</i>	<i>(U.S. dollars)</i>	<i>(Yen)</i>	<i>(U.S. dollars)</i>
Net assets	<b>¥1,697.84</b>	<b>\$18.65</b>	<b>¥2,679.57</b>	<b>\$25.87</b>

For the nine-month period and three-month period ended December 31, 2008, diluted net income per share is not shown since the Company is in loss operation.

Basis for calculation of net loss per share is as follows:

	<b>Nine-month period ended December 31, 2008</b>		<b>Three-month period ended December 31, 2008</b>	
	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
Net loss	<b>¥(117,991)</b>	<b>\$(1,296,177)</b>	<b>¥(72,347)</b>	<b>\$(794,760)</b>
Amount not attributable to common stock	—	—	—	—
Net loss attributable to common stock	<b>¥(117,991)</b>	<b>\$(1,296,177)</b>	<b>¥(72,347)</b>	<b>\$(794,760)</b>
	<b>Nine-month period ended December 31, 2008</b>		<b>Three- month period ended December 31, 2008</b>	
	<i>(Thousand of shares)</i>		<i>(Thousand of shares)</i>	
Weighted-average number of shares outstanding for the period	<b>129,805</b>		<b>129,812</b>	

Elpida Memory, Inc. and Consolidated Subsidiaries

Notes to Quarterly Consolidated Financial Statements (continued)

**11. Subsequent events**

**(1) Exercise of conversion rights of convertible bonds**

The conversion rights of Unsecured Convertible Bond Type Bonds with Stock Acquisition Rights issued on November 4, 2008 have been exercised. Details are as follows:

Name of Stock Acquisition Rights	Elpida Memory, Inc. 1st Series Unsecured Convertible Bond Type Bonds with Stock Acquisition Rights
Date Convertible Bonds Exercised	January 5, 2009
Number of Shares Delivered	11,787,819 shares
Exercise Price (Conversion Price)	509 yen
Total Amount of Convertible Bonds Exercised	6,000 million yen

As a result of this exercise of conversion rights, common stock and additional paid-in capital increased 3,000 million yen respectively.

**(2) Early redemption of convertible bonds**

The Company completed the early redemption of the outstanding Unsecured Convertible Bond Type Bonds with Stock Acquisition.

<The Reason for early redemption>

The early redemption was determined in accordance with the provisions as specified in the terms and conditions on Clause 13 (Redemption Method and Due Date (5) (i)) in the "Announcement on the Issuance of 1st Series Unsecured Convertible Bond Type Bonds with Stock Acquisition Rights (with Conversion Price Amendment Clause) to be Offered by Third-Party Allocation" announced on October 14, 2008.

<The details of early redemption>

Name of bonds subject to early redemption	Elpida Memory, Inc. 1st Series Unsecured Convertible Bond Type Bonds with Stock Acquisition Rights
Date of early redemption	January 9, 2009
Early redemption amount	44,000 million yen
Face value of early redemption	100 yen per face value of 100 yen

Elpida Memory, Inc. and Consolidated Subsidiaries

Notes to Quarterly Consolidated Financial Statements (continued)

**11. Subsequent events (continued)**

<Impact on business performance>

There is no effect of this early redemption on Company's business performance in fiscal year 2008.