



## News Release

FOR IMMEDIATE RELEASE

### **New Company Akita Elpida Memory Created to Handle Back-end Processes**

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**To Assume Control of Back-End Business  
from Akita Electronics and Akita Semiconductor**

**Tokyo, Japan, August 2, 2006** – Elpida Memory, Inc. (Elpida), Japan’s leading global supplier of Dynamic Random Access Memory (DRAM), today announced that it has established a new fully-owned company to handle the development of advanced back-end technology processes and the manufacture of advanced packages. The new company will be called Akita Elpida Memory, Inc. (hereafter, Akita Elpida).

Also today, Elpida and Akita Elpida, along with three other companies – Hitachi, Ltd., Hitachi Group company Akita Electronics Systems Co., Ltd. (Akita Electronics) and Akita Semiconductor Co., Ltd. (Akita Semiconductor), a subsidiary of Akita Electronics – officially agreed that Akita Elpida would assume control of semiconductor back-end processes which have been part of the business of Akita Electronics and Akita Semiconductor.

#### **Reason for the new company and business activities of interest**

Until now, Elpida has been focused on the development of DRAM circuit designs and advanced processes, and on front-end process technologies and development of certain back-end process technologies. Elpida has long acknowledged the importance of advanced technology capabilities in such back-end processes as developing, assembling and testing special packages which increasingly require the use of more advanced technology, both of which are necessary for becoming more successful in its core Premier DRAM business. This move to create the new company should provide Elpida with a stronger competitive edge.

Elpida will position Akita Elpida as a center which focuses on diverse strategies for back-end processes. The new company will undertake development of MCP\*, PoP\*\* and other types of advanced packages, prototype production of products which need high-end package technology and mass production, all of which will help contribute to strengthening the business base of the Elpida Group.

As for Akita Electronics and Akita Semiconductor, these two companies have until now been engaged in handling outsourced back-end processes mainly for Elpida’s high value-added

products. Under the new agreement, the excellent technology capabilities and manufacturing know-how of these two companies will be transferred to Akita Elpida. This move will allow Elpida to secure advanced technology which will play an important role in developing highly efficient back-end process strategies.

Also, the new agreement contains a plan to have the Akita Electronics and Akita Semiconductor employees who are currently involved in the business of back-end processes transferred to Akita Elpida.

As for customers other than Elpida who have been outsourcing semiconductor operations to Akita Electronics and Akita Semiconductor, Akita Elpida's business mission will include continuing to service their needs.

The combination of Hiroshima Elpida Memory, one of the world's top fabs for front-end processes, and Akita Elpida, a center for strategic back-end processes, will enable the Elpida Group to further strengthen its business position.

\*MCP: Multi Chip Package

\*\*PoP: Package on Package

### **Overview of the new company**

1. Corporate name: Akita Elpida Memory, Inc.
2. President: Takayuki Watanabe
3. Head office: Akita City, Akita Prefecture
4. Capital: 100,000 yen (As of date establishment; increases to 310 million yen are planned)
5. Capital structure: Elpida Memory, Inc. (100%)
6. Date established: July 21, 2006
7. Date operations begin: October 1, 2006 (tentative)
8. Major operations: Development of advanced and customized semiconductor packages; semiconductor manufacturing-related design, assembly and testing
9. Number of employees: About 380 (the number planned for when operations begin)
10. Scale of business: FY 2006 2H (October 2006 to March 2007) expected sales of 13 billion yen

**About Elpida Memory, Inc.**

Elpida Memory, Inc. is a manufacturer of Dynamic Random Access Memory (DRAM) silicon chips with headquarters based in Tokyo, Japan, and sales and marketing operations located in Japan, North America, Europe and Asia. Elpida's state-of-the-art semiconductor wafer manufacturing facilities are located in Hiroshima, Japan. Elpida offers a broad range of leading-edge DRAM products for high-end servers, mobile phones, digital television sets and digital cameras as well as personal computers. For more information, visit [www.elpida.com](http://www.elpida.com).

*The information contained within this news release, is current as of the date of release. Please note that the information herein may be revised later without prior notice.*

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