



FOR IMMEDIATE RELEASE

Elpida and Suzhou Venture Group to Establish Manufacturing Joint Venture in China

Suzhou, China and Tokyo, Japan, August 6, 2008 – Japan's Elpida Memory, Inc. and China's Suzhou Venture Group Co., Ltd. (SVG) today announced that they have agreed to establish a joint venture company by the end of 2008 to produce DRAM (Dynamic Random Access Memory) chips in Suzhou City of Jiangsu Province, China. The companies intend to build a 300mm wafer fabrication facility (fab) in Suzhou Industrial Park to meet growing DRAM demand in the Chinese market.

The joint venture, which will be located on a site area of 320,000 square meters, is expected to start operations in the first quarter of CY 2010. Initial production plans call for 40,000 wafers per month (wpm), rising to 80,000 wpm at a later stage. Elpida's 50nm DRAM process technology will be used at the beginning and migration to 40nm will take place as soon as the process is ready. Elpida will purchase 100% of the products manufactured at the fab.

Suzhou Industrial Park Administrative Committee (SIPAC) will be responsible for fab construction and infrastructure installation. The purchase of the manufacturing equipment for 40,000 wpm capacity will be funded by the new joint venture securing bank borrowings in addition to an equity investment of US\$720 million shared by Elpida and SVG as well as a potential third-party investor(s). Elpida plans to hold 39% of the shares that will be issued by the new joint venture company, with the remaining 61% to be held by SVG and the potential third-party investor(s).

The total capital expenditure for the new fab up to 80,000 wpm capacity, in longer term, may reach approximately US\$5 billion. Moreover, opportunities for an even larger expansion of capacity in Suzhou Industrial Park will also be considered.

"We believe it is critical to invest in the rapidly growing China market to better serve our customers," said Yukio Sakamoto, President and Chief Executive Officer of Elpida. "This joint venture opens an opportunity for Elpida to strengthen its production and marketing



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profile in China and the entire Asian market. In addition, we can accomplish cost efficient investments based on shared capital expenditures and shared business risks.”

According to SVG President Lin Xianghong, “Our SVG manages specialized funds focused on the hi-tech industry, especially the fields of semiconductors and ICs (integrated circuits). We're delighted to cooperate with Elpida and believe it will be a successful investment.”

Suzhou Industrial Park is China’s premier high-tech manufacturing hub for many Fortune 500 companies. In 2006 it was ranked #1 among China’s top 20 development zones for the comprehensiveness of its infrastructure and its efficiency. Survey was conducted and sponsored by Chinese Academy of Social Sciences.

The joint venture combines cutting-edge DRAM technologies from Elpida, a leading DRAM maker, and venture capitalist SVG along with strong support from SIPAC. The combination is expected to result in highly competitive and leading-edge semiconductor products that will be made available to mainly China’s domestic market. It will also contribute to regional economic development through local materials procurement and the creation of new jobs.

Gartner expects PC shipments in China to grow at a compound annual rate of 18% between 2007 and 2012 and reach approximately 80 million units or 18% of the worldwide shipments*. This growth will rapidly generate large DRAM demand in the Chinese market which the new joint venture can help satisfy.

The above-mentioned agreement to establish the joint venture company is subject to the final agreement among Elpida, SVG and the potential third-party investor(s), which is expected to be reached in the near future.



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About Elpida

Elpida Memory, Inc. (Tokyo: 6665) is a leading manufacturer of Dynamic Random Access Memory (DRAM) integrated circuits. The company's design, manufacturing and sales operations are backed by world class technological expertise. Its 300mm manufacturing facilities, consisting of its Hiroshima Plant and a Taiwan-based joint venture, Rexchip Electronics, utilize the most advanced manufacturing technologies available. Elpida's portfolio features such characteristics as high-density, high-speed, low power and small packaging profiles. The company provides DRAM solutions across a wide range of applications, including high-end servers, mobile phones and digital consumer electronics. More information can be found at <http://www.elpida.com>.

About SVG

Suzhou Venture Group Co., Ltd. (SVG), founded on 28th September 2007, was reconstructed on the former local venture capital entity China-Singapore Suzhou Industrial Park Ventures Co., Ltd (CSVC). SVG is now a leading national investment corporation with registered Capital of three billion RMB (US\$ 400M) and total cash and assets under management of about eight billion RMB (by July, 2008). SVG manages one of the largest PE Fund (Total size: RMB 10 billion) in China, SIP VC Fund of Funds (RMB 1 billion), Cowind Seed-Stage Fund (RMB 0.3 billion), a Fund Guarantee Company, and the Biobay as a bio- & nano-science innovation center.

Information in this news release is current as of the timing of the release, but may be revised later without notice.

**Source: Gartner "Forecast: PCs, Asia/Pacific, June 2008 Update" Lillian Tay, 12 June 2008, GJ08383*

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