



## News Release

FOR IMMEDIATE RELEASE

# Elpida to Make Rexchip a Subsidiary by Acquiring Shares from PSC

**TOKYO, JAPAN, November 27, 2008** – Elpida Memory, Inc. (Elpida), Japan’s leading global supplier of Dynamic Random Access Memory (DRAM), today announced that its Board of Directors has decided to acquire a portion of the shares its strategic partner Powerchip Semiconductor Corporation (PSC) owns in Rexchip Electronics Corporation (Rexchip), a Taiwan-based manufacturing joint venture created by PSC and Elpida. Details of the share acquisition appear below.

### 1. Share acquisition background

The prolonged slump in DRAM market prices is currently helping to clarify which DRAM makers will remain as going business concerns. This situation is serving to place Elpida in a relatively more advantageous position in the industry. Given this environment, Elpida has decided to increase its stake in Rexchip above its current 48.8% holding for the purpose of adjusting capacity allocation in order to achieve better supply-demand balances in the DRAM spot market and in the market for DRAMs supplied to major PC makers. While Elpida has the utmost respect for PSC as a partner in the Rexchip joint venture it believes Rexchip can achieve faster business decision-making capabilities by becoming an Elpida subsidiary.

### 2. Changes in significant subsidiaries

Elpida plans to acquire a 52.0% stake in Rexchip by purchasing a portion of the Rexchip shares held by PSC by the end of FY 2008 (March 2009). The acquisition will result in Rexchip becoming a consolidated subsidiary of Elpida.

### 3. Overview of the planned subsidiary

- |                           |                                  |
|---------------------------|----------------------------------|
| i. Corporate Name:        | Rexchip Electronics Corporation  |
| ii. Chairman:             | Frank Huang                      |
| iii. Head quarters:       | HouLi, Taichung County, Taiwan   |
| iv. Established:          | November 10, 2006                |
| v. Major operations:      | DRAM wafer processing            |
| vi. Fiscal year ending:   | December 31                      |
| vii. Number of employees: | 2,067 (as of September 30, 2008) |
| viii. Office:             | Head quarters                    |

ix. Operating results for the last 6 months:

(Million NT\$)

	6 months ended September 30, 2008*
Net sales	15,442
Net loss	1,683

\*Cumulative results for 6 months (April 1 to Sept. 30, 2008)

(Million NT\$)

	As of September 30, 2008
Total assets	112,190
Shareholders' equity	41,049

4. Schedule for the acquisition

During March 2009

5. Future outlook

Based on this share acquisition, Elpida plans to make Rexchip a consolidated subsidiary. The effect of the acquisition on Elpida's FY 2008 earnings performance is expected to be minimal.

6. Overview of PSC (the company selling shares to Elpida)

- i. Corporate Name: Powerchip Semiconductor Corporation
- ii. Chairman: Frank Huang
- iii. Head office: Hsinchu, Taiwan
- iv. Major operations: Manufacturing of and foundry services for semiconductor products

7. Number and value of shares acquired

- i. Number of shares acquired: 94,251 thousands shares (3.2% to number of shares issued and outstanding)
- ii. Value of shares acquired: TBD\*

\* Acquisition value will be calculated based on a valuation determined near the time of acquisition

8. Shareholding ratios before and after transaction

- i. Shares held before transfer: 1,426,801 thousands shares (Shareholding ratio: 48.8%)
- ii. Shares held after transfer: 1,521,052 thousands shares (Shareholding ratio: 52.0%)

**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>.

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

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