

The following is an English translation of the Notice regarding Approval under the Act on Special Measures for Industrial Revitalization, Execution of Letter of Intent regarding Private Placement of Preferred Shares and the Record Date for the Convocation of Extraordinary General Shareholders Meeting. Elpida Memory, Inc. provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise



News Release

FOR IMMEDIATE RELEASE

Notice regarding Approval under the Act on Special Measures for Industrial Revitalization

TOKYO, JAPAN, June 30, 2009 – Elpida Memory, Inc., Japan’s leading global supplier of Dynamic Random Access Memory (DRAM), today announced approval under the Act on Special Measures for Industrial Revitalization. The substance of the approved Business Restructuring Plan is as follows. (Please see the attached Notice regarding Approved Business Restructuring Plan.)

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>.

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(Attachment)

Notice regarding Approved Business Restructuring Plan

1. Approved Date: June 30, 2009
2. Approved Company: Elpida Memory, Inc.
3. Target of the Approved Business Restructuring Plan

(1) Target of the Business related to the Business Restructuring Plan

We mainly sell and produce DRAM products, which is memory device used in computers and digital consumer products. With the steep decline in the price of DRAM products, we recorded significant losses resulting in impairment of shareholders' equity. DRAM manufacturers had actively made capital investments based on an expectation of increase in worldwide demand for personal computers with the launch of the new operating system "Windows Vista" by Microsoft Corporation in January 2007 and the expectation of increased demand for flat panel TVs and other digital products such as next generation DVDs in connection with the Beijing Olympics held in August 2008. However, the demand for personal computers and mobile phones declined sharply following the worldwide economic downturn triggered by the financial crisis, causing DRAM product prices to drop sharply. As a result, DRAM manufacturers have been recording heavy losses.

Although prices are expected to recover in the medium to long term due to the reduction of production by DRAM manufacturers, and increase in demand is expected for high value-added DRAM products used in devices such as mobile phones and digital TVs (hereinafter "Premier DRAM Products") as personal income increases in emerging countries, in the current situation where the world economy is suffering, each company needs to make substantial revisions to their businesses. Major change in the industry, including business integrations in Taiwan and other regions, is expected in order to overcome the recession.

Premier DRAM Products is an area where our advantage in technology, such as low voltage and low current leakage adds value, and we are competitive because we are capable of responding to demands for DRAM products over various devices with different specification requirements. With regards to commodity DRAM products, which are used in PCs and other devices, the size of memory for PCs is expected to grow, with the expected penetration of 64 bit OS (OS capable of handling larger memory than the OS generally used today) in PCs, and we expect to gain first-mover advantage by providing product designs that meet the demand of our customers for larger memories and lower cost, using downsizing technology which is our strength, and outsourcing production to Taiwanese companies that have low production costs.

To this end, in order to maintain our strength in advanced technologies, improve our productivity and work towards larger market share, we will engage in leading-edge research and development and make capital investments in the area of Premier DRAM Products

which is our strength. In addition, for commodity DRAM products, we will take advantage of our strong downsizing technology in product design while outsourcing production to a Taiwanese company that is cost competitive.

Specifically, the Business Restructuring Plan will have two pillars: First, to enable our Hiroshima Plant to transform into a fab that is able to achieve high added-value and productivity that operates mainly leading-edge equipment, we will strengthen our financial base, and secure funds for research and development and capital investments; Secondly, we will build and strengthen our relationship with Taiwanese DRAM manufacturer to enable transfer most of the production of commodity DRAM production to Taiwan. At this moment, consolidation of the Taiwanese DRAM manufacturers into one DRAM company (tentatively Taiwan Memory Company, hereinafter "TMC") (scheduled to be established during 2009) is contemplated under the leadership of Taiwanese authorities. We will engage in negotiations to build and strengthen our alliance with TMC, with a view toward a possible capital alliance.

Our Business Restructuring Plan will not hinder the elimination of the excess supply structure in the industry.

(2) Quantative Targets for Improvement in Productivity

With regard to productivity, we plan to improve tangible fixed assets turnover by 157% in FY2011 compared to FY2008 by introducing leading-edge equipment at the Hiroshima Plant for Premier DRAM Products, and by transferring the most of the production to Taiwan for commodity DRAM products.

4. Contents of Business Restructuring related to the Approved Business Restructuring Plan

(1) Matters Relating to the Business Related to Business Restructuring

(i) Core Business

Development, design, manufacture and sale of Premier DRAM Products.

(ii) Rationale for Selection

We engage in all aspects of DRAM business from development, design to manufacture and sales and rank in the world's top class in terms of development and design technology. For the market of high value added Premier DRAM Products, such as for mobile phones and digital TVs, we will be able to distinguish ourselves from our competitors using our advanced technologies, including low voltage and low current leakage. Also, Premier DRAM Products are made according to specification requests from customers, and more profitable in comparison to commodity DRAM products used for applications such as PCs.

(iii) Business Related to Business Restructuring

In the DRAM industry, one needs to lead in the development of process technologies and realize smaller chip sizes and lower power consumption in comparison to competitors.

We will receive investment from the Development Bank of Japan Inc. through a third-party allotment of stock. We will strengthen our alliance with TMC and negotiate future alliances, which include the possibility of a capital alliance. Through those measures, we will strengthen our financial base, secure funds for research and development and capital investments, and maintain and enhance our technological advantage.

(Change in business structure: Increase in Capital)

- Increase in Capital

Elpida Memory will increase its capital through third-party allotment:

First Capital Injection:

30,000,000,000 yen (of which 15,000,000,000 will allocated to capital stock)

Capital stock prior to injection: 158,665,024,242 yen

Capital stock after injection: 173,665,024,242 yen

Method of raising capital: Third-party allotment to the Development Bank of Japan Inc.

Scheduled date: August 2009 (schedule for registration)

Second Capital Injection:

We are expecting about 20 billion yen; specifics are currently under discussion.

Method of raising capital: Third-party allotment to TMC

Scheduled Date: During fiscal 2009

(Business Innovation)

Through a significant increase in monthly wafer processing capacity of our leading-edge equipment in our Hiroshima plant, we will be able to obtain the capability to supply high value-added products that are in high demand by our customers on a stable basis.

With the above capital investments, the number of semiconductor chips that can be produced from a single wafer will be substantially increased leading to a reduction in production cost of around 20%.

- (2) Business address that will undergo Business Restructuring
2-1, Yaesu 2-Chome, Chuo-ku Tokyo, Japan
- (3) Related businesses
None.
- (4) Measures for the implementation of Business Restructuring Plan
See Attachment 1.

5. Commencement and Completion of Business Restructuring

Commencement: July 1, 2009

Completion: March 31, 2012

6. Labor Related Issues regarding the Business Restructuring Plan

- (1) The number of employees at the time of commencement of the Business Restructuring Plan (as of end of March 2009)
3089
- (2) The number of employees at the time of completion of the Business Restructuring Plan (at the end of March 2012)
3224
- (3) Number of employees assigned to Business Restructuring
3224
- (4) Out of (3) above, the number Employees to be newly hired
169
- (5) The number of employees to be terminated or seconded in relation to Business Restructuring
Planned number of employees to be seconded: none
Planned number of employees to be transferred: none
Planned number of employees to be terminated: none

7. Others

At the General Shareholders Meeting for the 11th term (scheduled to be held in June 2010), we will seek approval for a reduction in capital to reduce the capital by the lesser amount of (i) the sum of the amount of our capital reserves as of March 31, 2009 and ¥15 billion (the amount equivalent to the amount to be allocated to capital reserves in connection with the investment from the Development Bank of Japan) and (ii) the amount of deficit as defined in Article 449, Clause 1, 2 of the Companies Act.

Attachment 1

Measures of Business Restructuring

Measures	Description of measures to be implemented and their timing	Expected support measures
<p>Business Structure Change</p> <p>Commencement, expansion or increased efficiency of core business through substantial increase in capital</p>	<p>First capital injection Capital stock prior to capital increase: 158,665,024,242 Yen Increase in capital stock : 15,000,000,000 yen (capital reserve 15,000,000,000 yen) Timing: August 2009 (Schedule for registration in corporate register) Method of raising capital: Third-party allotment to Development Bank of Japan Inc.</p> <p>Second capital injection Capital stock prior to capital increase: 173,665,024,242 yen Total increase in capital stock and capital reserve: approximately 20 billion yen Timing: During fiscal 2009 Method for raising capital: Third-party allotment to TMC</p>	<p>Act on Special Measures concerning Taxation, Article 80 (Reduction in tax rates for the registrations that will be made based on the Approved Business Restructuring Plan); Article 24, 2 (Special Measures of the Japan Finance Corporation Law)</p>
<p>Business Innovation</p> <p>Article 2, Paragraph 2, Clause2, b</p>	<p>Through a significant increase in monthly wafer processing capacity of our leading-edge equipment in our Hiroshima plant, we will be able to obtain the capability to supply high value-added products that are in high demand by our customers on a stable basis.</p> <p>With the above capital investments, the number of semiconductor chips that can be produced from a single wafer will be substantially increased leading to a reduction in production cost of 20%.</p>	