

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 Execution of Letter of Intent regarding Private Placement of Preferred Shares in Light of the Approval under the Act on Special Measures for Industrial Revitalization and the Record Date for the Convocation of Extraordinary General Shareholders Meeting

TOKYO, JAPAN, June 30, 2009 – Elpida Memory, Inc. hereby announce that we concluded a Letter of Intent with the Development Bank of Japan, Inc. (the “DBJ”) today regarding the private placement of new preferred shares of class 1 to class 6 (together, the “Preferred Shares”) to the DBJ that we are currently considering. The Letter of Intent was concluded in light of the approval of the Business Restructuring Plan under the Act on Special Measures for Industrial Revitalization.

Also, the Board of Directors resolved that the Record Date for the eligibility to vote in the Extraordinary General Shareholders Meeting to approve the issuance of the Preferred Shares is July 15, 2009.

I. Matters on the execution of Letter of Intent regarding Issuance of Preferred Shares through third party allotment

Following the approval under the Act on Special Measures for Industrial Revitalization, a Letter of Intent was executed with the DBJ regarding issuance of Preferred Shares that will be allotted around August 2009, the substance of which is described in the attached “Outline of the Preferred Shares”. We will work toward the execution of an investment agreement (the “Investment Agreement”) which will include the steady execution of the Business Restructuring Plan as a pre-condition to the allotment to DBJ. It is therefore not definite at this moment that the Preferred Shares will be subscribed by the DBJ.

II. Matters regarding the Record Date for the Convocation of Extraordinary General Shareholders Meeting

1. Matters regarding the Record Date for the Extraordinary General Shareholders Meeting

In order to ascertain shareholders entitled to vote in the Extraordinary General Shareholders Meeting scheduled to be held in August, it is resolved that the Record Date is Wednesday, July

15, 2009. The shareholders registered on the shareholder registry or listed in the List of Substantial Shareholders at the end of this day will be entitled to vote.

- (1) July 1, 2009 Public notice regarding Record Date for the Convocation to the Extraordinary General Shareholders Meeting. The notice will be made electronically at <http://www.elpida.com/ja/>
- (2) July 15, 2009 Record Date
- (3) August 2009 Extraordinary General Shareholders Meeting (scheduled)

2. Matters to be Resolved in the Extraordinary General Shareholders Meeting

Partial change in Articles of Incorporation to enable issuance of Preferred Shares.

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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Outline of the Preferred Shares

1. Total Paid-In Amount

30 billion yen (Issuance of six classes of Preferred Shares at 5 billion yen per share; each class of preferred shares referred to as “Class 1” to “Class 6”).

2. Preferred Dividends

(1) The Amount of Preferred Dividends

Dividends at an annual rate equivalent to 3.5% of the Original Subscription Price shall be paid in preference to the common stock dividends (dividends for the fiscal year closing March 31, 2010 shall be calculated pro rata from the subscription date). The six classes of Preferred Shares shall have the same preference in terms of preferred dividends.

(2) Dividends shall be cumulative.

(3) Participation rights – not applicable.

3. Distribution of Residual Assets

(1) Distribution of Residual Assets

For each Preferred Share, the amount equal to the sum of Subscription Price, accumulated dividends payable and the amount equivalent to accrued preferred dividends to date (as described below) (the “Standard Amount”) shall be paid as distribution of residual assets prior to distribution of residual assets to holders of Common Share.

No other distribution of residual assets will be made.

The distribution of residual assets for the Preferred Shares shall be made from Class 1 to Class 6 in ascending order.

(2) The Amount Equivalent to Accrued Preferred Dividends to Date

The amount equivalent to accrued preferred dividends to date for each Preferred Share shall be the pro rata yield of dividends from the start of the fiscal year to the day of distribution of Residual Assets (herein after, the “Distribution Date”) at the rate of 3.5 % per annum over the Subscription Price. In case preferred dividends had been made in the year of Distribution Date, such dividends shall be deducted.

Note: the “Standard Amount” shall be defined such that it will be equivalent to the amount of 3.5% (non-compounded interest) per annum for the period commencing on the Subscription Date to the Distribution Date (Redemption Date) inclusive of the dividends already paid, for each Preferred Share.

4. Voting Rights

None.

5. Put Rights for Monetary Consideration

The put price shall be the Standard Amount. (The amount equivalent to accrued preferred dividends to date shall be calculated by substituting “Distribution Date” defined in Section 3, (2) above with the “Redemption Date”)

The Preferred Shares may be put on the earlier of April 1, 2012 or the day following the completion of our company’s Business Restructuring Plan (including subsequent amendment by requirement of the Law, as defined below; Hereinafter, the “Business Restructuring Plan”) approved under the Act on Special Measures for Industrial Revitalization (the “Law”) (if the approval by the Minister of Economy, Trade and Industry is withdrawn, then the date of withdrawal).

6. Terms Regarding Redemption for Monetary Consideration

Redeemable after April 1, 2010 (although the average closing share price for the period of five days prior to redemption or a date separately agreed in the Investment Agreement must be below the conversion price applicable on the Redemption Date or a date separately agreed in the Investment Agreement (the amount described in Section 7 (2) below))

The redemption price shall be the Standard Amount.

7. Conversion Rights

(1) Periods when the right can be exercised:

- Class 1: After June 1, 2011
- Class 2: After May 1, 2011
- Class 3: After April 15, 2011
- Class 4: After April 1, 2011
- Class 5: After March 1, 2011
- Class 6: After February 1, 2011

(2) Conversion Price

(i) The Original Conversion Price

Price shall be calculated using the following formula based on the average closing share price for the period of May 30, 2009 to June 29, 2009 (one month prior to the approval of the Business Restructuring Plan) (the “Standard Price at the Time of Issuance”).

Classes 1 and 2: 1,377 yen (The Standard Price at the Time of Issuance x 130%)

Classes 3 to 6: 1,218 yen (The Standard Price at the Time of Issuance x 115%)

(ii) Revision of Conversion Price:

In the event the average share price of the closing price on five consecutive trading days leading to December 30, 2011, January 31, 2012, or February 29, 2012 inclusive (each, the “Deciding Date”) is below the applicable Conversion Price on such Deciding Date, the Conversion Price shall be revised to the Standard Price at the Time of Issuance from

the day following the first Deciding Date on which the average price was below the Conversion Price.

(iii) Adjustment of Conversion Price:

Standard terms will apply regarding the adjustment of conversion price.

(3) The number of Common Shares to be issued/ transferred

The number of shares to be issued/ transferred is calculated by dividing the lesser of a) and b) below by the Conversion Price.

a) the Standard Amount (The amount equivalent to accrued preferred dividends to date shall be calculated by substituting "Distribution Date" defined in Section 3 (2) by

Conversion Date)

b) Subscription Price x 135%

8. Others

Other terms and conditions regarding the Preferred Shares (including conversion and redemption rights and their conditions described in Section 5 to 7 above) shall be stipulated in the Investment Agreement following discussion between our company and the DBJ.