

[Translation]

August 7, 2009

To whom it may concern:

Company Name:	Elpida Memory, Inc.
(TSE Code:	6665, First Section of the Tokyo Stock Exchange)
Representative:	Yukio Sakamoto, Representative-Director and President
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Announcement on Issuance of Preferred Shares by Way of Third Party Allotment
and Partial Amendments to Articles of Incorporation, etc.

Elpida Memory, Inc. (the “Company”) hereby announces as below that today, subject to (i) the execution of an investment agreement regarding issuance of preferred shares of Types 1 and 2 (collectively, the “Preferred Shares”) by way of a third party allotment to the Development Bank of Japan, Inc. (the “DBJ”), and (ii) the approval of the proposal of amendments to the Articles of Incorporation required for the issuance of the Preferred Shares at its extraordinary shareholders’ meeting that is scheduled to be held on August 29, 2009 (the “Extraordinary Shareholders’ Meeting”), and the completion of any procedures required under laws or regulations; it resolved at its board of directors’ meeting (the “Board of Directors’ Meeting”) the issuance of the Preferred Shares by way of a third party allotment having the DBJ as the allotted party .

The Company also resolved at the Board of Directors’ Meeting the proposal of (i) the “Partial Amendments to the Articles of Incorporation (Part 1)” which shall be required for the issuance of the Preferred Shares, (ii) the “Partial Amendments to the Articles of Incorporation (Part 2)” which shall be required for the increase of the total number of issuable shares, and (iii) the “Issuance of Offered Shares by Third Party Allotment” concerning the issuance of the Preferred Shares, to the Extraordinary Shareholders’ Meeting.

I. Issuance of Types 1 and 2 Preferred Shares by the Third Party Allotment

1. Purposes of the Offering of Shares to be Issued by the Third Party Allotment
- (1) Background and Purposes of the Issuance of the Preferred Shares

Under the Act on Special Measures for Industrial Revitalization and Innovation of Industrial Activities (the “Act”), the Company submitted a business restructuring plan (the “Business Restructuring Plan”) to the Ministry of Economy, Trade and Industry (“METI”), which was approved by METI as of June 30, 2009.

Under the approved Business Restructuring Plan, the Company contemplates increasing its capital by third party allotment to the DBJ, for the purposes of strengthening the financial basis, ensuring funds for research and development investment and capital expenditures, and maintaining and enhancing technological superiority. As a method for such capital increase, the issuance of the Preferred Shares is to be conducted with the DBJ as the allotted party.

(2) Outline of the Preferred Shares

In order to surely achieve the Business Restructuring Plan, the Company, while trying to ensure the equity capital nature of the funds, took into consideration the effects which may arise with respect to existing shareholders, and decided to issue preferred shares generally under the following terms and conditions. For details of the terms and conditions of the Preferred Shares (the “Terms and Conditions of Preferred Shares”), please refer to Attachment 1.

(i) Right to Request Acquisition of the Preferred Shares with Cash Consideration

In order to ensure long-term stable funds, which will be necessary to ensure the achievement of the Business Restructuring Plan, the Company contemplates limiting as much as possible the amount of cash-out concerning the request by the allotted party for the acquisition of the Preferred Shares with cash consideration (the “Acquisition Request with Cash Consideration”). Accordingly, under the investment agreement executed between the Company and the allotted party, the allotted party is restricted from exercising its right concerning the Acquisition Request with Cash Consideration, in principle, until the earlier of (i) April 1, 2012 or (ii) the day immediately following the day on which the performance period of the Business Restructuring Plan ends (if such earlier day is not a business day, the business day immediately following such day).

(ii) Right to Request Acquisition of the Preferred Shares with Common Shares as Consideration

In order to ensure long-term stable funds, which will be necessary to ensure the achievement of the Business Restructuring Plan, the Company grants to the allotted party the right concerning the request by the allotted party for the acquisition of the Preferred Shares with the common shares of the Company as consideration (the “Acquisition Request with Common Share Consideration”), to encourage the collection of funds by the allotted party through its sale of such common shares in the markets in conjunction with the rising of the share price.

Meanwhile, the Company takes the following measures, taking into consideration the effects which may arise with respect to the existing shareholders:

(a) Restrictions Regarding the Scope of the Acquisition Request with Common Share Consideration

To avoid the immediate dilution of the common shares, the Company sets the starting date of the Acquisition Request with Common Share Consideration to be on or after February 1, 2011. Also, to avoid the excessive dilution of the common shares taking place at one time, the Company restricts in the investment agreement with the allotted party the scope of each Acquisition Request with Common Share Consideration for each period, as below:

To and including the last day of February, 2011:	up to the maximum limit of 500,000 shares of Type 2 Preferred Shares
To and including the last day of March, 2011:	up to the maximum limit of 1,000,000 shares of Type 2 Preferred Shares
To and including April 14, 2011:	up to the maximum limit of 1,500,000 shares of Type 2 Preferred Shares
To and including the last day of April, 2011:	all shares of Type 2 Preferred Shares
To and including the last day of May, 2011:	all shares of Type 2 Preferred Shares, and up to the maximum limit of

500,000 shares, of Type 1 Preferred Shares
On or after June 1, 2011: all shares of the Preferred Shares

(b) Initial Exchange Price

Subject to the Acquisition Request with Common Share Consideration, the initial exchange prices of the Company's common shares to be delivered by the Company to the allotted party in exchange for the Preferred Shares are as described below, respectively, and if the Acquisition Requests with Common Share Consideration are made at the initial exchange prices with respect to all of the Preferred Shares, 23,682,525 shares (16.72 percent (%) of the issued common shares before the issuance of the Preferred Shares (with any fraction being rounded up to 0.01 if it is 0.005 or more, or disregarded if it is less than 0.005)) of the common shares of the Company are to be delivered. If the Acquisition Requests with Common Share Consideration are made, the number of the shares to be delivered shall be calculated by dividing the Base Acquisition Price (aggregate of the amounts equivalent to payment amount, accumulated unpaid dividends, and accrued dividends) by the exchange price; however, the amounts equivalent to accumulated unpaid dividends and accrued dividends are not taken into consideration in the above mentioned calculation of the number of potential shares.

Type 1: 1,377 yen

Type 2: 1,218 yen

(c) Revisions of the Exchange Prices

Taking into consideration the dilution of the common shares, revisions of the exchange prices are limited to being made only once for each type, and the exchange prices after such revisions (respectively, the "Revised Exchange Price") shall be 1,059 yen, which is the average closing price for the period of one (1) month (from May 30, 2009 to June 29, 2009) before the approval date of the Business Restructuring Plan.

The exchange price shall be revised only if the Average Share Price (the average daily closing price of the common shares of the Company as reported by the Tokyo Stock Exchange, Inc. for five (5) consecutive trading days immediately preceding any relevant day (inclusive) (such five (5) consecutive trading days exclude days on which no closing price (including displayed quotes, the same applies hereinafter) is reported, and refer to five (5) consecutive trading days up to and including the trading day with a closing price immediately preceding such relevant day); hereinafter the same) on December 30, 2011, January 31, 2012, or February 29, 2012 (respectively, the "Determination Date") becomes lower than the exchange price effective on such Determination Date (unless the Exchange Price is adjusted in accordance with the Terms and Conditions of Preferred Shares, 1,377 yen in case of Type 1 Preferred Shares and 1,218 yen in case of Type 2 Preferred Shares), on the date immediately following the first Determination Date on which the Average Share Price becomes lower than the exchange price corresponding thereto.

If the Acquisition Requests with Common Share Consideration are made at the Revised Exchange Price with respect to all of the Preferred Shares, 28,328,611 shares (20.01% of the issued common shares before the issuance of the Preferred Shares (with any fraction being rounded up to 0.01 if it is 0.005 or more, or disregarded if it is less than 0.005)) of the common shares of the Company are to be delivered.

If the Acquisition Requests with Common Share Consideration are made, the number of the shares to be delivered shall be calculated by dividing the Base Acquisition Price (aggregate of the amounts equivalent to payment amount, accumulated unpaid dividends and accrued dividends) by the exchange price; however, the amounts equivalent to accumulated unpaid dividends and accrued dividends are not taken into consideration in the above mentioned calculation of the number of potential shares.

(iii) Provisions for the Acquisition of the Preferred Shares with Cash Consideration

As described in item (ii) above, in order to ensure long-term stable funds, as to the collection of funds by the allotted party, the Company suggests exercising Acquisition Request with Common Share Consideration and selling the common shares in markets in conjunction with the increase of the share price. On the other hand, if a stable financial basis is obtained by the achievement of the Business Restructuring Plan, the Company, taking into consideration the effects of dilution of the common shares, provides for, as described below in the Terms and Conditions of Preferred Shares and the investment agreement with the allotted party, a right by which the Company may acquire all or part of the Preferred Shares with cash consideration upon the arrival of the date as determined by the board of directors of the Company, to the extent permitted under the applicable laws or regulations.

(a) During the Performance Period of the Business Restructuring Plan

The Company may determine the day to acquire the Preferred Shares (the "Date of Acquisition with Cash Consideration Under the Acquisition Provision"; such date shall be any date on or after April 1, 2010) only if the Average Share Price on the date immediately preceding the date determining such Date of Acquisition with Cash Consideration Under the Acquisition Provision becomes lower than the exchange price effective on such determination date.

(b) After the Termination of the Performance Period of the Business Restructuring Plan

The Company may at any time determine the Date of Acquisition with Cash Consideration Under the Acquisition Provision.

(iv) Preferred Dividend Rate

To avoid dividends being an excessive burden, which may impede the achievement of the Business Restructuring Plan, the dividend rate of the Preferred Shares will be 3.5 percent (%).

(v) Voting Rights

Except as otherwise provided in laws and regulations, the Preferred Shares have no voting rights at shareholders' meetings.

(3) Matters Agreed Under the Investment Agreement with the Allotted Party

(i) Major Conditions Precedent for Payment of the Preferred Shares

As the major conditions precedent for the payment for the Preferred Shares, the following are agreed:

that the approval of the Business Restructuring Plan is not revoked, or is not threatened to be revoked; and that no change is made to the Business Restructuring Plan, or no event that requires change to such plan has occurred or is threatened to occur.

(ii) The Company's Covenants Against the Allotted Party

The Company is subject mainly to the following covenants for the benefit of the allotted party:

(a) Maintenance and/or Achievement of the Business Restructuring Plan

1. The Company shall use its best efforts to achieve the Business Restructuring Plan (or, if any change is made to such Business Restructuring Plan in accordance with the Act and the investment agreement with the allotted party, the contents of such changed plan), and shall comply with any preconditions to the Business Restructuring Plan in accordance with such plan; however, if there is any prior written agreement with the allotted party, the Company shall be subject to the contents of such agreement.
2. The Company shall not apply for any change to the Business Restructuring Plan without confirming that a cooperative relationship is maintained among the allotted party and main financing banks of the Company. Also, the Company shall not conduct any act which may increase the possibility of requiring that any change to the Business Restructuring Plan be made or any act that may cause difficulty in achieving the Business Restructuring Plan.
3. If (i) any possibility of requiring any change to the Business Restructuring Plan or (ii) any fact which results in an increase of difficulty in achieving the Business Restructuring Plan arises or is identified, the Company shall promptly give written notice to the allotted party of the content thereof.

(b) Decrease of Capital Reserve

The Company shall, in its eleventh (11th) general shareholders' meeting (which is scheduled to be held in June 2010), make a proposal to decrease capital reserve, the decrease amount of which is to be the lower of the total amount of the Company's capital reserve as of March 31, 2009 plus 15,000,000,000 yen, or the amount of deficit as prescribed under Article 449, Paragraph 1, Item 2 of the Companies Act (the "Capital Reserve Decrease"); and shall use its best efforts to duly conduct the Capital Reserve Decrease.

2. Amount and Purposes of Use of Funds to be Raised, etc.

(1) Amount of Funds to be Raised (Estimated Amount of Net Proceeds)

Total amount issued:	30,000,000,000 yen
Estimated amount of expenses for the issuance:	198,000,000 yen
Estimated amount of net proceeds:	29,802,000,000 yen

(2) Specific Use of Proceeds

The Company contemplates in the Business Restructuring Plan an investment in research and development, and in capital expenditures, so as to gain a larger share in markets, by introducing to its Hiroshima factory the most advanced facilities for DRAM with high added value for cellular phones or digital televisions, etc., in addition to research and development and capital expenditures related to finer process technologies which is its strength.

The funds to be raised through the issuance of the Preferred Shares will be appropriated as required to implement the Business Restructuring Plan.

(3) Scheduled Time of Use of the Funds to be Raised

The Company will use the funds to be raised through the issuance of the Preferred Shares on or after the payment date and during the performance period of the Business Restructuring Plan.

The estimated amount of net proceeds will be kept and managed in the Company's bank account until such proceeds are applied.

(4) The Company's Opinion Regarding Reasonableness of the Purposes of Use of the Funds to be Raised

The Company will, by issuing the Preferred Shares, increase its equity capital and strengthen its financial basis and will use its efforts to maintain and/or improve flexibility in financing, and to conduct stable and continuous transactions with financial institutions in order to realize stable and long-term improvement of the Company's business.

Accordingly, the Company believes that the issuance of the Preferred Shares contributes to the further improvement of its corporate value and therefore determines that the above purposes of use of the funds are reasonable for the Company.

3. Major Schedules Regarding the Preferred Shares

(1) Types 1 and 2 Preferred Shares

Scheduled Date of the Extraordinary Shareholders' Meeting: August 29, 2009
 Payment date: August 31, 2009

4. Business Results and Equity Financing for the Past Three Years

(1) Business Results for the Past Three Years (Consolidated) (Unit: million yen)

Fiscal Year	Year ending March 2007	Year ending March 2008	Year ending March 2009
Net sales	490,039	405,481	331,049
Operating income (loss)	68,420	(24,940)	(147,389)
Ordinary income (loss)	63,636	(39,623)	(168,757)
Net income for the current year (loss)	52,943	(23,542)	(178,870)
Net income per share for the current year (loss) (yen)	444.00	(181.58)	(1,349.11)
Dividend per share (yen)	-	-	-
Net assets per share (yen)	2,930.92	2,679.57	1,181.45

(2) Current Status of the Number of Issued Shares and Number of Potential Shares (as of July 31, 2009)

Type	Number of shares	Ratio to the number of issued shares
Number of issued shares	141,601,419 shares	100.00%
Total number of potential shares at the current conversion price (exercise price)	[3,162,200shares]	[2.23%]
Total number of potential shares at the minimum conversion price (exercise price)	-	-

Total number of potential shares at the maximum conversion price (exercise price)	-	-
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Note: All quantities of potential shares above are based on the exercise of stock options. The exercise price of the stock options is determined in advance.

(3) Current Status of Share Price

(i) Status Over the Past Three Years

	Year ending March 31, 2007	Year ending March 31, 2008	Year ending March 31, 2009
Opening price	4,370 yen	4,830 yen	3,410 yen
Highest price	6,660 yen	5,870 yen	4,430 yen
Lowest price	4,090 yen	2,715 yen	305 yen
Closing price	4,570 yen	3,320 yen	680 yen

(ii) Status Over the Past Six Months

	March	April	May	June	July	August
Opening price	590 yen	740 yen	1,057 yen	964 yen	1,084 yen	1,100 yen
Highest price	757 yen	1,328 yen	1,201 yen	1,205 yen	1,126 yen	1,234 yen
Lowest price	400 yen	697 yen	918 yen	939 yen	851 yen	1,090 yen
Closing price	680 yen	1,048 yen	977 yen	1,045 yen	1,080 yen	1,195 yen

Note: The share prices for August listed above are based on those up to August 6, 2009.

(iii) Share Price as of the Trading Day Immediately Preceding the Resolution Day for Issuance

	As of August 6, 2009
Opening price	1,159 yen
Highest price	1,200 yen
Lowest price	1,143 yen
Closing price	1,195 yen

(4) Status of the Equity Financing at Date of Issue

Capital Increase by Third Party Allotments (Type 1 and Type 2 Preferred Shares)

Date of issue	August 31, 2009
Amount of funds to be raised	29,802,000,000 yen (issue price: 10,000 yen per share) (estimated amount of net proceeds)
Number of issued shares at the time of the issuance	Common shares 141,601,419 shares
Number of issued shares due to this capital increase	Type 1 Preferred Shares 1,000,000 shares Type 2 Preferred Shares 2,000,000 shares
Total number of issued shares after the offer	Common shares 141,601,419 shares Type 1 Preferred Shares 1,000,000 shares Type 2 Preferred Shares 2,000,000 shares Total 144,601,419 shares
Allotted party	Development Bank of Japan Inc.

(5) Status of Equity Financing Over the Past Three Years

Capital Increase by Public Offering

Date of issue	July 19, 2006
Amount of funds raised	124,214,000,000 yen (issue price 4,154.2 yen per share) (estimated amount

	of net proceeds)
Number of issued shares at the time of the offer	96,627,400 shares
Number of issued shares due to this capital increase	30,000,000 shares
Initial purpose of use of the funds	Hiroshima Elpida Memory's capital expenditure, including its purchase of E300 Fab semiconductor production equipment
Scheduled time of use of funds	During the 2006 and 2007 fiscal years
Status of appropriation at present	Appropriated for Hiroshima Elpida Memory's capital expenditure, including for its purchase of E300 Fab semiconductor production equipment.

Capital Increase by Third Party Allotment (Allotment for Secondary Distribution by Over-Allotment)

Date of issue	August 15, 2006
Amount of funds raised	9,539,160,000 yen (issue price 4,154.2 yen per share) (estimated amount of net proceeds)
Number of issued shares at the time of the offer	126,643,800 shares
Number of issued shares due to this capital increase	2,300,000 shares
Allotted party	Nomura Securities Co., Ltd.
Initial purpose of use of the funds	Hiroshima Elpida Memory's capital expenditure, including its purchase of E300 Fab semiconductor production equipment
Scheduled time of use of funds	During the 2006 and 2007 fiscal years
Status of appropriation at present	Appropriated for Hiroshima Elpida Memory's capital expenditure, including for its purchase of E300 Fab semiconductor production equipment.

Issuance of the First Series Unsecured Convertible Bonds with Share Acquisition Rights by Third Party Allotment

Date of issue	November 4, 2008
Amount of funds raised	49,978,000,000 yen (estimated amount of net proceeds)
Conversion price	1,017 yen
Number of issued shares at the time of the offer	129,813,600 shares
Number of issued shares due to this offer	-
Total number of issued shares after the offer	-
Allotted party	Nomura Asia Limited
Number of potential shares due to this offer	Number of potential shares at the initial conversion price (1,017 yen): 49,164,208 shares Number of potential shares at the maximum conversion price (2,034 yen): 24,582,104 shares Number of potential shares at the minimum conversion price (509 yen): 98,231,827 shares
Status of conversion (status of exercise) at present	Converted shares (exercised shares): 11,787,819 shares (Balance 0 yen, conversion price (exercise price) 509 yen)
Initial purpose of use of the funds at the time of issuance	Capital expenditure for Hiroshima factory: 25,000 million yen Capital contribution to Rexchip Electronics Corporation: 24,978 million yen
Scheduled time of use of funds at the time of issuance	Capital expenditure for Hiroshima factory: Second half of the fiscal year ending in March, 2010 Capital contribution to Rexchip Electronics Corporation: Scheduled during the first half of the fiscal year ending in March 2010
Status of appropriation at present	Out of the total funds to be used, 44,000 million yen was appropriated for the advanced redemption of these convertible bonds as of January 9, 2009. The remaining was appropriated for capital expenditures.

Note: 6,000 million yen out of the total face value amount of 50,000 million yen was converted, and the remaining 44,000 million yen was prematurely repaid on January 9, 2009.

5. Major Shareholders and Shareholding Ratios

(1) Common Shares

Before the offer (as of March 31, 2009)		After the offer
Trust & Custody Services Bank, Ltd. as trustee for Hitachi, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust & Banking Co., Ltd.	9.04%	Same as left
CBNY-ORBIS SICAV (standing proxy Citibank Japan Ltd.)	8.77%	
The Master Trust Bank of Japan, Ltd. (Trust Account)	6.19%	
Japan Trustee Services Bank, Ltd. (Trust Account)	6.02%	
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	5.88%	
NEC Corporation	5.47%	
CBNY-ORBIS FUNDS (standing proxy Citibank Japan Ltd.)	4.22%	
Japan Trustee Services Bank, Ltd. (Trust Account 4)	1.82%	
STATE STREET BANK AND TRUST COMPANY (standing proxy Mizuho Corporate Bank, Ltd.'s Kabutocho Custody & Proxy Department within the Settlement & Clearing Services Division)	1.64%	
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	1.63%	

(2) Type 1 Preferred Shares

Before the offer (as of August 7, 2009)	After the offer
Not applicable.	Development Bank of Japan Inc. 100%

(3) Type 2 Preferred Shares

Before the offer (as of August 7, 2009)	After the offer
Not applicable.	Development Bank of Japan Inc. 100%

6. Prospective Effect on Business Results

By issuing the Preferred Shares, the Company intends to strengthen its consolidated and non-consolidated financial basis. This will have little effect on the business results, and there is no change to the Company's forecast for the current fiscal year.

7. Reasonableness of the Terms and Conditions for Issuance, etc.

(1) Reason for Determining that the Terms and Conditions for Issuance are Reasonable

After examining comprehensively the current business environment and financial circumstances of the Company, as well as the marketability of Preferred Shares, etc., considering the opinions of outside experts, the Company has decided on certain terms and conditions for the issuance of the Preferred Shares and determined that the issuance of the Preferred Shares is the most appropriate financing option at present.

The Company will make a proposal in respect of the issuance of the Preferred Shares to be resolved at the Extraordinary Shareholders' Meeting, and the Preferred Shares will be issued after obtaining the consent of the required number of shareholders.

(2) Reasons for Determining that the Issue Amount and the Scale of Dilution of the Preferred Shares are Reasonable

The Preferred Shares include a right to request acquisition of the Preferred Shares with common shares as consideration. This right gives the allotted party the option to request delivery of common shares at the exchange price, and if such right is exercised at the initial exchange price for all of the Preferred Shares held by the allotted party, 23,682,525 common shares (16.72 percent (%) of the issued common shares before the issuance of the Preferred Shares (with any fraction being rounded up to 0.01 if it is 0.005 or more, or disregarded if it is less than 0.005)) will be delivered. If such rights to request acquisition of the Preferred Shares with common shares as consideration are exercised at the Revised Exchange Price with respect to all of the Preferred Shares, 28,328,611 shares (20.01 percent (%) of the issued common shares before the issuance of the Preferred Shares (with any fraction being rounded up to 0.01 if it is 0.005 or more, or disregarded if it is less than 0.005)) of the common shares of the Company are to be delivered. If such rights to request acquisition of the Preferred Shares with common shares as consideration are exercised, the number of the shares to be delivered shall be calculated by dividing the Base Acquisition Price (aggregate of the amounts equivalent to payment amount, accumulated unpaid dividends, and accrued dividends) by the exchange price; however, the amounts equivalent to accumulated unpaid dividends and accrued dividends are not taken into consideration upon the calculation of the number of the potential shares mentioned above.

As described above, at the time that the Preferred Shares are converted to common shares, dilution of the common shares may occur. However, in light of the current business environment and the financial circumstances of the Company, it is necessary to ensure stable business operations through the strengthening of the Company's financial basis through the issuance of Preferred Shares. In addition, regarding the Preferred Shares, in order to limit as much as possible any effect on common shareholders, the right of the allotted party to request delivery of the common shares in exchange as consideration commences progressively from February 1, 2011. Therefore, the Company has determined that this issuance of Preferred Shares will be reasonable in respect of its common shareholders.

8. Reason for the Selection of the Allotted Party, etc.

(1) Details of the Allotted Party

(as of March 31, 2009)

(i)	Trade Name	Development Bank of Japan Inc.
(ii)	Business description	financial institution
(iii)	Date of incorporation	October 1, 2008
(iv)	Location of head office	1-9-1, Otemachi, Chiyoda-ku, Tokyo
(v)	Title and name of representative	Minoru Murofushi President and Chief Executive Officer
(vi)	Amount of stated capital	1,000,000 million yen
(vii)	Number of issued shares	40,000,000 shares
(viii)	Net assets	2,075,800 million yen
(ix)	Total assets	14,017,400 million yen
(x)	Fiscal year end	March 31
(xi)	Number of employees	1,064
(xii)	Major customers	-
(xiii)	Major shareholders and shareholding ratio	Minister of Finance 100%
(xiv)	Main banks	-

(xv) Relationship between listed company and allotted party	Capital relationship	Not applicable.		
	Transactional relationship	Banking		
	Personnel relationship	Not applicable.		
	Status as an affiliated party	Not applicable.		
(xvi) Business results over the past three years	(Unit: million yen)			
Fiscal year	Year ending March 31, 2007	Year ending March 31, 2008	Year ending September 30, 2008 (6 month settlement)	Year ending in March 31, 2009 (6 month settlement)
Consolidated ordinary revenues	348,723	335,697	163,329	151,206
Consolidated ordinary income	23,007	12,841	-31,312	-121,693
Consolidated net income for the current year	75,260	52,608	-28,651	-128,342
Consolidated basic net income per share for the current year (yen)	-	-	-	-
Dividend per share (yen)	-	-	-	-
Consolidated net assets per share (yen)	-	-	-	-

(2) Reason for the Selection of the Allotted Party

Pursuant to the Act, the Company has determined to conduct the allotment of the Preferred Shares to the DBJ as the designated financial institution.

(3) Policy on Shareholding by the Allotted Party

The Company provides in the Terms and Conditions of Preferred Shares that any acquisition of the Preferred Shares by way of transfer shall need an approval of its board of directors. The DBJ does not have a long term intention to hold the Company's common shares, which will be delivered upon the Acquisition Request with Common Share Consideration, and the DBJ will sell its holdings in the Company's common shares in a timely and appropriate manner. In addition, the Company plans to obtain confirmation from the DBJ to the effect that DBJ will report to the Company if it transfers the Preferred Shares, or the common shares of the Company delivered in exchange for the Preferred Shares, to a third party within two years from the date of issue.

II. Partial Amendments to the Articles of Incorporation

1. Purposes of the Amendments to the Articles of Incorporation

The Company has determined at the Board of Directors' Meeting to (i) submit for consideration "Partial Amendments to the Articles of Incorporation (Part 1)" to the Extraordinary Shareholders' Meeting in order to (a) newly provide provisions regarding the Types 1 and 2 Preferred Shares with an aim to make it possible to issue the Preferred Shares as stated in I. above, and (b) in conjunction with providing such provisions, make necessary changes, including, but not limited to, modification and addition of wording; and (ii) submit for consideration "Partial Amendments to the Articles of Incorporation (Part 2)" to the Extraordinary Shareholders' Meeting in order to increase the total number of issuable shares with an aim to maintain a state where procurement of funds involving capital reinforcement may be conducted flexibly in order to implement business plans and to secure financial soundness in the future.

2. Contents of Amendments to the Articles of Incorporation

The contents of the amendments to the Articles of Incorporation shall be as shown in Attachment 2.

3. Schedule for the Amendments to the Articles of Incorporation

August 7, 2009	(Friday)	Resolution at the Board of Directors' Meeting
August 29, 2009	(Saturday)	Extraordinary Shareholders' Meeting (scheduled)
		Date of Effectiveness of the Amendments to the Articles of Incorporation (scheduled)

End

Attachment 1

Terms and Conditions of Preferred Shares

Terms and Conditions of Type 1 Preferred Shares

1. Name of Class of Shares

Type 1 Preferred Shares of Elpida Memory, Inc. (the "Type 1 Preferred Shares")

2. Number of Shares to be Newly Issued

1,000,000 shares

3. Payment Amount

10,000 yen per share

4. Total Payment Amount

10,000,000,000 yen

5. Stated Capital to be Increased by Issuance of Type 1 Preferred Shares

5,000,000,000 yen (5,000 yen per share)

6. Capital Reserve to be Increased by Issuance of Type 1 Preferred Shares

5,000,000,000 yen (5,000 yen per share)

7. Payment Date

August 31, 2009

8. Method of Issuance

All the Type 1 Preferred Shares shall be allotted to the Development Bank of Japan Inc. by way of a third party allotment.

9. Preferred Dividends

(1) Type 1 Preferred Dividends

If the Company is to distribute any surplus, the Company will distribute the amount of surplus per share of the Type 1 Preferred Shares set out in the following paragraph (the "Type 1 Preferred Dividend") to the shareholders of the Type 1 Preferred Shares (the "Type 1 Preferred Shareholders"), and the registered pledgees of shares of the Type 1 Preferred Shares (the "Registered Pledgees of Type 1 Preferred Shares"), listed or recorded in the latest register of shareholders as of the record date for the distribution of surplus before making any such distribution to the shareholders of common shares (the "Common Shareholders"), or the registered pledgees of common shares (the "Registered Pledgees of Common Shares"), listed or recorded in the latest register of shareholders as of the same date. However, if all or part of the Type 1 Preferred Dividend (excluding the distribution of the Accumulated Unpaid Type 1 Preferred Dividend defined in Paragraph 3) has already been paid based on a record date that falls in the fiscal year of the record date for the

distribution of surplus, the accumulated amount of the dividends which have already been paid shall be deducted from the amount of surplus. If the Company acquires the Type 1 Preferred Shares in the period from the record date of the distribution of surplus to the distribution of surplus, a distribution of surplus with respect to the record date above for such acquired Type 1 Preferred Shares will not be required.

(2) The Amount of the Type 1 Preferred Dividend

The amount of the Type 1 Preferred Dividend will be 350 yen per share (the amount of the Type 1 Preferred Dividend per share based on a record date that falls in the fiscal year ending on March 31, 2010 will be an amount (calculated to four decimal places denominated in yen and rounded to three decimal places) equal to 350 yen multiplied by the number of actual days during a period from and including the Payment Date of the Type 1 Preferred Shares to and including March 31, 2010 divided by the number of actual days during a period from and including April 1, 2009 to and including March 31, 2010).

(3) Clause of Cumulative Dividend

If the aggregate of the amount of surplus per share distributed to the Type 1 Preferred Shareholders or the Registered Pledges of Type 1 Preferred Shares based on a record date that falls in a fiscal year (excluding the distribution of the Accumulated Unpaid Type 1 Preferred Dividend (defined below) which was accumulated by the first day of that fiscal year) does not reach the amount of the Type 1 Preferred Dividend for that fiscal year, the shortfall will accumulate and be carried over to the following and subsequent fiscal years, and the accumulated shortfall (the "Accumulated Unpaid Type 1 Preferred Dividend") will be paid to the Type 1 Preferred Shareholders or the Registered Pledges of Type 1 Preferred Shares before making the Type 1 Preferred Dividend and any distribution to the Common Shareholders or the Registered Pledges of Common Shares.

(4) Clause of Nonparticipation

No surplus in excess of the Type 1 Preferred Dividend will be distributed to the Type 1 Preferred Shareholders or the Registered Pledges of Type 1 Preferred Shares, except for (i) the distribution of surplus provided for in Article 758, Item 8, (b) of the Companies Act or Article 760, Item 7, (b) of the Companies Act, which will be paid in the procedure for absorption-type company splits to be conducted by the Company, or (ii) the distribution of surplus provided for in Article 763, Item 12, (b) of the Companies Act or Article 765, Paragraph 1, Item 8, (b) of the Companies Act, which will be paid in the procedure for incorporation-type company splits to be conducted by the Company.

(5) Order of Priority in Respect of Payment of Preferred Dividends

Type 1 Preferred Shares and Type 2 Preferred Shares shall have the same order of priority in respect of payment of the distribution of surplus (preferred dividends), including those in accordance with the clause of cumulative dividend.

10. Distribution of Residual Assets

(1) Preferred Distribution of Residual Assets

If the Company is to distribute residual assets, the Company will pay the Base Acquisition Price set out in Condition 13 as the residual assets distribution amount per share of the Type 1 Preferred Shares to the Type 1 Preferred Shareholders or the Registered Pledges of Type 1 Preferred Shares prior to the Common Shareholders or the Registered Pledges of Common Shares.

In the case of the distribution of residual assets, the Base Acquisition Price will be calculated by reading the “Acquisition Date” in the calculation of the Base Acquisition Price set out in Condition 13 as meaning the “date on which the residual assets are distributed.”

No residual assets, other than those provided for above, will be distributed to the Type 1 Preferred Shareholders or the Registered Pledges of Type 1 Preferred Shares.

(2) Order of Priority in respect of distribution of Residual Assets

The distribution of residual assets for the Type 1 Preferred Shares and Type 2 Preferred Shares shall be made from Type 1 to Type 2 in ascending order.

11. Voting Rights

Except as otherwise provided in laws and regulations, the Type 1 Preferred Shareholders have no voting rights at shareholders’ meetings.

12. Consolidation or Split of Shares, Allotment of Offered Shares, etc.

Unless otherwise provided for by law or regulation, the Company will not consolidate or split the Type 1 Preferred Shares. The Company will not grant the Type 1 Preferred Shareholders the right to receive an allotment of offered shares or the right to receive an allotment of offered stock acquisition rights and will not carry out a gratuitous allotment of shares or a gratuitous allotment of stock acquisition rights to the Type 1 Preferred Shareholders.

13. The Preferred Shareholders’ Right to Request Acquisition of Type 1 Preferred Shares with Cash Consideration

The Type 1 Preferred Shareholders may, at any time on and after September 1, 2009, request that the Company pays a cash amount in exchange for the Company’s acquiring all or part of the Type 1 Preferred Shares (the request by the Type 1 Preferred Shareholders, the “Acquisition Request with Cash Consideration”). Upon receiving an Acquisition Request with Cash Consideration, the Company will, in accordance with the following, deliver the acquisition price of the Type 1 Preferred Shares to the relevant Type 1 Preferred Shareholders in exchange for acquiring all or part of the Type 1 Preferred Shares on the date of such Acquisition Request with Cash Consideration within the limit of the distributable amount stipulated in Article 461, Paragraph 2 of the Companies Act as of the date of such Acquisition Request with Cash Consideration to the extent permitted by laws and regulations (the date of Acquisition Request with Cash Consideration, the “Acquisition Date”). However, if the Type 1 Preferred Shareholders make Acquisition Requests with Cash Consideration in excess of the distributable amount, the shares of the Type 1 Preferred Shares that should be acquired will be determined by pro rata allotment in proportion to the number of the shares subject to the Acquisition Requests with Cash Consideration, or by any other reasonable method determined by the Board of Directors of the Company.

The acquisition price per share of the Type 1 Preferred Shares will be calculated in accordance with the following. The acquisition price per share of the Type 1 Preferred Shares calculated in accordance with the following is referred to as the “Base Acquisition Price.”

Base Acquisition Price Formula

Base Acquisition Price = 10,000yen × (1+0.035 × (m+n)) - Paid Type 1 Preferred Dividends

In the Base Acquisition Price Formula, “m” is defined as follows: (a) if the Acquisition Date falls in the period between the Payment Date to the date immediately preceding the first anniversary

of such Payment Date—zero; or (b) if the Acquisition Date falls on any subsequent day—the number of years elapsed (positive integer) from the Payment Date to the Immediately Preceding Payment Anniversary. Each anniversary of the Payment Date is referred to as a “Payment Anniversary,” and the “Immediately Preceding Payment Anniversary” means the Payment Anniversary immediately preceding the Acquisition Date (if the Acquisition Date occurs on the same date as a Payment Anniversary, the Acquisition Date will be considered the Immediately Preceding Payment Anniversary).

In the Base Acquisition Price Formula, “n” will be calculated by dividing the “Number of Remaining Days” (defined below) by 365 (calculated to four decimal places and rounded down to three decimal places). The “Number of Remaining Days” means the actual number of days from the date (inclusive) immediately following the Payment Date to the Acquisition Date (inclusive) in the case of (a) above, or the actual number of days from the date (inclusive) immediately following the Immediately Preceding Payment Anniversary to the Acquisition Date (inclusive) in the case of (b) above.

In the Base Acquisition Price Formula, “Paid Type 1 Preferred Dividends” mean the aggregate amount of the Type 1 Preferred Dividends (including the Accumulated Unpaid Type 1 Preferred Dividend) that have actually been paid on or before the Acquisition Date.

14. The Company’s Right to Acquire Type 1 Preferred Shares with Cash Consideration

The Company may acquire all or part of the Type 1 Preferred Shares on a date that is on or after September 1, 2009 and separately determined by the Board of Directors of the Company, to the extent permitted under the applicable laws or regulations, in exchange for a cash amount irrespective of the intention of the Type 1 Preferred Shareholders or the Registered Pledges of Type 1 Preferred Shares (the date of the acquisition, the “Date of Acquisition by Right of Acquisition with Cash Consideration”). In cases of such acquisition, the Company will, in accordance with the following, deliver the acquisition price of the Type 1 Preferred Shares to the Type 1 Preferred Shareholders in exchange for the acquisition of all or part of such Type 1 Preferred Shares.

If the Company is to acquire part of the Type 1 Preferred Shares, the shares of the Type 1 Preferred Shares that will be acquired will be determined by pro rata or by other reasonable manner determined by the Board of Directors of the Company.

The acquisition price per share of the Type 1 Preferred Shares will be equal to the Base Acquisition Price set out in Condition 13. When the above Base Acquisition Price is being calculated, the Base Acquisition Price will be calculated by reading the “Acquisition Date” in the calculation of the Base Acquisition Price set out in Condition 13 as meaning the “Date of Acquisition by Right of Acquisition with Cash Consideration.”

15. The Preferred Shareholders’ Right to Request Acquisition of Type 1 Preferred Shares with Common Shares as Consideration

The Type 1 Preferred Shareholder may request the Company, under the conditions set out in Paragraph II below, to deliver the common shares in exchange for the Company’s acquiring all or part of the Type 1 Preferred Shares during the period in which the Type 1 Preferred Shareholder is entitled to request acquisition provided for in Paragraph I below (the request by the Type 1 Preferred Shareholder, the “Acquisition Request with Common Shares as Consideration”).

I The period in which the Type 1 Preferred Shareholders are entitled to request acquisition of the Type 1 Preferred Shares

Any time on or after February 1, 2011.

II Conditions of acquisition

1. The Type 1 Preferred Shareholders may cause the Company to acquire all or part of the Type 1 Preferred Shares in exchange for delivery of the common shares of the

Company as of the date of the Acquisition Request with Common Shares as Consideration under the following conditions (the date of the Acquisition Request with Common Shares as Consideration, the “Acquisition Date with Common Share Consideration”). When the number of common shares to be delivered to the Type 1 Preferred Shareholders are being calculated, any fraction of a share is to be rounded down to the nearest share, and the monetary adjustment set out in Paragraph 3 of Article 167 of the Companies Act will not be performed.

$$\text{The number of common shares to be delivered in exchange for acquisition} = \frac{\text{Aggregate Amount of Base Acquisition Price set out in Condition 13 of the Type 1 Preferred Shares that the Type 1 Preferred Shareholders request the Company to acquire}}{\text{Exchange price}}$$

When the above Base Acquisition Price is being calculated, the Base Acquisition Price will be calculated by reading the “Acquisition Date” in the calculation of the Base Acquisition Price set out in Condition 13 as meaning the “Acquisition Date with Common Share Consideration.” In cases where the calculated Base Acquisition Price exceeds 13,500 yen, the above aggregate amount of Base Acquisition Price will be calculated assuming that the Base Acquisition Price is 13,500 yen.

2. Exchange Price

(1) Initial Exchange Price

The Initial Exchange Price is 1,377 yen.

(2) Revision of Exchange Price

In the event that the Average Share Price on December 30, 2011, January 31, 2012, or February 29, 2012 (respectively, the “Determination Date”) becomes lower than the Exchange Price effective on such Determination Date, the Exchange Price shall be revised to 1,059 yen (the “Revised Exchange Price”) on the date immediately following the first Determination Date on which the Average Share Price becomes lower than the Exchange Price corresponding thereto. If the Exchange Price is adjusted in accordance with Item (3) below, the Revised Exchange Price will be adjusted accordingly.

“Average Share Price” means the average daily closing price of the common shares of the Company in regular trading as reported by the Tokyo Stock Exchange, Inc. for five (5) consecutive trading days immediately preceding any relevant day (inclusive) (such five (5) consecutive trading days exclude days on which no closing price (including displayed quotes, the same applies hereinafter) is reported, and refer to five (5) consecutive trading days up to and including the trading day with a closing price immediately preceding such relevant day).

(3) Adjustment of Exchange Price

(a) If the number of common shares changes or is likely to change due to any of the events listed in Item (b) below after the issue of the Type 1 Preferred Shares, the Company shall adjust the Exchange Price (including the Exchange Price after revision as set out in Item (2) above) in accordance with the following formula (the “Exchange Price Adjustment Formula”):

$$\text{Exchange price after adjustment} = \text{Exchange price before adjustment} \times \frac{\text{Number of common shares outstanding} + \frac{\text{Number of common shares to be delivered} \times \text{Subscription price per share}}{\text{Current market price per share}}}{\text{Number of common shares outstanding} + \text{Number of common shares to be delivered}}$$

The “number of common shares outstanding” used in the Exchange Price Adjustment Formula means the number of outstanding common shares of the Company as of the record date, if any, of each transaction described in Items (b)(i) through (b)(iv) below with respect to the Common Shareholders, or if no such record date is set, as of the date 1 month before

- the date on which the adjusted Exchange Price becomes effective less the number of common shares held by the Company as of the record date, if any, of each transaction described in Items (b)(i) through (b)(iv) below with respect to the Common Shareholders, or if no such record date is set, as of the date 1 month before the date on which the adjusted Exchange Price becomes effective. The “number of common shares to be delivered” used in the Exchange Price Adjustment Formula means, in the case of a stock split of common shares, the number of common shares increased due to the stock split (excluding the number of common shares increased with respect to the common shares held by the Company as of the record date). In the case of a stock consolidation, the number of common shares decreased due to the stock consolidation (excluding the number of common shares decreased with respect to the common shares held by the Company as of the effective date) will be used as a negative number. The “subscription price per share” used in the Exchange Price Adjustment Formula means
- (i) in the case of Item (b)(i) below, the relevant subscription price (or, in the case of subscription for contribution of non-monetary properties, the fair value, or in the case of gratuitous allotment, zero yen),
 - (ii) in the case of Items (b)(ii) and (b)(iv) below, zero yen, or
 - (iii) in the case of Item (b)(iii) below, the price as set out in Item (b)(v) below.
- (b) The adjustment of the Exchange Price of the Type 1 Preferred Shares in accordance with the Exchange Price Adjustment Formula, and the time when the adjusted Exchange Price becomes effective, are as set out below.
- (i) If the Company delivers (including by gratuitous allotment) the common shares at a subscription price that is less than the current market price set out in Item (c)(ii) below (except for the case where the Company delivers the common shares in exchange for acquisition of acquirable shares, shares with claim for acquisition, or acquirable stock acquisition rights (including those attached to bonds with stock acquisition rights; the same applies in this (3)), or upon conversion, exchange or exercise of the stock acquisition rights (including those attached to the bonds with stock acquisition rights; the same applies in this (3)) or other securities or rights that may demand delivery of the common shares), then the adjusted Exchange Price will become effective as of the day immediately following the payment date (or, if the payment period is set in the offering, the last day of that payment period), or the day immediately following the date on which the gratuitous allotment takes effect. However, if the record date on which a right to receive an allotment of offered shares is granted to the Common Shareholders of the Company or on which gratuitous allotment is executed is set, the adjusted Exchange Price will become effective as of the day immediately following that record date.
 - (ii) In the case of stock split of the common shares, the adjusted Exchange Price will become effective as of the day immediately following the record date of the stock split.
 - (iii) If the Company delivers (including by gratuitous allotment)
 - shares with claims for acquisition, acquirable shares or acquirable stock acquisition rights and the delivery of the common shares in exchange for acquisition of shares with claims for acquisition, acquirable shares, or acquirable stock acquisition rights at a Price (as defined below) that is less than the current market price set out in Item (c)(ii) below, or
 - stock acquisition rights or other securities or rights that allow their holders to demand delivery of common shares at a Price

that is less than the current market price set out in Item (c)(ii) below,

then the adjusted Exchange Price will

- be calculated in accordance with the Exchange Price Adjustment Formula, assuming that the common shares are delivered in such a way that all of the shares with claim for acquisition, acquirable shares or acquirable stock acquisition rights, or the stock acquisition rights or other securities or rights (the “Shares with Claim for Acquisition, Etc.”) to be delivered are acquired, converted, exchanged or exercised based on the initial conditions, and
- become effective as of the day immediately following the delivery date or the effective date of gratuitous allotment.

However, if there is a record date on which a right to receive an allotment of the Shares with Claim for Acquisition, Etc. is granted to the Common Shareholders or on which gratuitous allotment is executed, the adjusted Exchange Price will become effective as of the day immediately following that record date.

Notwithstanding the foregoing, if the price of the common shares to be delivered upon acquisition, conversion, exchange or exercise is not settled at the time described above, the adjusted Exchange Price will

- be calculated in accordance with the Exchange Price Adjustment Formula, assuming that the common shares are delivered in such a way that all of the Shares with Claim for Acquisition, Etc. that have been delivered at the time of settlement of the price are acquired, converted, exchanged or exercised based on the conditions at the time of the settlement of the price, and
- become effective as of the day immediately following the date on which the price is settled.

- (iv) In the case of a stock consolidation of the common shares, the adjusted Exchange Price will become effective as of the day immediately following the effective date of the stock consolidation.
 - (v) The “Price” referred to in Item (iii) above means the amount calculated by dividing (a) the amount paid upon delivery of the Shares with Claim for Acquisition, Etc. and other payments in the nature of consideration (in the case of the stock acquisition rights that allow their holders to demand delivery of the common shares at a price that is less than the current market price, the total of the stock acquisition rights paid upon their delivery and the amount of property to be contributed upon their exercise) less the amount of property other than the common shares to be delivered to holders of the Shares with Claim for Acquisition, Etc. upon acquisition, conversion, exchange or exercise of the Shares with Claim for Acquisition, Etc., by (b) the number of common shares to be delivered upon acquisition, conversion, exchange or exercise of the Shares with Claim for Acquisition, Etc.
- (c) (i) The calculation in accordance with the Exchange Price Adjustment Formula will be made to two decimal places denominated in yen and then rounded down to one decimal place.
- (ii) The current market price used in the Exchange Price Adjustment Formula is the average daily closing price of the common shares in regular trading as reported by the Tokyo Stock Exchange for the 30 consecutive trading days (excluding trading days on which no closing price is reported) commencing on the 45th trading day before the date

on which the adjusted Exchange Price becomes effective. The calculation will be made to two decimal places denominated in yen and then rounded to one decimal place.

- (d) In addition to the events necessary to adjust the Exchange Price as set out in Item (b) above, if the Board of Directors of the Company reasonably determines that any of the following events applies, the Company shall adjust the Exchange Price as necessary:
 - (i) if it is necessary to adjust the Exchange Price for the purpose of a merger in which the Company is the surviving company, assumption of all or part of the rights and obligations of another company as a result of an absorption-type company split performed by that other company, or acquisition of all outstanding shares of a stock company as a result of a share exchange performed by that other stock company;
 - (ii) if two or more events necessary to adjust the Exchange Price occur almost simultaneously, and it is necessary to consider the effect that one event has on the current market price to be used for calculation of the Exchange Price after adjustment based on another event; or
 - (iii) if it is otherwise necessary to adjust the Exchange Price as a result of any event that changes or may change the number of outstanding common shares of the Company.
 - (e) As long as the difference between the Exchange Price after adjustment calculated in accordance with the Exchange Price Adjustment Formula and the Exchange Price before adjustment is less than 1 yen, the Exchange Price will not be adjusted. However, adjustments considered unnecessary under this item are to be carried forward and taken into consideration in calculating the subsequent adjustment.
 - (f) If the Exchange Price is adjusted in accordance with any of Items (a) through (e) above, the Company shall give prior written notice to each Type 1 Preferred Shareholder recorded in the register of shareholders indicating the fact that the adjustment was made, the Exchange Price before adjustment, the Exchange Price after adjustment, the date on which the Exchange Price becomes effective, and other necessary matters. However, if the Company is unable to give the notice by the day immediately prior to the date on which the Exchange Price becomes effective, the Company shall promptly give such notice on or after the date on which the Exchange Price becomes effective.
- 3. Location to Submit Request for Acquisition
The Sumitomo Trust and Banking Co., Ltd. Stock Transfer Agency Department
 - 4. Effectiveness of Acquisition
The Acquisition Request with Common Shares as Consideration shall be effective when the written request of acquisition reaches the Location to Submit Request for Acquisition set out in Paragraph 3 above, and the Company shall acquire the Type 1 Preferred Shares, and the Type 1 Preferred Shareholders that make such Acquisition Request with Common Shares will become shareholders of common shares in exchange for the Company's acquiring the Type 1 Preferred Shares.
- 16. Restriction of Share Transfer
Any acquisition of the Type 1 Preferred Shares by way of transfer shall need an approval of the Company's Board of Directors.
 - 17. Other
The Type 1 Preferred Shares will be issued on the condition that the agenda item for amendment to the Articles of Incorporation required to issue the Type 1 Preferred Shares is approved at the

extraordinary shareholders' meeting of the Company to be held in August, 2009 and any other necessary procedures are completed under relevant law or regulation.

Terms and Conditions of Type 2 Preferred Shares

1. Name of Class of Shares

Type 2 Preferred Shares of Elpida Memory, Inc. (the “Type 2 Preferred Shares”)

2. Number of Shares to be Newly Issued

2,000,000 shares

3. Payment Amount

10,000 yen per share

4. Total Payment Amount

20,000,000,000 yen

5. Stated Capital to be Increased by Issuance of Type 2 Preferred Shares

10,000,000,000 yen (5,000 yen per share)

6. Capital Reserve to be Increased by Issuance of Type 2 Preferred Shares

10,000,000,000 yen (5,000 yen per share)

7. Payment Date

August 31, 2009

8. Method of Issuance

All the Type 2 Preferred Shares shall be allotted to the Development Bank of Japan Inc. by way of a third party allotment.

9. Preferred Dividends

(1) Type 2 Preferred Dividends

If the Company is to distribute any surplus, the Company will distribute the amount of surplus per share of the Type 2 Preferred Shares set out in the following paragraph (the “Type 2 Preferred Dividend”) to the shareholders of the Type 2 Preferred Shares (the “Type 2 Preferred Shareholders”), and the registered pledgees of shares of the Type 2 Preferred Shares (the “Registered Pledgees of Type 2 Preferred Shares”), listed or recorded in the latest register of shareholders as of the record date for the distribution of surplus before making any such distribution to the shareholders of common shares (the “Common Shareholders”), or the registered pledgees of common shares (the “Registered Pledgees of Common Shares”), listed or recorded in the latest register of shareholders as of the same date. However, if all or part of the Type 2 Preferred Dividend (excluding the distribution of the Accumulated Unpaid Type 2 Preferred Dividend defined in Paragraph 3) has already been paid based on a record date that falls in the fiscal year of the record date for the distribution of surplus, the accumulated amount of the dividends that have already been paid shall be deducted from the amount of surplus. If the Company acquires the Type 2 Preferred Shares in the period from the record date of the distribution of surplus to the

distribution of surplus, a distribution of surplus with respect to the record date above for such acquired Type 2 Preferred Shares will not be required.

(2) The Amount of the Type 2 Preferred Dividend

The amount of the Type 2 Preferred Dividend will be 350 yen per share (the amount of the Type 2 Preferred Dividend per share based on a record date that falls in the fiscal year ending on March 31, 2010 will be an amount (calculated to four decimal places denominated in yen and rounded to three decimal places) equal to 350 yen multiplied by the number of actual days during a period from and including the Payment Date of the Type 2 Preferred Shares to and including March 31, 2010 divided by the number of actual days during a period from and including April 1, 2009 to and including March 31, 2010).

(3) Clause of Cumulative Dividend

If the aggregate of the amount of surplus per share distributed to the Type 2 Preferred Shareholders or the Registered Pledges of Type 2 Preferred Shares based on a record date that falls in a fiscal year (excluding the distribution of the Accumulated Unpaid Type 2 Preferred Dividend (defined below) that was accumulated by the first day of that fiscal year) does not reach the amount of the Type 2 Preferred Dividend for that fiscal year, the shortfall will accumulate and be carried over to the following and subsequent fiscal years, and the accumulated shortfall (the "Accumulated Unpaid Type 2 Preferred Dividend") will be paid to the Type 2 Preferred Shareholders or the Registered Pledges of Type 2 Preferred Shares before making the Type 2 Preferred Dividend and any distribution to the Common Shareholders or the Registered Pledges of Common Shares.

(4) Clause of Nonparticipation

No surplus in excess of the Type 2 Preferred Dividend will be distributed to the Type 2 Preferred Shareholders or the Registered Pledges of Type 2 Preferred Shares, except for (i) the distribution of surplus provided for in Article 758, Item 8, (b) of the Companies Act or Article 760, Item 7, (b) of the Companies Act, that will be paid in the procedure for absorption-type company splits to be conducted by the Company, or (ii) the distribution of surplus provided for in Article 763, Item 12, (b) of the Companies Act or Article 765, Paragraph 1, Item 8, (b) of the Companies Act, that will be paid in the procedure for incorporation-type company splits to be conducted by the Company.

(5) Order of Priority in Respect of Payment of Preferred Dividends

Type 1 Preferred Shares and Type 2 Preferred Shares shall have the same order of priority in respect of payment of the distribution of surplus (preferred dividends), including those in accordance with the clause of cumulative dividend.

10. Distribution of Residual Assets

(1) Preferred Distribution of Residual Assets

If the Company is to distribute residual assets, the Company will pay the Base Acquisition Price set out in Condition 13 as the residual assets distribution amount per share of the Type 2 Preferred Shares to the Type 2 Preferred Shareholders or the Registered Pledges of Type 2 Preferred Shares prior to the Common Shareholders or the Registered Pledges of Common Shares.

In the case of the distribution of residual assets, the Base Acquisition Price will be calculated by reading the “Acquisition Date” in the calculation of the Base Acquisition Price set out in Condition 13 as meaning the “date on which the residual assets are distributed.”

No residual assets, other than those provided for above, will be distributed to the Type 2 Preferred Shareholders or the Registered Pledges of Type 2 Preferred Shares.

(2) Order of Priority in respect of distribution of Residual Assets

The distribution of residual assets for the Type 1 Preferred Shares and Type 2 Preferred Shares shall be made from Type 1 to Type 2 in ascending order.

11. Voting Rights

Except as otherwise provided in laws and regulations, the Type 2 Preferred Shareholders have no voting rights at shareholders’ meetings.

12. Consolidation or Split of Shares, Allotment of Offered Shares, etc.

Unless otherwise provided for by law or regulation, the Company will not consolidate or split the Type 2 Preferred Shares. The Company will not grant the Type 2 Preferred Shareholders the right to receive an allotment of offered shares or the right to receive an allotment of offered stock acquisition rights and will not carry out a gratuitous allotment of shares or a gratuitous allotment of stock acquisition rights to the Type 2 Preferred Shareholders.

13. The Preferred Shareholders’ Right to Request Acquisition of Type 2 Preferred Shares with Cash Consideration

The Type 2 Preferred Shareholders may, at any time on and after September 1, 2009, request that the Company pays a cash amount in exchange for the Company’s acquiring all or part of the Type 2 Preferred Shares (the request by the Type 2 Preferred Shareholders, the “Acquisition Request with Cash Consideration”). Upon receiving an Acquisition Request with Cash Consideration, the Company will, in accordance with the following, deliver the acquisition price of the Type 2 Preferred Shares to the relevant Type 2 Preferred Shareholders in exchange for acquiring all or part of the Type 2 Preferred Shares on the date of such Acquisition Request with Cash Consideration within the limit of the distributable amount stipulated in Article 461, Paragraph 2 of the Companies Act as of the date of such Acquisition Request with Cash Consideration to the extent permitted by laws and regulations (the date of Acquisition Request with Cash Consideration, the “Acquisition Date”). However, if the Type 2 Preferred Shareholders make Acquisition Requests with Cash Consideration in excess of the distributable amount, the shares of the Type 2 Preferred Shares that should be acquired will be determined by pro rata allotment in proportion to the number of the shares subject to the Acquisition Requests with Cash Consideration, or by any other reasonable method determined by the Board of Directors of the Company.

The acquisition price per share of the Type 2 Preferred Shares will be calculated in accordance with the following. The acquisition price per share of the Type 2 Preferred Shares calculated in accordance with the following is referred to as the “Base Acquisition Price.”

Base Acquisition Price Formula

Base Acquisition Price = 10,000yen × (1+0.035 × (m+n)) - Paid Type 2 Preferred Dividends

In the Base Acquisition Price Formula, “m” is defined as follows: (a) if the Acquisition Date falls in the period between the Payment Date to the date immediately preceding the first anniversary of such Payment Date—zero; or (b) if the Acquisition Date falls on any subsequent day—the

number of years elapsed (positive integer) from the Payment Date to the Immediately Preceding Payment Anniversary. Each anniversary of the Payment Date is referred to as a "Payment Anniversary", and the "Immediately Preceding Payment Anniversary" means the Payment Anniversary immediately preceding the Acquisition Date (if the Acquisition Date occurs on the same date as a Payment Anniversary, the Acquisition Date will be considered the Immediately Preceding Payment Anniversary).

In the Base Acquisition Price Formula, "n" will be calculated by dividing the "Number of Remaining Days" (defined below) by 365 (calculated to four decimal places and rounded down to three decimal places). The "Number of Remaining Days" means the actual number of days from the date (inclusive) immediately following the Payment Date to the Acquisition Date (inclusive) in the case of (a) above, or the actual number of days from the date (inclusive) immediately following the Immediately Preceding Payment Anniversary to the Acquisition Date (inclusive) in the case of (b) above.

In the Base Acquisition Price Formula, "Paid Type 2 Preferred Dividends" mean the aggregate amount of the Type 2 Preferred Dividends (including the Accumulated Unpaid Type 2 Preferred Dividend) that have actually been paid on or before the Acquisition Date.

14. The Company's Right to Acquire Type 2 Preferred Shares with Cash Consideration

The Company may acquire all or part of the Type 2 Preferred Shares on a date that is on or after September 1, 2009 and separately determined by the Board of Directors of the Company, to the extent permitted under the applicable laws or regulations, in exchange for a cash amount irrespective of the intention of the Type 2 Preferred Shareholders or the Registered Pledges of Type 2 Preferred Shares (the date of the acquisition, the "Date of Acquisition by Right of Acquisition with Cash Consideration"). In cases of such acquisition, the Company will, in accordance with the following, deliver the acquisition price of the Type 2 Preferred Shares to the Type 2 Preferred Shareholders in exchange for the acquisition of all or part of such Type 2 Preferred Shares.

If the Company is to acquire part of the Type 2 Preferred Shares, the shares of the Type 2 Preferred Shares that will be acquired will be determined by pro rata or by other reasonable manner determined by the Board of Directors of the Company.

The acquisition price per share of the Type 2 Preferred Shares will be equal to the Base Acquisition Price set out in Condition 13. When the above Base Acquisition Price is being calculated, the Base Acquisition Price will be calculated by reading the "Acquisition Date" in the calculation of the Base Acquisition Price set out in Condition 13 as meaning the "Date of Acquisition by Right of Acquisition with Cash Consideration."

15. The Preferred Shareholders' Right to Request Acquisition of Type 2 Preferred Shares with Common Shares as Consideration

The Type 2 Preferred Shareholder may request the Company, under the conditions set out in Paragraph II below, to deliver the common shares in exchange for the Company's acquiring all or part of the Type 2 Preferred Shares during the period in which the Type 2 Preferred Shareholder is entitled to request acquisition provided for in Paragraph I below (the request by the Type 2 Preferred Shareholder, the "Acquisition Request with Common Shares as Consideration").

I The period in which the Type 2 Preferred Shareholders are entitled to request acquisition of the Type 2 Preferred Shares

Any time on or after February 1, 2011.

II Conditions of acquisition

1. The Type 2 Preferred Shareholders may cause the Company to acquire all or part of the Type 2 Preferred Shares in exchange for delivery of the common shares of the Company as of the date of the Acquisition Request with Common Shares as

Consideration under the following conditions (the date of the Acquisition Request with Common Shares as Consideration, the “Acquisition Date with Common Share Consideration”). When the number of common shares to be delivered to the Type 2 Preferred Shareholders are being calculated, any fraction of a share is to be rounded down to the nearest share, and the monetary adjustment set out in Paragraph 3 of Article 167 of the Companies Act will not be performed.

$$\text{The number of common shares to be delivered in exchange for acquisition} = \frac{\text{Aggregate Amount of Base Acquisition Price set out in Condition 13 of the Type 2 Preferred Shares that the Type 2 Preferred Shareholders request the Company to acquire}}{\text{Exchange price}}$$

When the above Base Acquisition Price is being calculated, the Base Acquisition Price will be calculated by reading the “Acquisition Date” in the calculation of the Base Acquisition Price set out in Condition 13 as meaning the “Acquisition Date with Common Share Consideration.” In cases where the calculated Base Acquisition Price exceeds 13,500 yen, the above aggregate amount of Base Acquisition Price will be calculated assuming that the Base Acquisition Price is 13,500 yen.

2. Exchange Price

(1) Initial Exchange Price

The Initial Exchange Price is 1,218 yen.

(2) Revision of Exchange Price

In the event that the Average Share Price on December 30, 2011, January 31, 2012, or February 29, 2012 (respectively, the “Determination Date”) becomes lower than the Exchange Price effective on such Determination Date, the Exchange Price shall be revised to 1,059 yen (the “Revised Exchange Price”) on the date immediately following the first Determination Date on which the Average Share Price becomes lower than the Exchange Price corresponding thereto. If the Exchange Price is adjusted in accordance with Item (3) below, the Revised Exchange Price will be adjusted accordingly.

“Average Share Price” means the average daily closing price of the common shares of the Company in regular trading as reported by the Tokyo Stock Exchange, Inc. for five (5) consecutive trading days immediately preceding any relevant day (inclusive) (such five (5) consecutive trading days exclude days on which no closing price (including displayed quotes, the same applies hereinafter) is reported, and refer to five (5) consecutive trading days up to and including the trading day with a closing price immediately preceding such relevant day).

(3) Adjustment of Exchange Price

(a) If the number of common shares changes or is likely to change due to any of the events listed in Item (b) below after the issue of the Type 2 Preferred Shares, the Company shall adjust the Exchange Price (including the Exchange Price after revision as set out in Item (2) above) in accordance with the following formula (the “Exchange Price Adjustment Formula”):

$$\text{Exchange price after adjustment} = \text{Exchange price before adjustment} \times \frac{\text{Number of common shares outstanding} + \frac{\text{Number of common shares to be delivered} \times \text{Subscription price per share}}{\text{Current market price per share}}}{\text{Number of common shares outstanding} + \text{Number of common shares to be delivered}}$$

The “number of common shares outstanding” used in the Exchange Price Adjustment Formula means the number of outstanding common shares of the Company as of the record date, if any, of each transaction described in Items (b)(i) through (b)(iv) below with respect to the Common Shareholders, or if no such record date is set, as of the date 1 month before the date on which the adjusted Exchange Price becomes effective less the

- number of common shares held by the Company as of the record date, if any, of each transaction described in Items (b)(i) through (b)(iv) below with respect to the Common Shareholders, or if no such record date is set, as of the date 1 month before the date on which the adjusted Exchange Price becomes effective. The “number of common shares to be delivered” used in the Exchange Price Adjustment Formula means, in the case of a stock split of common shares, the number of common shares increased due to the stock split (excluding the number of common shares increased with respect to the common shares held by the Company as of the record date). In the case of a stock consolidation, the number of common shares decreased due to the stock consolidation (excluding the number of common shares decreased with respect to the common shares held by the Company as of the effective date) will be used as a negative number. The “subscription price per share” used in the Exchange Price Adjustment Formula means
- (i) in the case of Item (b)(i) below, the relevant subscription price (or, in the case of subscription for contribution of non-monetary properties, the fair value, or in the case of gratuitous allotment, zero yen),
 - (ii) in the case of Items (b)(ii) and (b)(iv) below, zero yen, or
 - (iii) in the case of Item (b)(iii) below, the price as set out in Item (b)(v) below.
- (b) The adjustment of the Exchange Price of the Type 2 Preferred Shares in accordance with the Exchange Price Adjustment Formula, and the time when the adjusted Exchange Price becomes effective, are as set out below.
- (i) If the Company delivers (including by gratuitous allotment) the common shares at a subscription price that is less than the current market price set out in Item (c)(ii) below (except for the case where the Company delivers the common shares in exchange for acquisition of acquirable shares, shares with claim for acquisition, or acquirable stock acquisition rights (including those attached to bonds with stock acquisition rights; the same applies in this (3)), or upon conversion, exchange or exercise of the stock acquisition rights (including those attached to the bonds with stock acquisition rights; the same applies in this (3)) or other securities or rights that may demand delivery of the common shares), then the adjusted Exchange Price will become effective as of the day immediately following the payment date (or, if the payment period is set in the offering, the last day of that payment period), or the day immediately following the date on which the gratuitous allotment takes effect. However, if the record date on which a right to receive an allotment of offered shares is granted to the Common Shareholders of the Company or on which gratuitous allotment is executed is set, the adjusted Exchange Price will become effective as of the day immediately following that record date.
 - (ii) In the case of stock split of the common shares, the adjusted Exchange Price will become effective as of the day immediately following the record date of the stock split.
 - (iii) If the Company delivers (including by gratuitous allotment)
 - shares with claims for acquisition, acquirable shares or acquirable stock acquisition rights and the delivery of the common shares in exchange for acquisition of shares with claims for acquisition, acquirable shares, or acquirable stock acquisition rights at a Price (as defined below) that is less than the current market price set out in Item (c)(ii) below, or
 - stock acquisition rights or other securities or rights that allow their holders to demand delivery of common shares at a Price

that is less than the current market price set out in Item (c)(ii) below,

then the adjusted Exchange Price will

- be calculated in accordance with the Exchange Price Adjustment Formula, assuming that the common shares are delivered in such a way that all of the shares with claim for acquisition, acquirable shares or acquirable stock acquisition rights, or the stock acquisition rights or other securities or rights (the “Shares with Claim for Acquisition, Etc.”) to be delivered are acquired, converted, exchanged or exercised based on the initial conditions, and
- become effective as of the day immediately following the delivery date or the effective date of gratuitous allotment.

However, if there is a record date on which a right to receive an allotment of the Shares with Claim for Acquisition, Etc. is granted to the Common Shareholders or on which gratuitous allotment is executed, the adjusted Exchange Price will become effective as of the day immediately following that record date.

Notwithstanding the foregoing, if the price of the common shares to be delivered upon acquisition, conversion, exchange or exercise is not settled at the time described above, the adjusted Exchange Price will

- be calculated in accordance with the Exchange Price Adjustment Formula, assuming that the common shares are delivered in such a way that all of the Shares with Claim for Acquisition, Etc. that have been delivered at the time of settlement of the price are acquired, converted, exchanged or exercised based on the conditions at the time of the settlement of the price, and
- become effective as of the day immediately following the date on which the price is settled.

- (iv) In the case of a stock consolidation of the common shares, the adjusted Exchange Price will become effective as of the day immediately following the effective date of the stock consolidation.
 - (v) The “Price” referred to in Item (iii) above means the amount calculated by dividing (a) the amount paid upon delivery of the Shares with Claim for Acquisition, Etc. and other payments in the nature of consideration (in the case of the stock acquisition rights that allow their holders to demand delivery of the common shares at a price that is less than the current market price, the total of the stock acquisition rights paid upon their delivery and the amount of property to be contributed upon their exercise) less the amount of property other than the common shares to be delivered to holders of the Shares with Claim for Acquisition, Etc. upon acquisition, conversion, exchange or exercise of the Shares with Claim for Acquisition, Etc., by (b) the number of common shares to be delivered upon acquisition, conversion, exchange or exercise of the Shares with Claim for Acquisition, Etc.
- (c) (i) The calculation in accordance with the Exchange Price Adjustment Formula will be made to two decimal places denominated in yen and then rounded down to one decimal place.
- (ii) The current market price used in the Exchange Price Adjustment Formula is the average daily closing price of the common shares in regular trading as reported by the Tokyo Stock Exchange for the 30 consecutive trading days (excluding trading days on which no closing price is reported) commencing on the 45th trading day before the date

on which the adjusted Exchange Price becomes effective. The calculation will be made to two decimal places denominated in yen and then rounded to one decimal place.

- (d) In addition to the events necessary to adjust the Exchange Price as set out in Item (b) above, if the Board of Directors of the Company reasonably determines that any of the following events applies, the Company shall adjust the Exchange Price as necessary:
 - (i) if it is necessary to adjust the Exchange Price for the purpose of a merger in which the Company is the surviving company, assumption of all or part of the rights and obligations of another company as a result of an absorption-type company split performed by that other company, or acquisition of all outstanding shares of a stock company as a result of a share exchange performed by that other stock company;
 - (ii) if two or more events necessary to adjust the Exchange Price occur almost simultaneously, and it is necessary to consider the effect that one event has on the current market price to be used for calculation of the Exchange Price after adjustment based on another event; or
 - (iii) if it is otherwise necessary to adjust the Exchange Price as a result of any event that changes or may change the number of outstanding common shares of the Company.
 - (e) As long as the difference between the Exchange Price after adjustment calculated in accordance with the Exchange Price Adjustment Formula and the Exchange Price before adjustment is less than 1 yen, the Exchange Price will not be adjusted. However, adjustments considered unnecessary under this item are to be carried forward and taken into consideration in calculating the subsequent adjustment.
 - (f) If the Exchange Price is adjusted in accordance with any of Items (a) through (e) above, the Company shall give prior written notice to each Type 2 Preferred Shareholder recorded in the register of shareholders indicating the fact that the adjustment was made, the Exchange Price before adjustment, the Exchange Price after adjustment, the date on which the Exchange Price becomes effective, and other necessary matters. However, if the Company is unable to give the notice by the day immediately prior to the date on which the Exchange Price becomes effective, the Company shall promptly give such notice on or after the date on which the Exchange Price becomes effective.
- 3. Location to Submit Request for Acquisition
The Sumitomo Trust and Banking Co., Ltd. Stock Transfer Agency Department
 - 4. Effectiveness of Acquisition
The Acquisition Request with Common Shares as Consideration shall be effective when the written request of acquisition reaches the Location to Submit Request for Acquisition set out in Paragraph 3 above, and the Company shall acquire the Type 2 Preferred Shares, and the Type 2 Preferred Shareholders that make such Acquisition Request with Common Shares will become shareholders of common shares in exchange for the Company's acquiring the Type 2 Preferred Shares.
- 16. Restriction of Share Transfer
Any acquisition of the Type 2 Preferred Shares by way of transfer shall need an approval of the Company's Board of Directors.
 - 17. Other
The Type 2 Preferred Shares will be issued on the condition that the agenda item for amendment to the Articles of Incorporation required to issue the Type 2 Preferred Shares is approved at the

extraordinary shareholders' meeting of the Company to be held in August, 2009 and any other necessary procedures are completed under relevant law or regulation.

Attachment 2

Contents of Amendments to the Articles of Incorporation

I. Partial Amendments to the Articles of Incorporation (Part 1)

(amended portions are underlined)

Current Provision	Proposed Amendment
<p>Article 6 (Total Number of Issuable Shares)</p> <p>The total number of shares to be issued by the Company shall be <u>300,000,000 shares</u>.</p>	<p>Article 6 (Total Number of Issuable Shares)</p> <p>The total number of shares to be issued by the Company shall be <u>303,000,000 shares, and the total number of shares in a class to be issued by the Company shall be apportioned as follows:</u></p> <p><u>Common shares 300,000,000 shares</u> <u>Type 1 Preferred Shares 1,000,000 shares</u> <u>Type 2 Preferred Shares 2,000,000 shares</u></p>
<p>(Newly Provided)</p>	<p><u>Article 6-2 (Type 1 Preferred Shares)</u></p> <p><u>The features of the Type 1 Preferred Shares shall be as stated in Exhibit 1.</u></p>
<p>(Newly Provided)</p>	<p><u>Article 6-3 (Type 2 Preferred Shares)</u></p> <p><u>The features of the Type 2 Preferred Shares shall be as stated in Exhibit 2.</u></p>
<p>Article 7 (Acquisition of the Company's Own Shares)</p> <p>(Omitted)</p>	<p>Article 7 (Acquisition of the Company's Own Shares)</p> <p>(Unchanged)</p>
<p>Article 8 (Share Unit)</p> <p>The share unit of the Company shall be 100 shares.</p>	<p>Article 8 (Share Unit)</p> <p>The share unit of the Company <u>for the common shares, Type 1 Preferred Shares and Type 2 Preferred Shares shall be 100 shares each.</u></p>
<p>Article 9 to Article 12 (Omitted)</p>	<p>Article 9 to Article 12 (Unchanged)</p>
<p>Article 13 (Record Date for Annual Shareholders' Meeting)</p> <p>The record date for the voting rights of the annual Shareholders' Meeting shall be March 31 each year.</p>	<p>Article 13 (Record Date for Annual Shareholders' Meeting)</p> <p>(Unchanged)</p>
<p>Article 14 (Person with Convocation Right and Chairperson)</p> <p>A Shareholders' Meeting shall be convened by the Director-President, who shall act as chairperson at the meeting. In case of the inability of the Director-President to so act, any one of the other Directors shall act in his/her place in accordance with an order previously determined by a resolution of the Board of Directors.</p>	<p>Article 14 (Person with Convocation Right and Chairperson)</p> <p>(Unchanged)</p>

<p>Article 15 (Internet Disclosure of Reference Materials for Shareholders' Meeting and Deemed Provision)</p> <p>Upon convocation of a Shareholders' Meeting, the Company may be deemed to have provided the information relating to the matters to be described or indicated in the reference materials for the shareholders' meeting, business report, non-consolidated accounting statements or consolidated accounting statements, to the Shareholders by disclosure through the Internet in accordance with the applicable Ministry of Justice Order.</p>	<p>Article 15 (Internet Disclosure of Reference Materials for Shareholders' Meeting and Deemed Provision)</p> <p>(Unchanged)</p>
<p>Article 16 (Method of Resolution)</p> <p>16.1 Unless otherwise prescribed by laws and regulations or these Articles of Incorporation, a resolution of a Shareholders' Meeting shall be adopted by a majority of the voting rights of shareholders who are entitled to exercise voting rights and are present at such meeting.</p> <p>16.2 A special resolution as mentioned in Article 309, Paragraph 2 of the Companies Act shall be adopted when at least one-third (1/3) of the shareholders who are entitled to exercise voting rights are present at such meeting and by at least two-thirds (2/3) of such voting rights.</p>	<p>Article 16 (Method of Resolution)</p> <p>(Unchanged)</p>
<p>Article 17 (Exercise of Voting Rights by Proxy)</p> <p>17.1 Shareholders may exercise their voting rights through a proxy who is another Voting Shareholder.</p> <p>17.2 Each such Shareholder or proxy shall submit a document evidencing their proxy power to the Company at each Shareholders' Meeting.</p>	<p>Article 17 (Exercise of Voting Rights by Proxy)</p> <p>(Unchanged)</p>
<p>(Newly Provided)</p>	<p>Article 17-2 (Meetings of the Holders of Class Shares)</p> <p><u>17-2.1 The provisions of Articles 14, 15 and 17 shall be applied mutatis mutandis to the meetings of the holders of class shares.</u></p> <p><u>17-2.2 The provisions of Article 13 shall be applied mutatis mutandis to the meetings of the holders of class shares held on the same day as the annual Shareholders' Meeting.</u></p> <p><u>17-2.3 The provisions of Article 16, Paragraph 1 shall be applied mutatis mutandis to the resolution of the meetings of the holders of class shares under Article 324, Paragraph 1 of the Companies Act, and the provisions of Article 16, Paragraph 2 shall be applied mutatis mutandis to the resolution of the meetings of the holders of class shares under Article 324, Paragraph 2 of the Companies Act.</u></p>
<p>Article 18 to Article 36 (Omitted)</p>	<p>Article 18 to Article 36 (Unchanged)</p>

Supplementary Provisions (Omitted)	Supplementary Provisions (Unchanged)
(Newly Provided)	<u>Exhibit 1 Features of the Type 1 Preferred Shares</u>
(Newly Provided)	<u>Exhibit 2 Features of the Type 2 Preferred Shares</u>

II. Partial Amendments to the Articles of Incorporation (Part 2)

Provision After Amendments to the Articles of Incorporation (Part 1) Came into Effect	(amended portions are underlined) Proposed Amendment
<p>Article 6 (Total Number of Issuable Shares)</p> <p>The total number of shares to be issued by the Company shall be <u>303,000,000</u> shares, and the total number of shares in a class to be issued by the Company shall be apportioned as follows:</p> <p>Common shares <u>300,000,000</u> shares Type 1 Preferred Shares 1,000,000 shares Type 2 Preferred Shares 2,000,000 shares</p>	<p>Article 6 (Total Number of Issuable Shares)</p> <p>The total number of shares to be issued by the Company shall be <u>403,000,000</u> shares, and the total number of shares in a class to be issued by the Company shall be apportioned as follows:</p> <p>Common shares <u>400,000,000</u> shares Type 1 Preferred Shares 1,000,000 shares Type 2 Preferred Shares 2,000,000 shares</p>

Exhibit 1

Features of the Type 1 Preferred Shares

1. Preferred Dividends

(1) Type 1 Preferred Dividends

If the Company is to distribute any surplus, the Company will distribute the amount of surplus per share of the Type 1 Preferred Shares set out in the following paragraph (the "Type 1 Preferred Dividend") to the shareholders of the Type 1 Preferred Shares (the "Type 1 Preferred Shareholders"), and the registered pledgees of shares of the Type 1 Preferred Shares (the "Registered Pledgees of Type 1 Preferred Shares"), listed or recorded in the latest register of shareholders as of the record date for the distribution of surplus before making any such distribution to the shareholders of common shares (the "Common Shareholders"), or the registered pledgees of common shares (the "Registered Pledgees of Common Shares"), listed or recorded in the latest register of shareholders as of the same date. However, if all or part of the Type 1 Preferred Dividend (excluding the distribution of the Accumulated Unpaid Type 1 Preferred Dividend defined in Paragraph 3) has already been paid based on a record date that falls in the fiscal year of the record date for the distribution of surplus, the accumulated amount of the dividends that have already been paid shall be deducted from the amount of surplus. If the Company acquires the Type 1 Preferred Shares in the period from the record date of the distribution of surplus to the distribution of surplus, a distribution of surplus with respect to the record date above for such acquired Type 1 Preferred Shares will not be required.

(2) The Amount of the Type 1 Preferred Dividend

The amount of the Type 1 Preferred Dividend will be 350 yen per share (the amount of the Type 1 Preferred Dividend per share based on a record date that falls in the fiscal year ending on March 31, 2010 will be an amount (calculated to four decimal places denominated in yen and rounded to three decimal places) equal to 350 yen multiplied by the number of actual days during a period from and including the Payment Date of the Type 1 Preferred Shares to and including March 31, 2010 divided by the number of actual days during a period from and including April 1, 2009 to and including March 31, 2010).

(3) Clause of Cumulative Dividend

If the aggregate of the amount of surplus per share distributed to the Type 1 Preferred Shareholders or the Registered Pledgees of Type 1 Preferred Shares based on a record date that falls in a fiscal year (excluding the distribution of the Accumulated Unpaid Type 1 Preferred Dividend (defined below) that was accumulated by the first day of that fiscal year) does not reach the amount of the Type 1 Preferred Dividend for that fiscal year, the shortfall will accumulate and be carried over to the following and subsequent fiscal years, and the accumulated shortfall (the "Accumulated Unpaid Type 1 Preferred Dividend") will be paid to the Type 1 Preferred Shareholders or the Registered Pledgees of Type 1 Preferred Shares before making the Type 1 Preferred Dividend and any distribution to the Common Shareholders or the Registered Pledgees of Common Shares.

(4) Clause of Nonparticipation

No surplus in excess of the Type 1 Preferred Dividend will be distributed to the Type 1 Preferred Shareholders or the Registered Pledgees of Type 1 Preferred Shares, except for (i) the distribution of surplus provided for in Article 758, Item 8, (b) of the Companies Act or

Article 760, Item 7, (b) of the Companies Act, that will be paid in the procedure for absorption-type company splits to be conducted by the Company, or (ii) the distribution of surplus provided for in Article 763, Item 12, (b) of the Companies Act or Article 765, Paragraph 1, Item 8, (b) of the Companies Act, that will be paid in the procedure for incorporation-type company splits to be conducted by the Company.

(5) Order of Priority in Respect of Payment of Preferred Dividends

Type 1 Preferred Shares and Type 2 Preferred Shares shall have the same order of priority in respect of payment of the distribution of surplus (preferred dividends), including those in accordance with the clause of cumulative dividend.

2. Distribution of Residual Assets

(1) Preferred Distribution of Residual Assets

If the Company is to distribute residual assets, the Company will pay the Base Acquisition Price set out in Condition 5 as the residual assets distribution amount per share of the Type 1 Preferred Shares to the Type 1 Preferred Shareholders or the Registered Pledges of Type 1 Preferred Shares prior to the Common Shareholders or the Registered Pledges of Common Shares.

In the case of the distribution of residual assets, the Base Acquisition Price will be calculated by reading the "Acquisition Date" in the calculation of the Base Acquisition Price set out in Condition 5 as meaning the "date on which the residual assets are distributed."

No residual assets, other than those provided for above, will be distributed to the Type 1 Preferred Shareholders or the Registered Pledges of Type 1 Preferred Shares.

(2) Order of Priority in respect of distribution of Residual Assets

The distribution of residual assets for the Type 1 Preferred Shares and Type 2 Preferred Shares shall be made from Type 1 to Type 2 in ascending order.

3. Voting Rights

Except as otherwise provided in laws and regulations, the Type 1 Preferred Shareholders have no voting rights at shareholders' meetings.

4. Consolidation or Split of Shares, Allotment of Offered Shares, etc.

Unless otherwise provided for by law or regulation, the Company will not consolidate or split the Type 1 Preferred Shares. The Company will not grant the Type 1 Preferred Shareholders the right to receive an allotment of offered shares or the right to receive an allotment of offered stock acquisition rights and will not carry out a gratuitous allotment of shares or a gratuitous allotment of stock acquisition rights to the Type 1 Preferred Shareholders.

5. The Preferred Shareholders' Right to Request Acquisition of Type 1 Preferred Shares with Cash Consideration

The Type 1 Preferred Shareholders may, at any time on and after September 1, 2009, request that the Company pays a cash amount in exchange for the Company's acquiring all or part of the Type 1 Preferred Shares (the request by the Type 1 Preferred Shareholders, the "Acquisition Request with Cash Consideration"). Upon receiving an Acquisition Request with Cash Consideration, the Company will, in accordance with the following, deliver the acquisition price of the Type 1

Preferred Shares to the relevant Type 1 Preferred Shareholders in exchange for acquiring all or part of the Type 1 Preferred Shares on the date of such Acquisition Request with Cash Consideration within the limit of the distributable amount stipulated in Article 461, Paragraph 2 of the Companies Act as of the date of such Acquisition Request with Cash Consideration to the extent permitted by laws and regulations (the date of Acquisition Request with Cash Consideration, the “Acquisition Date”). However, if the Type 1 Preferred Shareholders make Acquisition Requests with Cash Consideration in excess of the distributable amount, the shares of the Type 1 Preferred Shares that should be acquired will be determined by pro rata allotment in proportion to the number of the shares subject to the Acquisition Requests with Cash Consideration, or by any other reasonable method determined by the Board of Directors of the Company.

The acquisition price per share of the Type 1 Preferred Shares will be calculated in accordance with the following. The acquisition price per share of the Type 1 Preferred Shares calculated in accordance with the following is referred to as the “Base Acquisition Price.”

Base Acquisition Price Formula

Base Acquisition Price = $10,000yen \times (1 + 0.035 \times (m+n))$ - Paid Type 1 Preferred Dividends

In the Base Acquisition Price Formula, “m” is defined as follows: (a) if the Acquisition Date falls in the period between the Payment Date to the date immediately preceding the first anniversary of such Payment Date—zero; or (b) if the Acquisition Date falls on any subsequent day—the number of years elapsed (positive integer) from the Payment Date to the Immediately Preceding Payment Anniversary. Each anniversary of the Payment Date is referred to as a “Payment Anniversary,” and the “Immediately Preceding Payment Anniversary” means the Payment Anniversary immediately preceding the Acquisition Date (if the Acquisition Date occurs on the same date as a Payment Anniversary, the Acquisition Date will be considered the Immediately Preceding Payment Anniversary).

In the Base Acquisition Price Formula, “n” will be calculated by dividing the “Number of Remaining Days” (defined below) by 365 (calculated to four decimal places and rounded down to three decimal places). The “Number of Remaining Days” means the actual number of days from the date (inclusive) immediately following the Payment Date to the Acquisition Date (inclusive) in the case of (a) above, or the actual number of days from the date (inclusive) immediately following the Immediately Preceding Payment Anniversary to the Acquisition Date (inclusive) in the case of (b) above.

In the Base Acquisition Price Formula, “Paid Type 1 Preferred Dividends” mean the aggregate amount of the Type 1 Preferred Dividends (including the Accumulated Unpaid Type 1 Preferred Dividend) that have actually been paid on or before the Acquisition Date.

6. The Company’s Right to Acquire Type 1 Preferred Shares with Cash Consideration

The Company may acquire all or part of the Type 1 Preferred Shares on a date that is on or after September 1, 2009 and separately determined by the Board of Directors of the Company, to the extent permitted under the applicable laws or regulations, in exchange for a cash amount irrespective of the intention of the Type 1 Preferred Shareholders or the Registered Pledgeses of Type 1 Preferred Shares (the date of the acquisition, the “Date of Acquisition with Cash Consideration”). In cases of such acquisition, the Company will, in accordance with the following, deliver the acquisition price of the Type 1 Preferred Shares to the Type 1 Preferred Shareholders in exchange for the acquisition of all or part of such Type 1 Preferred Shares.

If the Company is to acquire part of the Type 1 Preferred Shares, the shares of the Type 1 Preferred Shares that will be acquired will be determined by pro rata or by other reasonable

manner determined by the Board of Directors of the Company.

The acquisition price per share of the Type 1 Preferred Shares will be equal to the Base Acquisition Price set out in Condition 5. When the above Base Acquisition Price is being calculated, the Base Acquisition Price will be calculated by reading the “Acquisition Date” in the calculation of the Base Acquisition Price set out in Condition 5 as meaning the “Date of Acquisition by Right of Acquisition with Cash Consideration.”

7. The Preferred Shareholders’ Right to Request Acquisition of Type 1 Preferred Shares with Common Shares as Consideration

The Type 1 Preferred Shareholder may request the Company, under the conditions set out in Paragraph II below, to deliver the common shares in exchange for the Company’s acquiring all or part of the Type 1 Preferred Shares during the period in which the Type 1 Preferred Shareholder is entitled to request acquisition provided for in Paragraph I below (the request by the Type 1 Preferred Shareholder, the “Acquisition Request with Common Shares as Consideration”).

I The period in which the Type 1 Preferred Shareholders are entitled to request acquisition of the Type 1 Preferred Shares

Any time on or after February 1, 2011.

II Conditions of acquisition

1. The Type 1 Preferred Shareholders may cause the Company to acquire all or part of the Type 1 Preferred Shares in exchange for delivery of the common shares of the Company as of the date of the Acquisition Request with Common Shares as Consideration under the following conditions (the date of the Acquisition Request with Common Shares as Consideration, the “Acquisition Date with Common Share Consideration”). When the number of common shares to be delivered to the Type 1 Preferred Shareholders are being calculated, any fraction of a share is to be rounded down to the nearest share, and the monetary adjustment set out in Paragraph 3 of Article 167 of the Companies Act will not be performed.

$$\begin{array}{l} \text{The number of common} \\ \text{shares to be delivered in} \\ \text{exchange for acquisition} \end{array} = \frac{\begin{array}{l} \text{Aggregate Amount of Base Acquisition Price} \\ \text{set out in Condition 5 of the Type 1 Preferred} \\ \text{Shares that the Type 1 Preferred Shareholders} \\ \text{request the Company to acquire} \end{array}}{\text{Exchange price}}$$

When the above Base Acquisition Price is being calculated, the Base Acquisition Price will be calculated by reading the “Acquisition Date” in the calculation of the Base Acquisition Price set out in Condition 5 as meaning the “Acquisition Date with Common Share Consideration.” In cases where the calculated Base Acquisition Price exceeds 13,500 yen, the above aggregate amount of Base Acquisition Price will be calculated assuming that the Base Acquisition Price is 13,500 yen.

2. Exchange Price

(1) Initial Exchange Price

The Initial Exchange Price is 1,377 yen.

(2) Revision of Exchange Price

In the event that the Average Share Price on December 30, 2011, January 31, 2012, or February 29, 2012 (respectively, the “Determination Date”) becomes lower than the Exchange Price effective on such Determination Date, the Exchange Price shall be revised to 1,059 yen (the “Revised Exchange Price”) on the date immediately following the first Determination Date on which the Average Share Price becomes lower than the Exchange Price corresponding thereto. If the Exchange Price is adjusted in accordance with Item (3) below, the Revised Exchange Price will be adjusted accordingly.

“Average Share Price” means the average daily closing price of the common shares of the Company in regular trading as reported by the Tokyo Stock

Exchange, Inc. for five (5) consecutive trading days immediately preceding any relevant day (inclusive) (such five (5) consecutive trading days exclude days on which no closing price (including displayed quotes, the same applies hereinafter) is reported, and refer to five (5) consecutive trading days up to and including the trading day with a closing price immediately preceding such relevant day).

(3) Adjustment of Exchange Price

(a) If the number of common shares changes or is likely to change due to any of the events listed in Item (b) below after the issue of the Type 1 Preferred Shares, the Company shall adjust the Exchange Price (including the Exchange Price after revision as set out in Item (2) above) in accordance with the following formula (the “Exchange Price Adjustment Formula”):

$$\text{Exchange price after adjustment} = \text{Exchange price before adjustment} \times \frac{\text{Number of common shares outstanding} + \frac{\text{Number of common shares to be delivered} \times \text{Subscription price per share}}{\text{Current market price per share}}}{\text{Number of common shares outstanding} + \text{Number of common shares to be delivered}}$$

The “number of common shares outstanding” used in the Exchange Price Adjustment Formula means the number of outstanding common shares of the Company as of the record date, if any, of each transaction described in Items (b)(i) through (b)(iv) below with respect to the Common Shareholders, or if no such record date is set, as of the date 1 month before the date on which the adjusted Exchange Price becomes effective less the number of common shares held by the Company as of the record date, if any, of each transaction described in Items (b)(i) through (b)(iv) below with respect to the Common Shareholders, or if no such record date is set, as of the date 1 month before the date on which the adjusted Exchange Price becomes effective. The “number of common shares to be delivered” used in the Exchange Price Adjustment Formula means, in the case of a stock split of common shares, the number of common shares increased due to the stock split (excluding the number of common shares increased with respect to the common shares held by the Company as of the record date). In the case of a stock consolidation, the number of common shares decreased due to the stock consolidation (excluding the number of common shares decreased with respect to the common shares held by the Company as of the effective date) will be used as a negative number. The “subscription price per share” used in the Exchange Price Adjustment Formula means

- (i) in the case of Item (b)(i) below, the relevant subscription price (or, in the case of subscription for contribution of non-monetary properties, the fair value, or in the case of gratuitous allotment, zero yen),
- (ii) in the case of Items (b)(ii) and (b)(iv) below, zero yen, or
- (iii) in the case of Item (b)(iii) below, the price as set out in Item (b)(v) below.

(b) The adjustment of the Exchange Price of the Type 1 Preferred Shares in accordance with the Exchange Price Adjustment Formula, and the time when the adjusted Exchange Price becomes effective, are as set out below.

- (i) If the Company delivers (including by gratuitous allotment) the common shares at a subscription price that is less than the current market price set out in Item (c)(ii) below (except for the case where the Company delivers the common shares in exchange for acquisition of acquirable shares, shares with claim for acquisition, or acquirable stock acquisition rights (including those attached to bonds with stock acquisition rights; the same applies in this (3)), or upon conversion, exchange or exercise of the stock acquisition rights (including those

attached to the bonds with stock acquisition rights; the same applies in this (3)) or other securities or rights that may demand delivery of the common shares), then the adjusted Exchange Price will become effective as of the day immediately following the payment date (or, if the payment period is set in the offering, the last day of that payment period), or the day immediately following the date on which the gratuitous allotment takes effect. However, if the record date on which a right to receive an allotment of offered shares is granted to the Common Shareholders of the Company or on which gratuitous allotment is executed is set, the adjusted Exchange Price will become effective as of the day immediately following that record date.

- (ii) In the case of stock split of the common shares, the adjusted Exchange Price will become effective as of the day immediately following the record date of the stock split.
- (iii) If the Company delivers (including by gratuitous allotment)
 - shares with claims for acquisition, acquirable shares or acquirable stock acquisition rights and the delivery of the common shares in exchange for acquisition of shares with claims for acquisition, acquirable shares, or acquirable stock acquisition rights at a Price (as defined below) that is less than the current market price set out in Item (c)(ii) below, or
 - stock acquisition rights or other securities or rights that allow their holders to demand delivery of common shares at a Price that is less than the current market price set out in Item (c)(ii) below,

then the adjusted Exchange Price will

- be calculated in accordance with the Exchange Price Adjustment Formula, assuming that the common shares are delivered in such a way that all of the shares with claim for acquisition, acquirable shares or acquirable stock acquisition rights, or the stock acquisition rights or other securities or rights (the “Shares with Claim for Acquisition, Etc.”) to be delivered are acquired, converted, exchanged or exercised based on the initial conditions, and
- become effective as of the day immediately following the delivery date or the effective date of gratuitous allotment.

However, if there is a record date on which a right to receive an allotment of the Shares with Claim for Acquisition, Etc. is granted to the Common Shareholders or on which gratuitous allotment is executed, the adjusted Exchange Price will become effective as of the day immediately following that record date.

Notwithstanding the foregoing, if the price of the common shares to be delivered upon acquisition, conversion, exchange or exercise is not settled at the time described above, the adjusted Exchange Price will

- be calculated in accordance with the Exchange Price Adjustment Formula, assuming that the common shares are delivered in such a way that all of the Shares with Claim for Acquisition, Etc. that have been delivered at the time of settlement of the price are acquired, converted, exchanged or exercised based on the conditions at the time of the settlement of the price, and
- become effective as of the day immediately following the date on which the price is settled.

- (iv) In the case of a stock consolidation of the common shares, the adjusted Exchange Price will become effective as of the day immediately following the effective date of the stock consolidation.
- (v) The “Price” referred to in Item (iii) above means the amount calculated by dividing (a) the amount paid upon delivery of the Shares with Claim for Acquisition, Etc. and other payments in the nature of consideration (in the case of the stock acquisition rights that allow their holders to demand delivery of the common shares at a price that is less than the current market price, the total of the stock acquisition rights paid upon their delivery and the amount of property to be contributed upon their exercise) less the amount of property other than the common shares to be delivered to holders of the Shares with Claim for Acquisition, Etc. upon acquisition, conversion, exchange or exercise of the Shares with Claim for Acquisition, Etc., by (b) the number of common shares to be delivered upon acquisition, conversion, exchange or exercise of the Shares with Claim for Acquisition, Etc.
- (c)
 - (i) The calculation in accordance with the Exchange Price Adjustment Formula will be made to two decimal places denominated in yen and then rounded down to one decimal place.
 - (ii) The current market price used in the Exchange Price Adjustment Formula is the average daily closing price of the common shares in regular trading as reported by the Tokyo Stock Exchange for the 30 consecutive trading days (excluding trading days on which no closing price is reported) commencing on the 45th trading day before the date on which the adjusted Exchange Price becomes effective. The calculation will be made to two decimal places denominated in yen and then rounded to one decimal place.
- (d) In addition to the events necessary to adjust the Exchange Price as set out in Item (b) above, if the Board of Directors of the Company reasonably determines that any of the following events applies, the Company shall adjust the Exchange Price as necessary:
 - (i) if it is necessary to adjust the Exchange Price for the purpose of a merger in which the Company is the surviving company, assumption of all or part of the rights and obligations of another company as a result of an absorption-type company split performed by that other company, or acquisition of all outstanding shares of a stock company as a result of a share exchange performed by that other stock company;
 - (ii) if two or more events necessary to adjust the Exchange Price occur almost simultaneously, and it is necessary to consider the effect that one event has on the current market price to be used for calculation of the Exchange Price after adjustment based on another event; or
 - (iii) if it is otherwise necessary to adjust the Exchange Price as a result of any event that changes or may change the number of outstanding common shares of the Company.
- (e) As long as the difference between the Exchange Price after adjustment calculated in accordance with the Exchange Price Adjustment Formula and the Exchange Price before adjustment is less than 1 yen, the Exchange Price will not be adjusted. However, adjustments considered unnecessary under this item are to be carried forward and taken into consideration in calculating the subsequent adjustment.
- (f) If the Exchange Price is adjusted in accordance with any of Items (a) through (e) above, the Company shall give prior written notice to each Type 1 Preferred Shareholder recorded in the register of shareholders indicating

the fact that the adjustment was made, the Exchange Price before adjustment, the Exchange Price after adjustment, the date on which the Exchange Price becomes effective, and other necessary matters. However, if the Company is unable to give the notice by the day immediately prior to the date on which the Exchange Price becomes effective, the Company shall promptly give such notice on or after the date on which the Exchange Price becomes effective.

3. Location to Submit Request for Acquisition
The Sumitomo Trust and Banking Co., Ltd. Stock Transfer Agency Department
4. Effectiveness of Acquisition
The Acquisition Request with Common Shares as Consideration shall be effective when the written request of acquisition reaches the Location to Submit Request for Acquisition set out in Paragraph 3 above, and the Company shall acquire the Type 1 Preferred Shares, and the Type 1 Preferred Shareholders that make such Acquisition Request with Common Shares will become shareholders of common shares in exchange for the Company's acquiring the Type 1 Preferred Shares.

8. Restriction of Share Transfer

Any acquisition of the Type 1 Preferred Shares by way of transfer shall need an approval of the Company's Board of Directors.

Exhibit 2

Features of the Type 2 Preferred Shares

1. Preferred Dividends

(1) Type 2 Preferred Dividends

If the Company is to distribute any surplus, the Company will distribute the amount of surplus per share of the Type 2 Preferred Shares set out in the following paragraph (the “Type 2 Preferred Dividend”) to the shareholders of the Type 2 Preferred Shares (the “Type 2 Preferred Shareholders”), and the registered pledgees of shares of the Type 2 Preferred Shares (the “Registered Pledgees of Type 2 Preferred Shares”), listed or recorded in the latest register of shareholders as of the record date for the distribution of surplus before making any such distribution to the shareholders of common shares (the “Common Shareholders”), or the registered pledgees of common shares (the “Registered Pledgees of Common Shares”), listed or recorded in the latest register of shareholders as of the same date. However, if all or part of the Type 2 Preferred Dividend (excluding the distribution of the Accumulated Unpaid Type 2 Preferred Dividend defined in Paragraph 3) has already been paid based on a record date that falls in the fiscal year of the record date for the distribution of surplus, the accumulated amount of the dividends that have already been paid shall be deducted from the amount of surplus. If the Company acquires the Type 2 Preferred Shares in the period from the record date of the distribution of surplus to the distribution of surplus, a distribution of surplus with respect to the record date above for such acquired Type 2 Preferred Shares will not be required.

(2) The Amount of the Type 2 Preferred Dividend

The amount of the Type 2 Preferred Dividend will be 350 yen per share (the amount of the Type 2 Preferred Dividend per share based on a record date that falls in the fiscal year ending on March 31, 2010 will be an amount (calculated to four decimal places denominated in yen and rounded to three decimal places) equal to 350 yen multiplied by the number of actual days during a period from and including the Payment Date of the Type 2 Preferred Shares to and including March 31, 2010 divided by the number of actual days during a period from and including April 1, 2009 to and including March 31, 2010).

(3) Clause of Cumulative Dividend

If the aggregate of the amount of surplus per share distributed to the Type 2 Preferred Shareholders or the Registered Pledgees of Type 2 Preferred Shares based on a record date that falls in a fiscal year (excluding the distribution of the Accumulated Unpaid Type 2 Preferred Dividend (defined below) that was accumulated by the first day of that fiscal year) does not reach the amount of the Type 2 Preferred Dividend for that fiscal year, the shortfall will accumulate and be carried over to the following and subsequent fiscal years, and the accumulated shortfall (the “Accumulated Unpaid Type 2 Preferred Dividend”) will be paid to the Type 2 Preferred Shareholders or the Registered Pledgees of Type 2 Preferred Shares before making the Type 2 Preferred Dividend and any distribution to the Common Shareholders or the Registered Pledgees of Common Shares.

(4) Clause of Nonparticipation

No surplus in excess of the Type 2 Preferred Dividend will be distributed to the Type 2 Preferred Shareholders or the Registered Pledgees of Type 2 Preferred Shares, except for (i) the distribution of surplus provided for in Article 758, Item 8, (b) of the Companies Act or

Article 760, Item 7, (b) of the Companies Act, that will be paid in the procedure for absorption-type company splits to be conducted by the Company, or (ii) the distribution of surplus provided for in Article 763, Item 12, (b) of the Companies Act or Article 765, Paragraph 1, Item 8, (b) of the Companies Act, that will be paid in the procedure for incorporation-type company splits to be conducted by the Company.

(5) Order of Priority in Respect of Payment of Preferred Dividends

Type 1 Preferred Shares and Type 2 Preferred Shares shall have the same order of priority in respect of payment of the distribution of surplus (preferred dividends), including those in accordance with the clause of cumulative dividend.

2. Distribution of Residual Assets

(1) Preferred Distribution of Residual Assets

If the Company is to distribute residual assets, the Company will pay the Base Acquisition Price set out in Condition 5 as the residual assets distribution amount per share of the Type 2 Preferred Shares to the Type 2 Preferred Shareholders or the Registered Pledges of Type 2 Preferred Shares prior to the Common Shareholders or the Registered Pledges of Common Shares.

In the case of the distribution of residual assets, the Base Acquisition Price will be calculated by reading the "Acquisition Date" in the calculation of the Base Acquisition Price set out in Condition 5 as meaning the "date on which the residual assets are distributed."

No residual assets, other than those provided for above, will be distributed to the Type 2 Preferred Shareholders or the Registered Pledges of Type 2 Preferred Shares.

(2) Order of Priority in respect of distribution of Residual Assets

The distribution of residual assets for the Type 1 Preferred Shares and Type 2 Preferred Shares shall be made from Type 1 to Type 2 in ascending order.

3. Voting Rights

Except as otherwise provided in laws and regulations, the Type 2 Preferred Shareholders have no voting rights at shareholders' meetings.

4. Consolidation or Split of Shares, Allotment of Offered Shares, etc.

Unless otherwise provided for by law or regulation, the Company will not consolidate or split the Type 2 Preferred Shares. The Company will not grant the Type 2 Preferred Shareholders the right to receive an allotment of offered shares or the right to receive an allotment of offered stock acquisition rights and will not carry out a gratuitous allotment of shares or a gratuitous allotment of stock acquisition rights to the Type 2 Preferred Shareholders.

5. The Preferred Shareholders' Right to Request Acquisition of Type 2 Preferred Shares with Cash Consideration

The Type 2 Preferred Shareholders may, at any time on and after September 1, 2009, request that the Company pays a cash amount in exchange for the Company's acquiring all or part of the Type 2 Preferred Shares (the request by the Type 2 Preferred Shareholders, the "Acquisition Request with Cash Consideration"). Upon receiving an Acquisition Request with Cash Consideration, the Company will, in accordance with the following, deliver the acquisition price of the Type 2

Preferred Shares to the relevant Type 2 Preferred Shareholders in exchange for acquiring all or part of the Type 2 Preferred Shares on the date of such Acquisition Request with Cash Consideration within the limit of the distributable amount stipulated in Article 461, Paragraph 2 of the Companies Act as of the date of such Acquisition Request with Cash Consideration to the extent permitted by laws and regulations (the date of Acquisition Request with Cash Consideration, the “Acquisition Date”). However, if the Type 2 Preferred Shareholders make Acquisition Requests with Cash Consideration in excess of the distributable amount, the shares of the Type 2 Preferred Shares that should be acquired will be determined by pro rata allotment in proportion to the number of the shares subject to the Acquisition Requests with Cash Consideration, or by any other reasonable method determined by the Board of Directors of the Company.

The acquisition price per share of the Type 2 Preferred Shares will be calculated in accordance with the following. The acquisition price per share of the Type 2 Preferred Shares calculated in accordance with the following is referred to as the “Base Acquisition Price.”

Base Acquisition Price Formula

Base Acquisition Price = $10,000\text{yen} \times (1 + 0.035 \times (m+n))$ - Paid Type 2 Preferred Dividends

In the Base Acquisition Price Formula, “m” is defined as follows: (a) if the Acquisition Date falls in the period between the Payment Date to the date immediately preceding the first anniversary of such Payment Date—zero; or (b) if the Acquisition Date falls on any subsequent day—the number of years elapsed (positive integer) from the Payment Date to the Immediately Preceding Payment Anniversary. Each anniversary of the Payment Date is referred to as a “Payment Anniversary,” and the “Immediately Preceding Payment Anniversary” means the Payment Anniversary immediately preceding the Acquisition Date (if the Acquisition Date occurs on the same date as a Payment Anniversary, the Acquisition Date will be considered the Immediately Preceding Payment Anniversary).

In the Base Acquisition Price Formula, “n” will be calculated by dividing the “Number of Remaining Days” (defined below) by 365 (calculated to four decimal places and rounded down to three decimal places). The “Number of Remaining Days” means the actual number of days from the date (inclusive) immediately following the Payment Date to the Acquisition Date (inclusive) in the case of (a) above, or the actual number of days from the date (inclusive) immediately following the Immediately Preceding Payment Anniversary to the Acquisition Date (inclusive) in the case of (b) above.

In the Base Acquisition Price Formula, “Paid Type 2 Preferred Dividends” mean the aggregate amount of the Type 2 Preferred Dividends (including the Accumulated Unpaid Type 2 Preferred Dividend) that have actually been paid on or before the Acquisition Date.

6. The Company’s Right to Acquire Type 2 Preferred Shares with Cash Consideration

The Company may acquire all or part of the Type 2 Preferred Shares on a date that is on or after September 1, 2009 and separately determined by the Board of Directors of the Company, to the extent permitted under the applicable laws or regulations, in exchange for a cash amount irrespective of the intention of the Type 2 Preferred Shareholders or the Registered Pledgeses of Type 2 Preferred Shares (the date of the acquisition, the “Date of Acquisition by Right of Acquisition with Cash Consideration”). In cases of such acquisition, the Company will, in accordance with the following, deliver the acquisition price of the Type 2 Preferred Shares to the Type 2 Preferred Shareholders in exchange for the acquisition of all or part of such Type 2 Preferred Shares.

If the Company is to acquire part of the Type 2 Preferred Shares, the shares of the Type 2 Preferred Shares that will be acquired will be determined by pro rata or by other reasonable

manner determined by the Board of Directors of the Company.

The acquisition price per share of the Type 2 Preferred Shares will be equal to the Base Acquisition Price set out in Condition 5. When the above Base Acquisition Price is being calculated, the Base Acquisition Price will be calculated by reading the “Acquisition Date” in the calculation of the Base Acquisition Price set out in Condition 5 as meaning the “Date of Acquisition by Right of Acquisition with Cash Consideration.”

7. The Preferred Shareholders’ Right to Request Acquisition of Type 2 Preferred Shares with Common Shares as Consideration

The Type 2 Preferred Shareholder may request the Company, under the conditions set out in Paragraph II below, to deliver the common shares in exchange for the Company’s acquiring all or part of the Type 2 Preferred Shares during the period in which the Type 2 Preferred Shareholder is entitled to request acquisition provided for in Paragraph I below (the request by the Type 2 Preferred Shareholder, the “Acquisition Request with Common Shares as Consideration”).

I The period in which the Type 2 Preferred Shareholders are entitled to request acquisition of the Type 2 Preferred Shares

Any time on or after February 1, 2011.

II Conditions of acquisition

1. The Type 2 Preferred Shareholders may cause the Company to acquire all or part of the Type 2 Preferred Shares in exchange for delivery of the common shares of the Company as of the date of the Acquisition Request with Common Shares as Consideration under the following conditions (the date of the Acquisition Request with Common Shares as Consideration, the “Acquisition Date with Common Share Consideration”). When the number of common shares to be delivered to the Type 2 Preferred Shareholders are being calculated, any fraction of a share is to be rounded down to the nearest share, and the monetary adjustment set out in Paragraph 3 of Article 167 of the Companies Act will not be performed.

$$\begin{array}{l} \text{The number of common} \\ \text{shares to be delivered in} \\ \text{exchange for acquisition} \end{array} = \frac{\text{Aggregate Amount of Base Acquisition Price} \\ \text{set out in Condition 5 of the Type 2 Preferred} \\ \text{Shares that the Type 2 Preferred Shareholders} \\ \text{request the Company to acquire}}{\text{Exchange} \\ \text{price}}$$

When the above Base Acquisition Price is being calculated, the Base Acquisition Price will be calculated by reading the “Acquisition Date” in the calculation of the Base Acquisition Price set out in Condition 5 as meaning the “Acquisition Date with Common Share Consideration.” In cases where the calculated Base Acquisition Price exceeds 13,500 yen, the above aggregate amount of Base Acquisition Price will be calculated assuming that the Base Acquisition Price is 13,500 yen.

2. Exchange Price

(1) Initial Exchange Price

The Initial Exchange Price is 1,218 yen.

(2) Revision of Exchange Price

In the event that the Average Share Price on December 30, 2011, January 31, 2012, or February 29, 2012 (respectively, the “Determination Date”) becomes lower than the Exchange Price effective on such Determination Date, the Exchange Price shall be revised to 1,059 yen (the “Revised Exchange Price”) on the date immediately following the first Determination Date on which the Average Share Price becomes lower than the Exchange Price corresponding thereto. If the Exchange Price is adjusted in accordance with Item (3) below, the Revised Exchange Price will be adjusted accordingly.

“Average Share Price” means the average daily closing price of the common shares of the Company in regular trading as reported by the Tokyo Stock

Exchange, Inc. for five (5) consecutive trading days immediately preceding any relevant day (inclusive) (such five (5) consecutive trading days exclude days on which no closing price (including displayed quotes, the same applies hereinafter) is reported, and refer to five (5) consecutive trading days up to and including the trading day with a closing price immediately preceding such relevant day).

(3) Adjustment of Exchange Price

(a) If the number of common shares changes or is likely to change due to any of the events listed in Item (b) below after the issue of the Type 2 Preferred Shares, the Company shall adjust the Exchange Price (including the Exchange Price after revision as set out in Item (2) above) in accordance with the following formula (the “Exchange Price Adjustment Formula”):

$$\text{Exchange price after adjustment} = \text{Exchange price before adjustment} \times \frac{\text{Number of common shares outstanding} + \frac{\text{Number of common shares to be delivered} \times \text{Subscription price per share}}{\text{Current market price per share}}}{\text{Number of common shares outstanding} + \text{Number of common shares to be delivered}}$$

The “number of common shares outstanding” used in the Exchange Price Adjustment Formula means the number of outstanding common shares of the Company as of the record date, if any, of each transaction described in Items (b)(i) through (b)(iv) below with respect to the Common Shareholders, or if no such record date is set, as of the date 1 month before the date on which the adjusted Exchange Price becomes effective less the number of common shares held by the Company as of the record date, if any, of each transaction described in Items (b)(i) through (b)(iv) below with respect to the Common Shareholders, or if no such record date is set, as of the date 1 month before the date on which the adjusted Exchange Price becomes effective. The “number of common shares to be delivered” used in the Exchange Price Adjustment Formula means, in the case of a stock split of common shares, the number of common shares increased due to the stock split (excluding the number of common shares increased with respect to the common shares held by the Company as of the record date). In the case of a stock consolidation, the number of common shares decreased due to the stock consolidation (excluding the number of common shares decreased with respect to the common shares held by the Company as of the effective date) will be used as a negative number. The “subscription price per share” used in the Exchange Price Adjustment Formula means

- (i) in the case of Item (b)(i) below, the relevant subscription price (or, in the case of subscription for contribution of non-monetary properties, the fair value, or in the case of gratuitous allotment, zero yen),
- (ii) in the case of Items (b)(ii) and (b)(iv) below, zero yen, or
- (iii) in the case of Item (b)(iii) below, the price as set out in Item (b)(v) below.

(b) The adjustment of the Exchange Price of the Type 2 Preferred Shares in accordance with the Exchange Price Adjustment Formula, and the time when the adjusted Exchange Price becomes effective, are as set out below.

(i) If the Company delivers (including by gratuitous allotment) the common shares at a subscription price that is less than the current market price set out in Item (c)(ii) below (except for the case where the Company delivers the common shares in exchange for acquisition of acquirable shares, shares with claim for acquisition, or acquirable stock acquisition rights (including those attached to bonds with stock acquisition rights; the same applies in this (3)), or upon conversion, exchange or exercise of the stock acquisition rights (including those

attached to the bonds with stock acquisition rights; the same applies in this (3)) or other securities or rights that may demand delivery of the common shares), then the adjusted Exchange Price will become effective as of the day immediately following the payment date (or, if the payment period is set in the offering, the last day of that payment period), or the day immediately following the date on which the gratuitous allotment takes effect. However, if the record date on which a right to receive an allotment of offered shares is granted to the Common Shareholders of the Company or on which gratuitous allotment is executed is set, the adjusted Exchange Price will become effective as of the day immediately following that record date.

- (ii) In the case of stock split of the common shares, the adjusted Exchange Price will become effective as of the day immediately following the record date of the stock split.
- (iii) If the Company delivers (including by gratuitous allotment)
 - shares with claims for acquisition, acquirable shares or acquirable stock acquisition rights and the delivery of the common shares in exchange for acquisition of shares with claims for acquisition, acquirable shares, or acquirable stock acquisition rights at a Price (as defined below) that is less than the current market price set out in Item (c)(ii) below, or
 - stock acquisition rights or other securities or rights that allow their holders to demand delivery of common shares at a Price that is less than the current market price set out in Item (c)(ii) below,

then the adjusted Exchange Price will

- be calculated in accordance with the Exchange Price Adjustment Formula, assuming that the common shares are delivered in such a way that all of the shares with claim for acquisition, acquirable shares or acquirable stock acquisition rights, or the stock acquisition rights or other securities or rights (the “Shares with Claim for Acquisition, Etc.”) to be delivered are acquired, converted, exchanged or exercised based on the initial conditions, and
- become effective as of the day immediately following the delivery date or the effective date of gratuitous allotment.

However, if there is a record date on which a right to receive an allotment of the Shares with Claim for Acquisition, Etc. is granted to the Common Shareholders or on which gratuitous allotment is executed, the adjusted Exchange Price will become effective as of the day immediately following that record date.

Notwithstanding the foregoing, if the price of the common shares to be delivered upon acquisition, conversion, exchange or exercise is not settled at the time described above, the adjusted Exchange Price will

- be calculated in accordance with the Exchange Price Adjustment Formula, assuming that the common shares are delivered in such a way that all of the Shares with Claim for Acquisition, Etc. that have been delivered at the time of settlement of the price are acquired, converted, exchanged or exercised based on the conditions at the time of the settlement of the price, and
- become effective as of the day immediately following the date on which the price is settled.

- (iv) In the case of a stock consolidation of the common shares, the adjusted Exchange Price will become effective as of the day immediately following the effective date of the stock consolidation.
- (v) The “Price” referred to in Item (iii) above means the amount calculated by dividing (a) the amount paid upon delivery of the Shares with Claim for Acquisition, Etc. and other payments in the nature of consideration (in the case of the stock acquisition rights that allow their holders to demand delivery of the common shares at a price that is less than the current market price, the total of the stock acquisition rights paid upon their delivery and the amount of property to be contributed upon their exercise) less the amount of property other than the common shares to be delivered to holders of the Shares with Claim for Acquisition, Etc. upon acquisition, conversion, exchange or exercise of the Shares with Claim for Acquisition, Etc., by (b) the number of common shares to be delivered upon acquisition, conversion, exchange or exercise of the Shares with Claim for Acquisition, Etc.
- (c)
 - (i) The calculation in accordance with the Exchange Price Adjustment Formula will be made to two decimal places denominated in yen and then rounded down to one decimal place.
 - (ii) The current market price used in the Exchange Price Adjustment Formula is the average daily closing price of the common shares in regular trading as reported by the Tokyo Stock Exchange for the 30 consecutive trading days (excluding trading days on which no closing price is reported) commencing on the 45th trading day before the date on which the adjusted Exchange Price becomes effective. The calculation will be made to two decimal places denominated in yen and then rounded to one decimal place.
- (d) In addition to the events necessary to adjust the Exchange Price as set out in Item (b) above, if the Board of Directors of the Company reasonably determines that any of the following events applies, the Company shall adjust the Exchange Price as necessary:
 - (i) if it is necessary to adjust the Exchange Price for the purpose of a merger in which the Company is the surviving company, assumption of all or part of the rights and obligations of another company as a result of an absorption-type company split performed by that other company, or acquisition of all outstanding shares of a stock company as a result of a share exchange performed by that other stock company;
 - (ii) if two or more events necessary to adjust the Exchange Price occur almost simultaneously, and it is necessary to consider the effect that one event has on the current market price to be used for calculation of the Exchange Price after adjustment based on another event; or
 - (iii) if it is otherwise necessary to adjust the Exchange Price as a result of any event that changes or may change the number of outstanding common shares of the Company.
- (e) As long as the difference between the Exchange Price after adjustment calculated in accordance with the Exchange Price Adjustment Formula and the Exchange Price before adjustment is less than 1 yen, the Exchange Price will not be adjusted. However, adjustments considered unnecessary under this item are to be carried forward and taken into consideration in calculating the subsequent adjustment.
- (f) If the Exchange Price is adjusted in accordance with any of Items (a) through (e) above, the Company shall give prior written notice to each Type 2 Preferred Shareholder recorded in the register of shareholders indicating

the fact that the adjustment was made, the Exchange Price before adjustment, the Exchange Price after adjustment, the date on which the Exchange Price becomes effective, and other necessary matters. However, if the Company is unable to give the notice by the day immediately prior to the date on which the Exchange Price becomes effective, the Company shall promptly give such notice on or after the date on which the Exchange Price becomes effective.

3. Location to Submit Request for Acquisition
The Sumitomo Trust and Banking Co., Ltd. Stock Transfer Agency Department
4. Effectiveness of Acquisition
The Acquisition Request with Common Shares as Consideration shall be effective when the written request of acquisition reaches the Location to Submit Request for Acquisition set out in Paragraph 3 above, and the Company shall acquire the Type 2 Preferred Shares, and the Type 2 Preferred Shareholders that make such Acquisition Request with Common Shares will become shareholders of common shares in exchange for the Company's acquiring the Type 2 Preferred Shares.

8. Restriction of Share Transfer

Any acquisition of the Type 2 Preferred Shares by way of transfer shall need an approval of the Company's Board of Directors.