

[Translation]

May 29, 2012

Dear Sirs,

Elpida Memory, Inc., Reorganizing Company

Yukio Sakamoto, Trustee

Nobuaki Kobayashi, Trustee

Notice of Investigation Report

We are writing to advise you of the summary of an investigation report that we have prepared and filed with the Tokyo District Court under Article 84, Paragraph 1 of the Corporate Reorganization Act.

We greatly appreciate your continued understanding and cooperation regarding our reorganization proceedings.

Sincerely,

Summary of Investigation Report

I Outline of the Reorganizing Company

i) Corporate Name	Elpida Memory, Inc.
ii) Amount of Capital	236,143,131,742 yen
iii) Total Number of Authorized Shares	403,000,000 shares
iv) Total Number of Issued Shares	274, 787, 370 shares
v) Number of Shareholders	94,973 (as of the end of September 2011)
vi) Number of Employees	3,173 (as of the end of March 2012)
vii) Labor Union	Labor Union of Hiroshima Elpida Memory Number of Members of the Union: 1,921 (as of the end of March 2012)

II Situations leading up to Commencement of the Reorganization Proceedings

1. Outline

The Reorganizing Company's business performance deteriorated and it recorded a large deficit in the fiscal year ending in March 2009 due to the DRAM industry's structural depression and the Lehman crisis. Consequently, in June 2009, approval for a business restructuring plan under the Industrial Revitalization Act was granted to the Reorganizing Company, and it was engaged in the reconstruction of its business under the said act thereafter. However, the Reorganizing Company's cash flow deteriorated due to severe financial conditions brought on by (i) the record-breaking strong yen, (ii) the sharp drop in DRAM prices, etc., and, as a result, repayment of such financial liabilities as corporate

bonds and loans whose due dates would arrive in March 2012 or later became difficult. This caused the Reorganizing Company to abandon the reconstruction of its business under the Industrial Revitalization Act and to petition for commencement of the reorganization proceedings. Further details on the situations leading up to the filing of the petition are given below.

2. Establishment and Business Expansion

The Reorganizing Company was established as a sole corporation in Japan that specialized in DRAM in December 1999, expanded its business steadily thereafter, listed its shares on the First Section of Tokyo Stock Exchange in November 2004, and came to have the world's third-largest share in the DRAM industry from around 2007.

3. Deterioration of Business Performance due to the Industry's Structural Depression and the Lehman Crisis

In the DRAM industry, DRAM prices dropped sharply around the beginning of 2007 and the demand-supply balance did not improve thereafter, which caused the industry's structural depression. DRAM prices dropped further as a result of a sharp decrease in demand of DRAM products due to the historic deterioration in the world economy starting in the fall of 2008 that was triggered by the Lehman crisis. Repercussions on the Reorganizing Company, a corporation specializing in DRAM products, were of such significance that it recorded a net loss of 178.8 billion yen (178,800,000,000 yen) for the fiscal year ending in March 2009.

4. Business Reconstruction under the Industrial Revitalization Act

In June 2009, still in the midst of the harsh business environment, the Reorganizing Company was granted approval by the Ministry of Economy, Trade and Industry with respect to its business-restructuring plan under the Industrial Revitalization Act and was set to reconstruct its business under the said act. In

September 2009, the Reorganizing Company attempted to stabilize its financial base through measures such as borrowing a one hundred billion yen (100,000,000,000 yen) syndicated loan granted principally by its main banks (“Industrial Revitalization Syndicated Loan”), a loan of ten billion yen (10,000,000,000 yen) from DBJ, and issuance to DBJ of the preferred shares of thirty billion yen (30,000,000,000 yen) by a third-party allotment.

As a result of the Reorganizing Company proceeding with the business-restructuring plan, it was able to get out of the red and recorded net profits in the fiscal years ending in March 2010 and March 2011, whereby its business record showed a trend of recovery.

5. Deterioration of Business Performance due to Record-Breaking Strong Yen and Decline in DRAM Prices

However, the business performance of the Reorganizing Company began to deteriorate again in 2011. In the fiscal year 2011, the company posted a net loss of approximately 7.8 billion yen (7,800,000,000 yen) for the fiscal first quarter, approximately 48.8 billion yen (48,800,000,000 yen) for the fiscal second quarter and approximately 42.1 billion yen (42,100,000,000 yen) for the fiscal third quarter, which made the company’s financial condition serious and tightened its cash flow. Some causes of this deterioration were (i) the yen continued to be strong against the US dollar, temporarily reaching the record-breaking range of seventy-five yen (75 yen) per dollar during August 2011, and remaining thereafter around eighty yen (80 yen) per dollar; and that (ii) DRAM prices dropped sharply due to sluggish demand for personal computers and intensified competition in the DRAM industry.

Although (i) redemption of corporate bonds totaling 15 billion yen (15,000,000,000 yen), (ii) repayment of the syndicated loan, etc., in the amount of

approximately 21 billion yen (21,000,000,000 yen), (iii) payment of approximately 31 billion yen (31,000,000,000 yen) based on the put option of preferred shares, and (iv) repayment of the total amount of approximately 77 billion yen (77,000,000,000 yen) of the remaining balance of the Industrial Revitalization Syndicated Loan and the loan from DBJ were slated to be made by the Reorganizing Company in March 2012 or later, due to the serious financial conditions and tightened cash flow mentioned above, it became impossible for the Reorganizing Company to make all these payments in full, and there was no choice for the Reorganizing Company but to abandon the business reconstruction under the Industrial Revitalization Act.

6. Summary

Due to the circumstances stated above, there was a possibility that a situation where the Reorganizing Company might not be able to pay its debts could arise. There was also a possibility that, if the Reorganizing Company were to pay its debts that had become due, continuation of its business could be seriously hindered. As a result, the Reorganizing Company had no choice but to file a petition of commencement of reorganization proceedings with the Tokyo District Court on February 27, 2012.

III Development and Status Quo of the Business of the Reorganizing Company

1. The Situation Regarding the Reorganization Proceedings

(1) Commencement of “Debtor-in-Possession” (DIP) Reorganization Proceedings

On February 27, 2012, the Reorganizing Company filed a petition for commencement of reorganization proceedings with the Tokyo District Court (the “Court”). On the same day, a supervision and examination order, temporary restraining order prohibiting repayment and comprehensive prohibition order were

issued, and Atsushi Toki, an attorney-at-law, was appointed as Supervisor and Examiner.

At 5 p.m. on March 23, 2012, the Court issued an order to commence reorganization proceedings to the Reorganizing Company, and, simultaneously, Yukiko Sakamoto, President and CEO, and Nobuaki Kobayashi, a filing counsel, were appointed as Trustees, and Atsushi Toki, an attorney-at-law, was appointed as Examiner. This manner of reorganization proceedings, in which the current management continues to be in charge of the management of the company even after the issuance of the commencement order, are referred to as “Debtor-in-Possession” (DIP) reorganization proceedings.

(2) Information Disclosure, Etc., to Customers and Business Partners

The Reorganizing Company disclosed information and asked for understanding and cooperation regarding the reorganization proceedings by notifying its customers and business partners of the petition, issuance of commencement order, etc., through facsimile and on its website. Also, the Reorganizing Company posted English and Chinese translations of its releases on its website for the creditors abroad.

(3) Payment of Commercial Transaction Claims of Not More Than One Million Yen (1,000,000 Yen)

As an exception to the temporary restraining order prohibiting payment prior to the issuance of commencement order, and based on permission obtained under the Article 47, Paragraph 5, the second sentence of the Corporate Reorganization Act subsequent to the issuance of the commencement order, the Reorganizing Company made payments of reorganization claims to creditors who are its business partners and whose total amount of general commercial transaction claims excluding loan claims, corporate bonds, leasing claims and damage claims was not

more than one million yen (1,000,000 yen), on the condition that they continue commercial transactions with the Reorganizing Company under the same terms and conditions as before.

(4) Responses to Shareholders

After filing the petition, the Reorganizing Company received and addressed inquiries, etc., from shareholders.

(5) Committee of Reorganization Creditors

The major financial institutions and leasing creditors filed a petition to approve a committee of reorganization creditors and the Court issued an order to approve the involvement [of said committee] in the reorganization proceedings.

(6) Affiliated Companies

Akita Elpida Memory, Inc. (“Akita Elpida”), a wholly-owned subsidiary of the Reorganizing Company, filed a petition for commencement of reorganization proceedings on the same day as the Reorganizing Company and a commencement order was issued also on the same day. Yukio Sakamoto and Nobuaki Kobayashi were appointed as its Trustees, the same as in the Reorganizing Company. The Reorganizing Company is working in close coordination with Akita Elpida and is planning to execute the reorganization proceedings aiming at reconstructing in a unified manner with Akita Elpida.

With regard to other affiliated companies, no legal action has been taken and they have continued their businesses as usual even after the issuance of commencement order.

(7) Chapter 15 Proceedings

For the purpose of giving effect to the Japanese reorganization proceedings in the United States and protecting the Reorganizing Company and its assets in the United States, the Reorganizing Company filed a petition for approval of foreign

bankruptcy proceedings (Chapter 15) with a bankruptcy court in the State of Delaware. The reorganization proceedings of the Reorganizing Company were approved as primary foreign proceedings.

(8) Taiwan (Depository Receipts)

The Reorganizing Company had its Taiwan Depository Receipts (“TDRs”), the underlying shares of which were common shares of the Reorganizing Company, listed on the Taiwan Stock Exchange. With the delisting of the common shares from the Tokyo Stock Exchange, the TDRs were also delisted as of March 28, 2012.

2. The Business Situation of the Reorganizing Company

(1) Transactions with Customers

The Reorganizing Company has continued transactions with customers in the same manner as before despite the filing of the petition, and no influence of the reorganization proceedings can be found.

(2) Transactions with Suppliers and Distributors

The Reorganizing Company asked for understanding and cooperation from suppliers and distributors regarding the continuation of transactions after the filing of the petition, and was able to obtain the understanding and cooperation of many suppliers and distributors. There is no hindrance to the continuation of the Reorganizing Company’s business at the moment.

(3) Transactions with Leasing Companies

The Reorganizing Company is examining treatment of all leasing transactions in the reorganization proceedings in accordance with the nature of each case, and is conducting negotiations with leasing companies as necessary.

3. Situation of Selection of Sponsor

Subsequent to the filing of the petition and prior to the issuance of the

commencement order, the Reorganizing Company appointed Nomura Securities, Co., Ltd. as a financial advisor with the approval of the Supervisor, and proceeded with the bidding procedure for sponsor selection. In this procedure, the Reorganizing Company maintained sufficient attention to fairness through such measures as holding negotiations with the Court and Examiner sequentially. On May 10, 2012, based on the result of the bidding, with the approval of the Court, the Reorganizing Company started the negotiation with Micron Technology, Inc. (“Candidate for Sponsor”), a US corporation, on terms and conditions towards conclusion of a contract regarding the sponsorship for the Reorganizing Company.

IV Development and Status Quo of the Property of the Reorganizing Company

1. Situation of Cash Flow

The cash flow of the Reorganizing Company is sufficient and there are no problems at the moment, nor does the Reorganizing Company predict any cash flow problems for the foreseeable future. Also, with the approval of the Court, the Reorganizing Company entered into a facility agreement (*Gendo Kashitsuke Keiyaku*) with a financial institution, the maximum commitment amount of which is 15 billion yen (15,000,000,000 yen), and this also contributes to improvement of the Reorganizing Company’s cash flow.

2. Property Assessment

Immediately after the issuance of the commencement order, the Reorganizing Company undertook assessment of its property in cooperation with KPMG FAS Co., Ltd., real estate appraisers and other specialists.

V Existence or Absence of a Situation that Requires a Ruling Evaluating Subject Officer's Liability

The situations that caused the Reorganizing Company to file the petition are as described above, and the investigation has uncovered no illegal acts by the current management, nor is it expected at the moment that any management responsibility issue will arise. However, the investigation will continue.

VI Principles of Future Reorganization Proceedings

1. Continuation of Business

The Reorganizing Company plans to continue with its business, maintaining and enhancing favorable relations with its current business partners and customers.

2. Selection of Sponsor

Hereafter, the Reorganizing Company would like to negotiate with the Candidate for Sponsor on the details of sponsorship, etc., taking into consideration the interests of its creditors, business partners and customers, and, if such negotiation is settled, would like to decide to select that Candidate as its sponsor with the approval of the Court.

3. Prospect of Reorganization Proceedings and Establishment of Reorganization Plan

The Reorganizing Company is planning to continue with the fair property assessment and claim investigation under supervision of the Court and the Examiner, and will make its best efforts to establish the reorganization plan which would enable us to obtain understanding of all interested parties.

- End -