



News Release

FOR IMMEDIATE RELEASE

Announcement on Reduction in the Stated Capital

Tokyo, Japan, February 23, 2012 – Elpida Memory, Inc. (Tokyo: 6665) (“Elpida”) hereby announces that it has passed a resolution at its board of directors’ meeting held on February 23, 2012 to propose an agenda item at an extraordinary shareholders’ meeting that is to be held on March 28, 2012, with respect to the “reduction in the stated capital” as set forth below.

1. Purpose of reducing the stated capital

In June 2009, Elpida submitted a business restructuring plan (to be terminated on March 31, 2012; the “Business Restructuring Plan”) based on the Act on Special Measures for Industrial Revitalization to the Ministry of Economy, Trade and Industry of Japan (“METI”), which was approved by METI. In accordance therewith, in August 2009, Elpida implemented capital increase by third-party allotment, by which Elpida issued Type 1 Preferred Shares and Type 2 Preferred Shares (collectively, the “Preferred Shares”) having the Development Bank of Japan, Inc. (“DBJ”) as the allotted party.

As announced upon the implementation of the capital increase by the third-party allotment mentioned above, the Preferred Shares have—as the right of holders of the Preferred Shares—a right to demand that Elpida acquire their shares with cash consideration (the “Put Option with Cash Consideration”). If a holder of the Preferred Shares exercises the Put Option with Cash Consideration, Elpida shall acquire the Preferred Shares that are subject to the Put Option 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 exercising such Put Option with Cash Consideration to the extent permitted by relevant laws or regulations. In exchange for the acquisition, Elpida shall deliver to the holders of the Preferred Shares the amount paid-in for such Preferred Shares (10,000 yen per share), plus the amount equal to the unpaid dividends for the Preferred Shares (Note). The investment agreement between Elpida and the DBJ (the “Investment Agreement”) prescribes that the exercise period of the Put Option with Cash Consideration shall commence, in principle, on (i) April 1, 2012, or (ii) the day immediately following the day on which the performance period of the Business Restructuring Plan ends, whichever is the earlier (if such earlier day is not a business day, the business day immediately following such day; the “Put Option with Cash Consideration Exercisable Date”).

Therefore, where a preferred shareholder exercises the Put Option with Cash Consideration with

respect to his/her Preferred Shares on or after the Put Option with Cash Consideration Exercisable Date, in an effort to become capable of acquiring all the Preferred Shares subject to such put option, Elpida purports to avoid the situation of future shortage in distributable amount.

The Preferred Shares also have—as the right of holders of the Preferred Shares—a right to request that Elpida acquire their shares with common shares of Elpida as consideration (the “Put Option with Common Shares”). Under the Investment Agreement, the Put Options with Common Shares gradually became exercisable on or after February 1, 2011, and they have been exercised with respect to part of the Preferred Shares. The number of the Preferred Shares (excluding treasury shares) as of the last day of January 2012 is as follows:

Type 1 Preferred Shares: 1,000,000 shares; and
Type 2 Preferred Shares: 1,838,967 shares.

Note: For details of the calculation of the amount, please refer to Elpida’s press release dated August 7, 2009 and the Articles of Incorporation of Elpida. If the Put Options with Cash Consideration are exercised on the Put Option with Cash Consideration Exercisable Date in relation to all Preferred Shares (excluding treasury shares) as of the last day of January 2012, such amount shall be approximately 31,000,000,000 yen.

2. Details of reduction in the stated capital

- (1) Amount of the stated capital to be reduced
150,000,000,000 yen shall be reduced in the stated capital of 236,143,131,742 yen as of the last day of January 2012. The amount of the stated capital after the reduction shall be 86,143,131,742 yen.
- (2) Means to reduce the stated capital
The total number of shares already issued shall not be changed; 150,000,000,000 yen, which is the entire amount of the paid-in capital to be reduced, shall be transferred to other capital surpluses.

3. Schedule for reduction in the stated capital

- (1) Date of resolution at the board of directors’ meeting: Thursday, February 23, 2012
- (2) Final due date for creditors to make objection: Tuesday, March 27, 2012 (planned)
- (3) Date of resolution at the shareholders’ meeting: Wednesday, March 28, 2012 (planned)
- (4) Effective date: Wednesday, March 28, 2012 (planned)

4. Future Perspective

As the reduction in the stated capital is the transfer of the account item of “Net assets,” there is no change in Elpida’s amount of net assets.

About Elpida Memory, Inc.

Elpida Memory, Inc. (Tokyo: 6665) is a leading manufacturer of Dynamic Random Access Memory (DRAM) integrated circuits. Elpida’s design, manufacturing and sales operations are backed by world class technological expertise. Its 300mm manufacturing facilities, consisting of its Hiroshima Plant and a Taiwan-based joint venture, Rexchip Electronics, utilize the most advanced manufacturing technologies available. Elpida’s portfolio features such characteristics as high-density, high-speed, low power and small packaging profiles. Elpida provides DRAM solutions across a wide range of applications, including high-end servers, mobile phones and digital consumer electronics. More information can be found at <http://www.elpida.com>.

Press Contact:

Mikako Nakajima

Elpida Memory, Inc. (Tokyo, Japan)

Tel.: +81-3-3281-1500

E-mail: press@elpida.com