



News Release

FOR IMMEDIATE RELEASE

Notice on Petition for Commencement of Corporate Reorganization Proceedings and Uncollectibility of Debts of Our Subsidiary

Tokyo, Japan, February 27, 2012 – Elpida Memory, Inc. (Tokyo: 6665) (“Elpida”) hereby announces that Akita Elpida Memory, Inc. (“Akita Elpida”), our consolidated subsidiary, resolved at its board of directors’ meeting held on February 27, 2012 to file a petition for the commencement of corporate reorganization proceedings, and on the same day, filed the said petition with the Tokyo District Court. As a result, there is a possibility that claims against the said company may not be collected. Therefore, we hereby notify as follows.

1. Grounds for the Petition

Akita Elpida was established in July 2006 as a wholly owned subsidiary of our company, the only company in Japan that specialized in DRAM. Immediately after the establishment, Akita Elpida took over the semiconductor backend process businesses from Akita Electronics Systems Co., Ltd. and Akita Semiconductor Co., Ltd., a subsidiary of Akita Electronics, both of which were Hitachi, Ltd. group companies, and by doing so, Akita Elpida assumed the advanced technology and manufacturing expertise that the said companies held, and thus secured the basis of cutting-edge technology which was indispensable for the backend process strategy.

Akita Elpida has had close relationship with Elpida since its establishment and it has basically operated its business integrally with Elpida.

Against such backdrop, as a result of the historic appreciation of yen, the sharp decline in DRAM prices due to the intensification of competition in the DRAM industry, the sluggish demand for DRAM due to the severe flood in Thailand, etc., Elpida finally filed a petition for the commencement of corporate reorganization proceedings today. Akita Elpida has so far collected its claims for accounts receivable of approximately 700 million yen from our company every month. However, now that facing the situations that Elpida is set to rebuild our business under the Corporate Reorganization Act and the collection of the accounts receivable from our company has become difficult, and as a result of which the prospect of its future financing has become uncertain, Akita Elpida has decided to rebuild its business pursuant to the procedures under the Corporate Reorganization Act.

2. Total Amount of Liabilities (Balance sheet as of March 31, 2011)

7,961 million yen

3. Summary of the Said Subsidiary

(1)	Trade Name	Akita Elpida Memory, Inc.		
(2)	Address of Headquarters	89-2 Yamada, Yuwaishida, Akita-shi, Akita, Japan		
(3)	Date of Establishment	July 21, 2006		
(4)	Representative	Hideki Gomi, Representative Director		
(5)	Main Businesses	Development, design, manufacturing, distribution and maintenance of electronic components such as semiconductor devices and integrated circuits		
(6)	Stated Capital	310,000,000 yen		
(7)	Total Number of Shares Issued	6,202 Shares		
(8)	Percentage held by Elpida	100 %		
(9)	Executives	Hideki Gomi, Representative Director		
		Takahiro Kobayashi, Director		
		Shinji Kagaya, Director		
		Yukio Sakamoto, Outside Director		
		Yoshitaka Kinoshita, Outside Director		
		Takayuki Mashiko, Outside Company Auditor		
(10)	Number of Employees	415 (as of September 30, 2011)		
(11)	Operating Results and Financial Status of the Last Three (3) Years (unconsolidated) (In Japanese Yen)			
	Accounting Period	Ended March 31, 2009	Ended March 31, 2010	Ended March 31, 2011
	Net Assets	278,331 thousand	145,659 thousand	285,237 thousand
	Total Assets	13,309,673 thousand	11,369,065 thousand	8,246,761 thousand
	Net Sales	13,431 million	12,411 million	11,002 million
	Ordinary Profit	(205 million)	44 million	426 million
	Net Income of the Period	(121 million)	(132 million)	139 million

4. Claims Uncollectibility

As a result of the filing by Akita Elpida of the petition for the commencement of corporate reorganization proceedings, now there is a possibility that the following claims of Elpida against Akita Elpida may not be collected.

Types and Amount of the Claims against the Said Subsidiary (as of March 31, 2011)

Loan receivable	5,371 million yen
Total	5,371 million yen

5. Future Prospect

As we notified separately in the “Notice on Petition for Commencement of Corporate Reorganization Proceedings” dated today, since our company filed the petition for the commencement of the corporate reorganization proceedings with the Tokyo District Court on February 27, 2012, together with Akita Elpida, our company as a whole aims to rebuild our business with the selection of a sponsor and its assistance in view under the and supervision of the Tokyo District Court and Atsushi Toki, attorney-at-law, who is the Supervisor and Examiner, and will make our best and concerted efforts so that we can secure as much repayment funds as possible for the creditors.