

The logo for Elpida Memory, Inc. features the word "ELPIDA" in a bold, blue, italicized sans-serif font. The text is positioned within a circular area that has a gold-to-brown gradient and a fine grid pattern. A horizontal blue bar with a lighter blue dashed line underneath it spans across the middle of the slide, partially overlapping the circular logo area.

ELPIDA

***3Q FY2009
Financial Review
& Business Updates***

***Elpida Memory, Inc.
January 28, 2010***

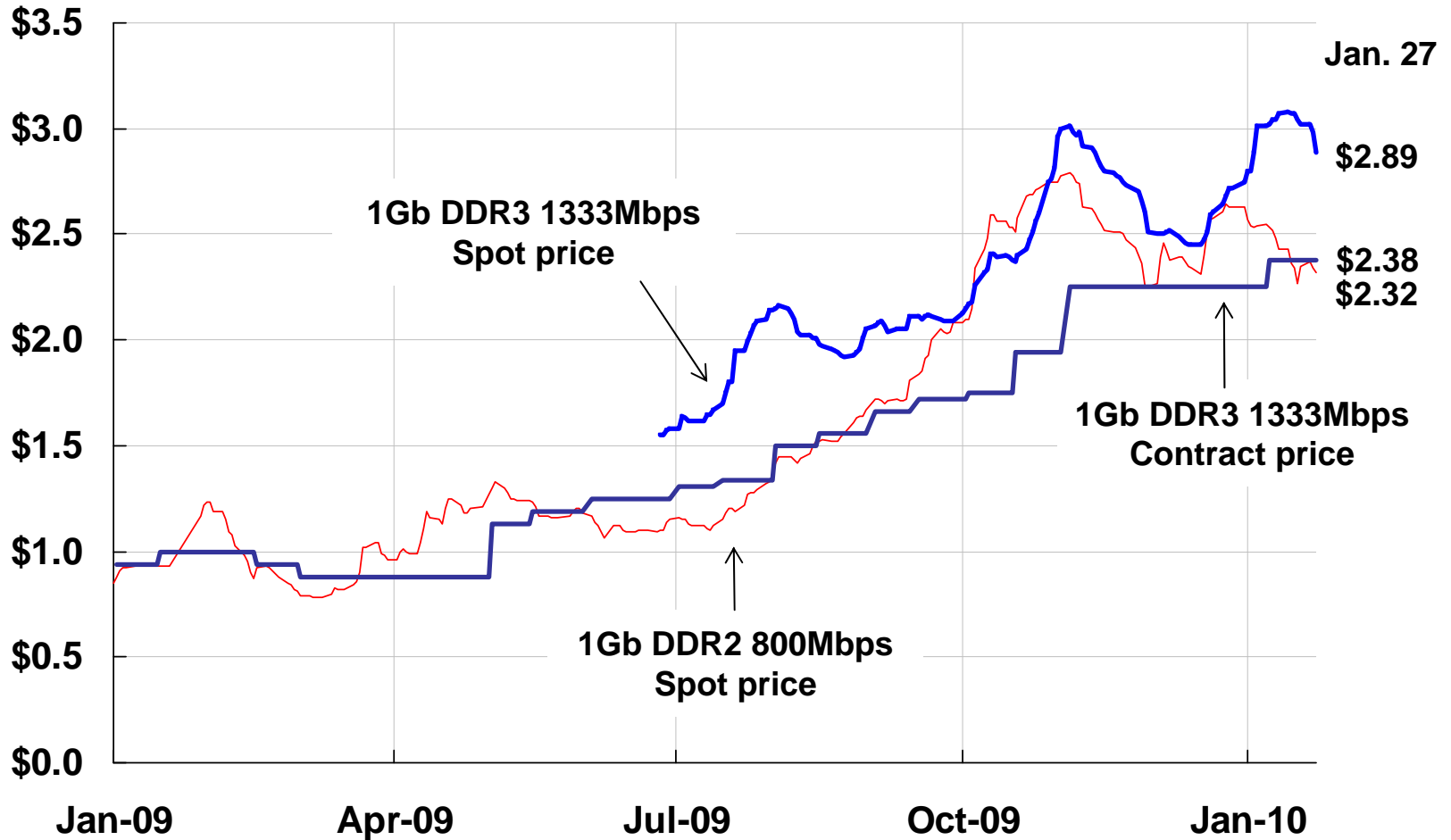


3Q-FY09 Financial Review



Business Updates

DRAM Price Movement

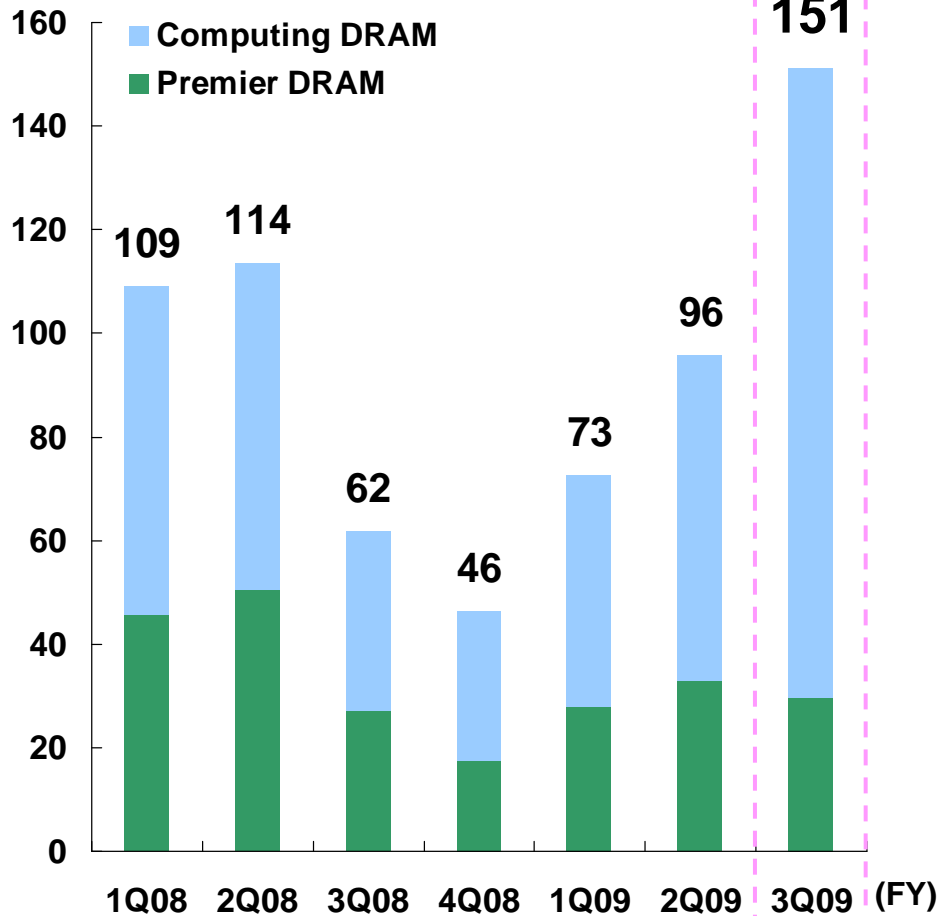


Source: DRAMeXchange

Net Sales & Operating Income

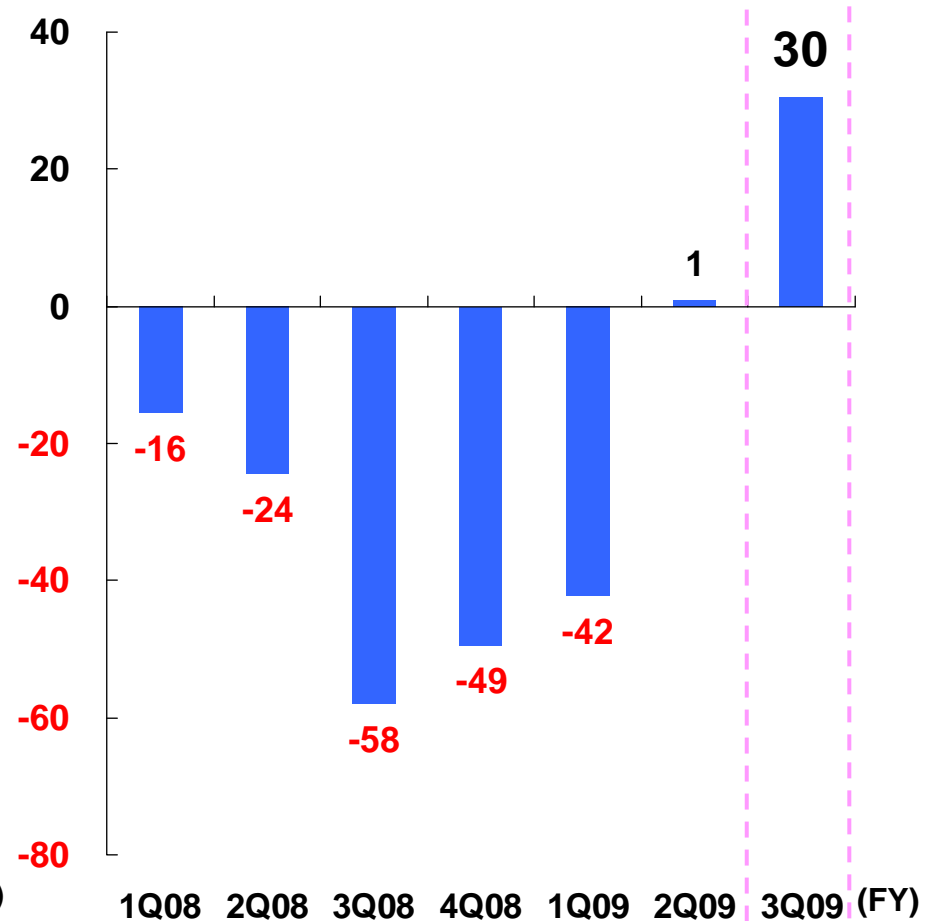
Net sales

(Billion JPY)



Operating income

(Billion JPY)



3Q-FY09 Results

(Billion JPY)	3Q-FY09		2Q-FY09		Change		3Q-FY08		Change	
		%		%		%		%		%
Net sales	151.0	100.0	95.9	100.0	+55.2	+57.5	61.8	100.0	+89.2	+144.5
Gross profit (loss)	47.2	31.2	14.1	14.7	+33.1	+235.2	(42.9)	-69.4	+90.0	-
Operating income (loss)	30.4	20.2	0.8	0.9	+29.6	-	(57.9)	-93.7	+88.3	-
Ordinary income (loss)	27.5	18.2	(5.5)	-5.7	+32.9	-	(66.1)	-106.9	+93.5	-
Net income (loss)	21.1	13.9	(7.2)	-7.5	+28.2	-	(72.3)	-117.1	+93.4	-

- ▶ Bit shipment growth: QoQ +30% / YoY +69%
- ▶ ASP change: QoQ +30% / YoY +60%

Major reasons behind the improved QoQ performance

- Higher shipments in response to greater demand
- Higher PC DRAM prices
- Cost cuts based on process migration & greater productivity

Financial Position

(Billion JPY)	Dec 31, 2009	Sep 30, 2009	Mar 31, 2009
Total assets	969.9	967.4	965.3
Cash & time deposits	110.3	123.4	113.8
Tangible fixed assets	613.9	630.8	667.4
Interest-bearing debt	546.4	556.6	567.4
Net assets	305.7	288.3	266.5
Net D/E ratio (times)	1.92	2.12	2.71
Net assets ratio	31.5%	29.8%	27.6%
A/R collection period	82 days	79 days	-
Inventory holding period	61 days	85 days	-
Operating cash flow (3 mo.)	18.6	(8.5)	-
Free cash flow (3 mo.)	(1.5)	(34.7)	-

- Soaring demand led to big cuts in inventory vs. end-Sept.
- Higher 3Q sales increased accounts receivable but improved income before income taxes and reduced inventory led to improved operating cash flow.

4Q-FY09 & FY2009 Guidance

Quarterly (Billion JPY)	3Q-FY09		4Q-FY09
	Nov. 5, 2009 Guidance	Actual	Jan 28, 2010 Guidance
QoQ bit shipment growth	10-15%	30%	0-5%
Depreciation expenses	31.0	30.5	30.5
SG&A expenses	15.0	16.7	15.5

Full year (Billion JPY)	FY2009	
	Nov 5, 2009 Guidance	Jan 28, 2010 Guidance
YoY bit shipment growth	40%+	50%+
Depreciation expenses	124.0	122.0
SG&A expenses	59.0	61.0
CAPEX	60.0	60.0



3Q-FY09 Financial Review



Business Updates

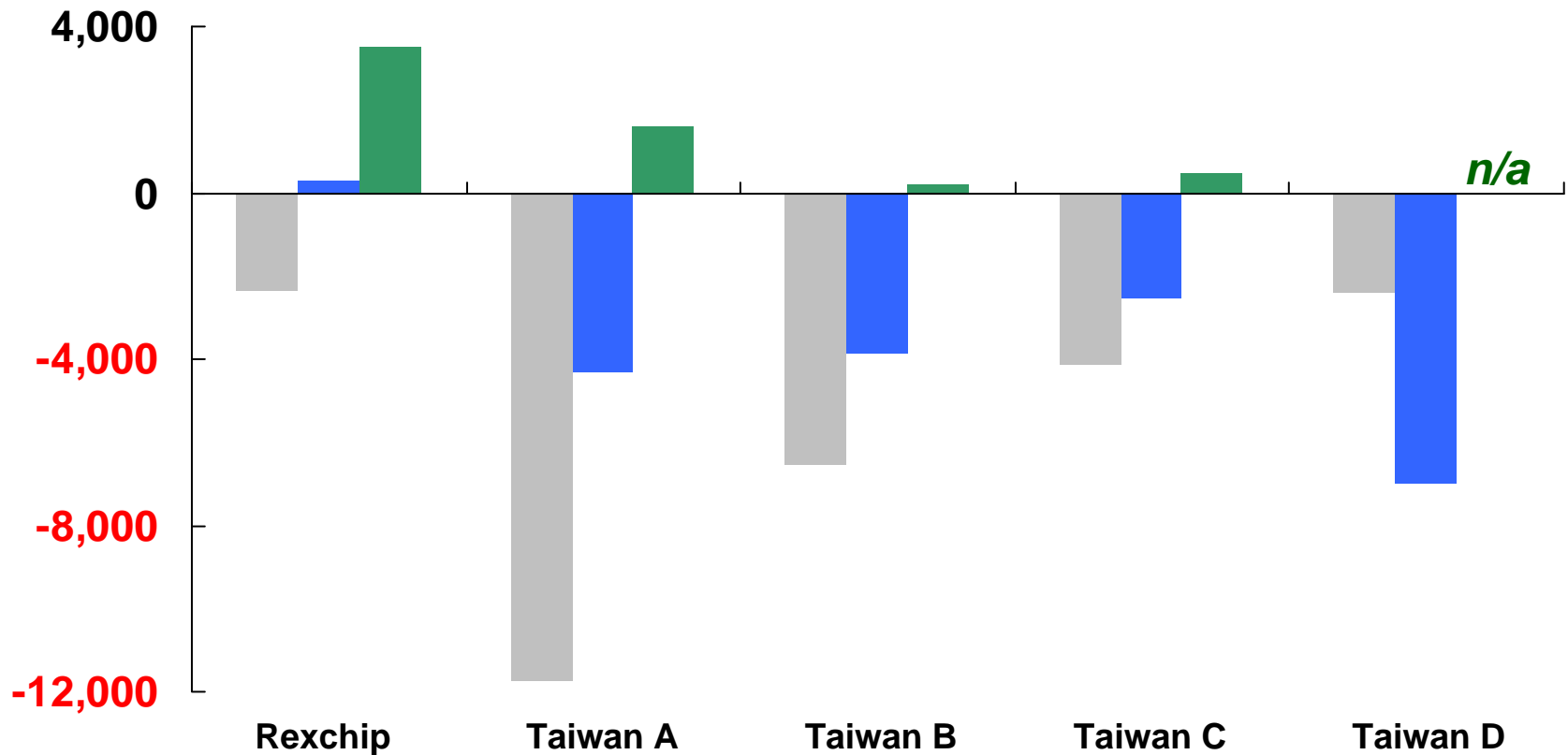
Recent Performance Comparison

Proof of Rexchip's high productivity

Net income comparison

(Million NT\$)

■ 2Q-CY09 ■ 3Q-CY09 ■ 4Q-CY09



Source: Companies' announcements

New R&D Center at Rexchip

Sharing PC DRAM-centered R&D tasks means more efficient new process start-ups!



↓ ↑
Engineers

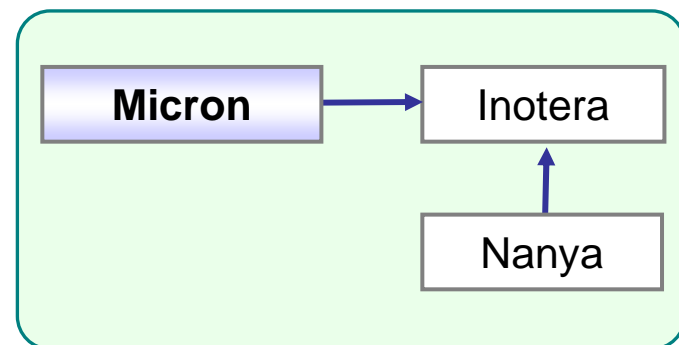
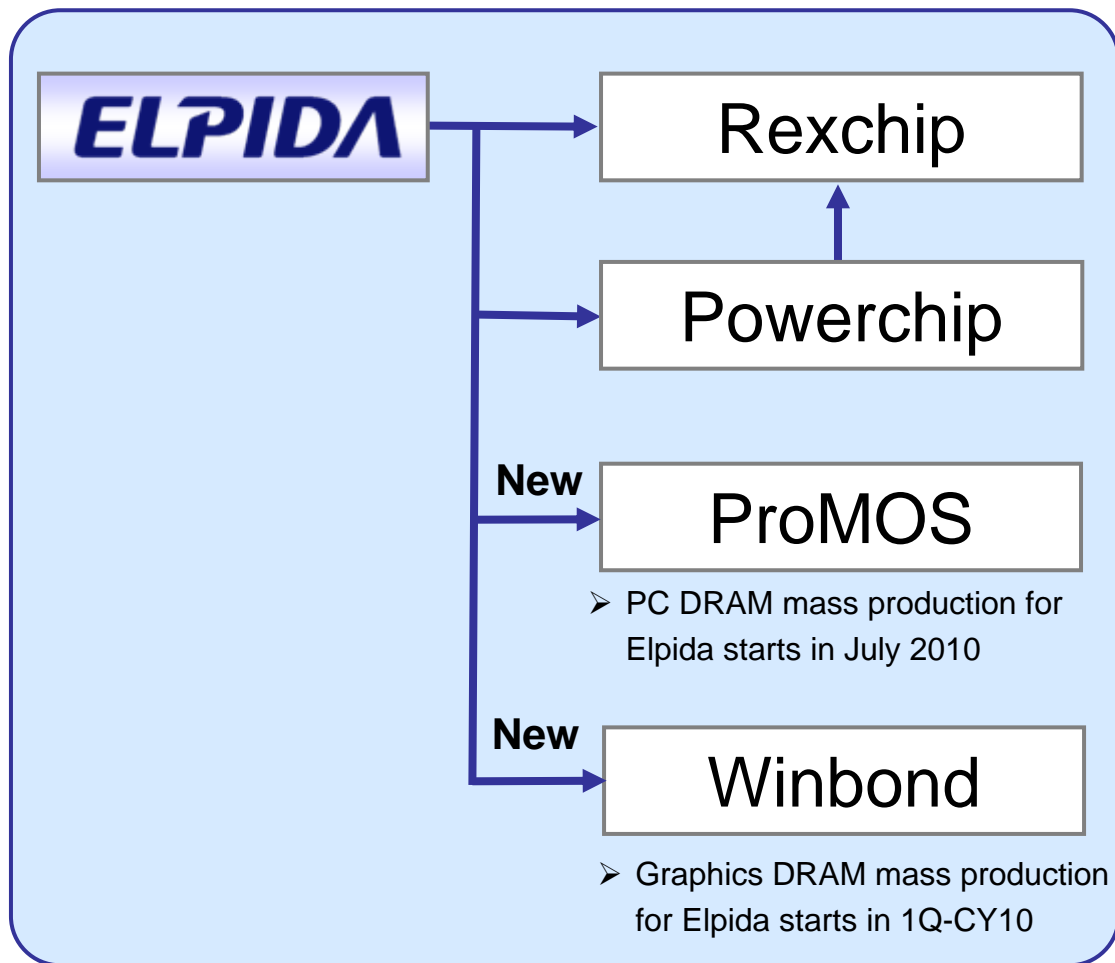


New R&D Center Plan

- ❑ Establishment: 1Q-CY10
- ❑ Location: Inside Rexchip facility
- ❑ Development: 40nm using 4F² memory cells
- ❑ Engineers: 60-80*
(consists of engineers from Rexchip, Elpida and recruitment)
- ❑ R&D expenses: \$30-50million* *Initial year estimate.

Tie-Up with Taiwan Makers

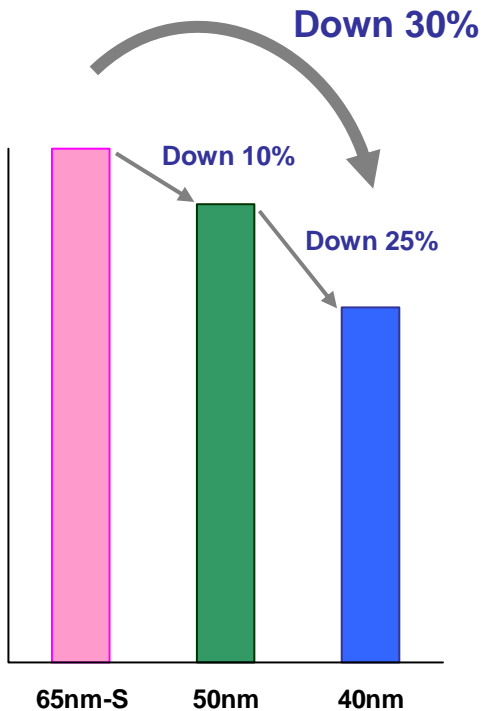
→ Outsourcing flow



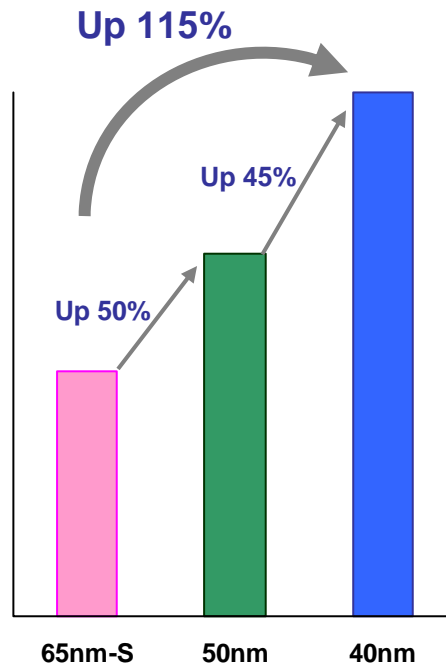
40nm Mass Production Start



Operating current



of chips/wafer



*1Gb DDR3 SDRAM comparison (for 40nm 1Gb equivalent is used)

40nm start-up schedule

❑ Dec. 2009

Wafer-in started at Hiroshima Plant.

❑ 2Q-CY10

Mass production starts at Rexchip.

❑ Migration target by end-2010

Hiroshima Plant is expected to shift 50% of mfg. capacity to 40nm.

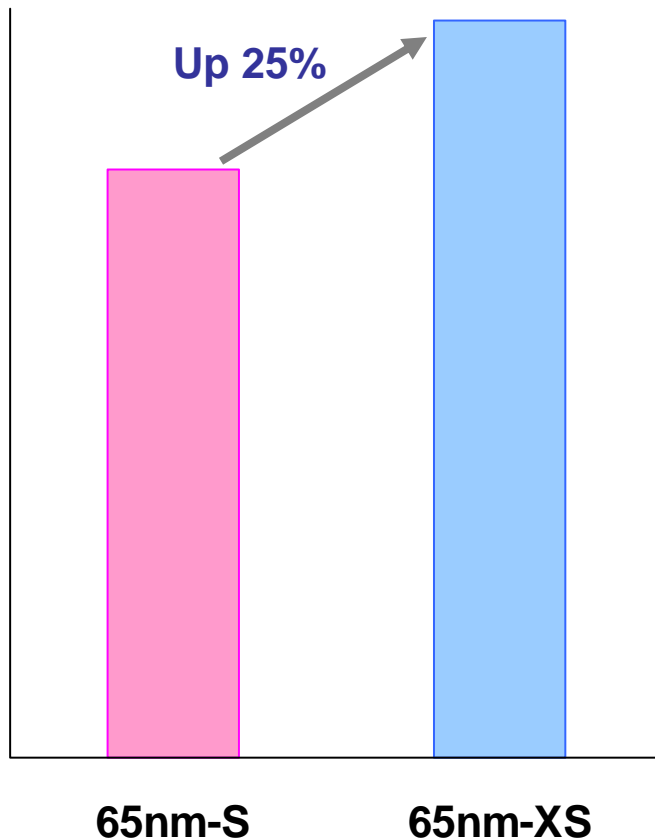
Rexchip is expected to shift 100% of mfg. capacity to 40nm.

* Elpida will transfer 40nm process technology to Powerchip, ProMOS and Winbond depending on their preparation for 40nm production & DRAM market conditions.



65nm-XS Streamlines CAPEX

of chips/wafer



* 1Gb DDR3 SDRAM comparison

65nm-XS benefits

- ✓ No additional investments in equipment required for the conversion from previous 65nm generation processes.
- ✓ 25% more chips per wafer vs. 65nm-S
- ✓ Almost the same level of manufacturing cost vs. Elpida's 50nm.

65nm-XS start-up schedule

- ✓ **1Q-CY10:**
Hiroshima Plant and Rexchip will start mass production using 65nm-XS.
- ✓ **July 2010:**
ProMOS is scheduled to start mass production using 65nm-XS.



Elpida Memory, Inc.

URL: <http://www.elpida.com>

そのDRAMは、夢と情熱で創られる。



Disclaimer

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