



FOR IMMEDIATE RELEASE

Elpida Memory Revises FY2005 Consolidated Business Results Forecast

TOKYO, JAPAN, April 18, 2006 – Elpida Memory, Inc. (Elpida), Japan’s leading global supplier of Dynamic Random Access Memory (DRAM), today announced a revised update of its full-term business results forecast for FY2005 (April 1, 2005 to March 31, 2006) that was issued on January 24, 2006.

1. Revision of FY 2005 (April 1, 2005 to March 31, 2006) consolidated business results forecast

(Billions of Yen)

	Net sales	Operating income	Ordinary income	Net income
Previous Forecast (January 24, 2006) (a)	240.0-250.0	0-(4.0)	(3.5)-(7.5)	(2.0)-(6.0)
Revised Forecast (b)	241.5	0.2-(0.2)	(3.0)-(3.4)	(4.0)-(4.4)
Change from previous forecast (b-a)	1.5-(8.5)	0.2-3.8	0.5-4.1	(2.0)-1.6
Results of FY2004 (c)	207.0	15.1	10.7	8.2

Note: Expected EPS is (41.47) – (45.61) yen.

2. Reasons for Revision

Full-term net sales are now projected to improve by about JPY35 billion year on year, which is within the range mentioned in our January 24 forecast. Regarding the 4Q, a jump in volume production made possible by a smooth October start-up of mass production at the 300mm Fab (E300) Area 2 and an increase in the volume of DRAM products purchased from our overseas foundry partner enabled a substantially higher bit growth rate of 63% for the quarter. Therefore, we now anticipate record net sales of about JPY77.5 billion in the 4Q, up 31% quarter on quarter (QoQ). Also, 4Q DRAM product sales prices fell 17% QoQ, which is slightly beyond the range of a 10-15% drop expected earlier. As a result, we now look for full-term net sales of about JPY241.5 billion.

Operating and ordinary income have improved beyond what was earlier forecast because of cost reductions made possible by a smooth October start-up of volume production at the E300 Fab Area 2 and a drop in SG&A expenses.

In addition, we expect to book an extraordinary gain (approx. JPY1.0 billion) on the reversal of an allowance allocated in FY 2004 in relation to a U.S. Justice Department investigation. We also expect to book extraordinary losses arising from U.S. antitrust lawsuits and claims (approx.

JPY2.2 billion) as well as valuation losses on both inventory (approx. JPY0.8 billion) and disposal of fixed assets (approx. JPY0.7 billion).

As a result of the foregoing, we have revised our FY 2005 consolidated business results forecast as shown in the table above.

Lastly, we plan to announce our FY 2005 business results on April 25, 2006.

Note: These above forecasts are forward-looking statements that are based on management's view from the information available at the time of this Report. These statements involve risks and uncertainties. Actual results may be materially different from those discussed in the forward-looking statements. The factors that may affect Elpida include, but are not limited to, changes in the DRAM market and industry environment, changes in technologies and design, problems related to our supply of key material and equipment, loss of or decreased demand from key customers, changes in exchange rates, general economic conditions and natural disasters. We disclaim any obligation to update or, except in the limited circumstances required by the Tokyo Stock Exchange, announce publicly any revision to any of the forward-looking statements.

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