



News Release

FOR IMMEDIATE RELEASE

Elpida Memory Announces Capital Expenditure Plan at Hiroshima Elpida Memory

TOKYO, JAPAN, June 27, 2006 - Elpida Memory, Inc. (Elpida), Japan's leading global supplier of Dynamic Random Access Memory (DRAM), today resolved at the Board Meeting a capital expenditure plan for the expansion of our manufacturing capacity at the 300mm wafer facility (E300 Fab) at Hiroshima Elpida Memory, Inc. in Hiroshima Prefecture, Japan.

The purpose and details, including purchase of Hiroshima Elpida's semiconductor manufacturing equipment in E300 Fab, for this and coming fiscal years are as follows:

1. **Purpose of the capital expenditure**

- Respond to the strong growth in demand for DRAM products used in mobile devices
- Production capacity for state-of-the-art 70nm and below process technologies

2. **Details of the capital expenditure**

E300 Fab consists of Area 1 which started construction in February 2001 and mass production in January 2003, Area 2 which started construction in June 2004 and mass production in October 2005, and Area 3 which started construction at the same time as Area 2, however, production has not yet been started. Half of Area 2 includes production facilities and equipment. At present, wafer processing capacity for Area 1 and Area 2 combined is approximately 55,000 wafers per month.

As in the Financial Report released on April 25, 2006, we have already announced a capital expenditure plan for this fiscal year to boost the wafer processing capacity up to 60,000 wafers per month. After 60,000 wafers per month, we will consider capacity expansion of up to 100,000 wafers in the following three steps:

Wafer processing capacity	Approx. Capital Expenditure	Planned completion
(1) Up to 67,000 per month	JPY 53 billion	By the end of FY2006
(2) Up to 85,000 per month (including Area 3 clean room)	JPY 145 billion	By the end of FY2007
(3) Up to 100,000 per month	JPY 108 billion	BY the end of FY2008
Total	JPY 306 billion	

Note: Depending on market conditions, capacity expansion of up to 100,000 per month might be accelerated and completed in FY2007.

About Elpida Memory, Inc.

Elpida Memory, Inc. is a manufacturer of Dynamic Random Access Memory (DRAM) silicon chips with headquarters based in Tokyo, Japan, and sales and marketing operations located in Japan, North America, Europe and Asia. Elpida's state-of-the-art semiconductor wafer manufacturing facilities are located in Hiroshima, Japan. Elpida offers a broad range of leading-edge DRAM products for high-end servers, mobile phones, digital television sets and digital cameras as well as personal computers. For more information, visit www.elpida.com.

Notice:

This press release is not an offer to sell or a solicitation of any offer to buy the securities of Elpida Memory, Inc. ("the Company") in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an exemption from such registration requirement. If any public offering of securities is made in the United States, it will be by means of a prospectus that may be obtained from the Company or any selling security holder that will contain detailed information about the Company and management, as well as financial statements. No public offering of securities will be made in the United States in connection with the above-mentioned transactions.

This document was released and distributed in Japan-only on the date of the announcement due to restrictions in the United States.

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