



FOR IMMEDIATE RELEASE

Elpida Memory Reports Preliminary Financial Results for FY2006

TOKYO, JAPAN, April 10, 2007 – Elpida Memory, Inc. (Elpida), Japan’s leading global supplier of Dynamic Random Access Memory (DRAM), today reported the preliminary financial results for fiscal year 2006 ended March 31, 2007. Final figures are expected to be reported on April 24, 2007.

1. FY 2006 (April 1, 2006 to March 31, 2007) preliminary consolidated business results

(Millions of Yen)

	Net Sales	Operating income	Ordinary income	Net income
Preliminary FY 2006 Results (a)	490,000	68,000	63,000	53,000
FY 2005 Results (b)	241,554	144	(3,076)	(4,708)
Increase/decrease, yen (a-b)	248,446	67,856	66,076	57,708
Increase/decrease (%)	103%	–	–	–

2. Overview of preliminary results

In reviewing FY 2006 we have already announced that through the 3Q the volume of DRAM shipments continued to see major growth and that prices remained at high levels. As a result the 3Q itself showed continued record sales and earnings. But in the 4Q, despite an even higher product shipment volume made possible by gains in productivity and lower costs, a steep drop in PC DRAM prices led to mostly flat sales, while earnings have suffered a QoQ decline.

Our guidance for the 4Q06, FY 2006 full-term key estimates announced on January 25, 2007 and our newest 4Q/full-term estimates are as follows:

Key estimates

(Billions of Yen)

	4Q-FY 2006		FY 2006	
	January 25 (Previous)	April 10 (New)	January 25 (Previous)	April 10 (New)
QoQ bit growth rate	20%	40%	150%	170%
QoQ ASP change	n/a	(30%)	–	–
Depreciation cost	23.0	22.0	80.0	78.0
SG&A	15.0	15.0	55.0	55.0
Outsourced sales ratio	35-40%	30%	–	–

Note: Figures in the table are approximations.

-- Bit growth rate: Expected to be 40% QoQ, which is much larger than the 20% increase forecast on January 25. The main reason for the higher figure is that a rise in productivity at our manufacturing subsidiary (Hiroshima Elpida) led to greater output. In addition, we increased shipments to meet higher demand for white box PC manufacturing, which rose following a decline in PC DRAM prices.

-- Average selling prices (ASP) change: Elpida's blended ASP for the 4Q appears to have declined by around 30% due to significant price erosion for PC DRAMs and changes in the product mix.

-- Outsourced sales ratio: Elpida outsources the majority of its PC DRAM production to overseas foundries. Because of a significant decline in PC DRAM prices, the sales ratio of outsourced products appears to have fallen.

As a result, sales and earnings in each quarter of FY 2006 appear to have surpassed quarterly highs recorded in any previous business year (previous highs were net sales of 77,030 million yen in 4Q FY 2005 and operating income of 5,639 million yen in 3Q FY 2004). For the full term net sales appear to have slightly more than doubled YoY while operating income looks to have jumped from last year's 140 million yen to 68 billion yen. Furthermore, for the full term ordinary income and net income are likely to overcome the previous term's losses to find their way into the black. Also, we anticipate a full-term bit growth rate of approximately 170%.

In the 1H of FY 2007 prices for PC DRAMs can be expected to remain at low levels. Elpida will continue its efforts to reduce costs by increasing production based on 70 nanometer process technology and by improving yields and productivity to cope with severe market conditions.

Details about final business results are scheduled to be announced on April 24.

<Reference>

Quarterly results for FY2006

(Millions of Yen)

	Net sales	Operating income	Ordinary income	Net income
First quarter	92,098	9,138	7,375	6,605
Second quarter	111,147	17,082	16,390	12,919
Third quarter	142,609	27,268	26,586	24,934
For the nine-month period	345,854	53,488	50,351	44,458

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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