



FOR IMMEDIATE RELEASE

Elpida Memory Reports Preliminary Financial Results for the 1H of FY2007

TOKYO, JAPAN, October 19, 2007 – Elpida Memory, Inc. (Elpida), Japan's leading global supplier of Dynamic Random Access Memory (DRAM), today reported the preliminary financial results for the 1H of fiscal year 2007 ended March 31, 2008. Final figures are expected to be reported on October 24, 2007.

1. 1H FY 2007 (April 1, 2007 to September 30, 2007) preliminary consolidated business results

(Millions of Yen)

	Net Sales	Operating income	Ordinary income	Net income
Preliminary 1H FY2007 Results (a)	221,000	10,000	4,000	18,000
1H FY2006 Results (b)	203,245	26,220	23,765	19,524
Increase/decrease, yen (a-b)	17,755	(16,220)	(19,765)	(1,524)
Increase/decrease (%)	8.7	(61.9)	(83.2)	(7.8)
<Reference> 1Q FY2007 Results	109,482	3,743	3,736	14,554

2. Overview of preliminary results

In a repeat of the 1Q07 performance, DRAM prices in the 2Q07 continued to decline. In the July-September period (Elpida's 2Q07) the spot price for DDR2 SDRAM, a leading PC DRAM product, fell to around \$US2, down from just above US\$2 in the April-June period and from above US\$5 in the July-September period last year (spot price information courtesy of DRAMeXchange). Despite strong DRAM demand from major PC makers in the 2Q, contract prices continued to fall on account of being dragged down by weakness in spot prices that was the result of a hike in supplies from DRAM makers and inventory releases by some DRAM makers, module makers and distributors.

Given this pricing environment and an increase in shipment volume (bit shipments rose 113% YoY and 8% QoQ), 2Q sales are unlikely to change much YoY and QoQ. Elpida anticipates a YoY decline in operating income given that DRAM prices were much stronger a year ago. But on a QoQ basis, operating income is likely to rise by about 65% due to a higher gross profit margin made possible by improved productivity.

In the area of non-operating expenses, Elpida expects an approximate 3.1 billion yen investment loss under the equity method (mainly on account of the Rexchip Electronics Corp. manufacturing joint venture) and a 2.6 billion yen forex loss.

In the 2H 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 as well as focus on expanding DRAM sales for mobile and digital consumer devices, both of which should support our financial performance.

<Reference>

Quarterly results for FY2006

(Millions of Yen)

	Net sales	Operating income	Ordinary income	Net income
2Q FY2006	111,147	17,082	16,390	12,919
1Q FY2006	92,098	9,138	7,375	6,605

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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