



FOR IMMEDIATE RELEASE

Elpida Memory Reports Fiscal 2007 Preliminary Financial Results

TOKYO, JAPAN, April 18, 2008 – Elpida Memory, Inc. (Elpida), Japan's leading global supplier of Dynamic Random Access Memory (DRAM), today reported the preliminary financial results for the fiscal year 2007 ended March 31, 2008. The company announced these preliminary results pursuant to Tokyo Stock Exchange's requirement. Final figures are expected to be reported on April 25, 2008.

1. FY 2007 (April 1, 2007 to March 31, 2008) preliminary consolidated business results

(Millions of Yen)

	Net Sales	Operating income	Ordinary income	Net income
Preliminary FY 2007 Results (a)	405,000	(25,000)	(40,000)	(24,000)
FY 2006 Results (b)	490,039	68,420	63,636	52,943
Increase/decrease, yen (a-b)	(85,039)	(93,420)	(103,636)	(76,943)
Increase/decrease (%)	(17%)	–	–	–
9 mo. ended Dec. 31, 2007	315,084	943	(8,943)	5,699
9 mo. ended Dec. 31, 2006	345,854	53,488	50,351	44,458

2. Overview of preliminary results

Prices for Computing DRAM products (for PCs and servers) remained high in 2006 but from January 2007 began falling rapidly. As of December 2007 the spot price for DDR2 SDRAM, a leading PC DRAM product, had declined by more than 80% in 12 months.

In the fourth quarter (4Q) of fiscal year 2007, market pricing conditions failed to recover, sending the company's selling prices even lower. Also the sales volume of high-value added products decreased. Thus, even though the bit shipments increased largely the company estimates quarterly net sales of 90 billion yen (down 5% QoQ, down 40% YoY approximately). The QoQ bit shipment growth was 33% for the quarter (above our forecast of 20%), a result of a better than expected manufacturing volume and yields at the company's Taiwan-based manufacturing joint venture, Rexchip Electronics Corporation.

Elpida reported a 4Q operating loss of around 26 billion yen, compared to an operating loss of 8.9 billion yen for the previous quarter. Based on an increase in the production on the 70nm process node per-chip costs were significantly lower, but the drop in the above-mentioned PC DRAM selling prices, changes in the product mix and yen appreciation all contributed to a drop in gross profit. Average selling price (ASP) for Elpida's DRAM products fell 26% QoQ mainly as a result of an increase in the PC DRAM sales volume. The company recognized an inventory write-down of slightly less than 5 billion yen. Also, in regard to accounts receivable whose collection is doubtful the company plan to create a 2.6 billion yen allowance for doubtful accounts.

As a result, for the FY 2007 full term the company estimates net sales of 405 billion (down approximately 17% YoY), an operating loss of 25 billion and an ordinary loss of 40 billion. After accounting for the 22 billion yen sale of Hiroshima 200mm wafer fab equipment in the 1Q, the company estimates net losses of around 24 billion yen.

The financial results reported today should be considered preliminary until Elpida files “*Kessan Tanshin*” for fiscal year 2007 with the Tokyo Stock Exchange on April 25, 2008.

About Elpida

Elpida Memory, Inc., (Tokyo Stock Exchange Code 6665), is a leading manufacturer of Dynamic Random Access Memory (DRAM) integrated circuits. The company’s design, manufacturing, and sales operations are backed by world class technology expertise. Its manufacturing facilities, Hiroshima Plant and a Taiwan-based joint venture Rexchip Electronics (wafer processing) as well as Akita Elpida Memory (packaging and testing), utilize the most advanced manufacturing technologies available. The company currently has customer sales and marketing support offices in Japan, North America, Europe Taiwan, Hong Kong and Singapore. Elpida’s advanced portfolio features such characteristics as high-density, high-speed, low power and small packaging profiles. The company provides DRAM solutions across a wide range of applications, including high-end servers, mobile phone and digital consumer electronics. More information can be found at <http://www.elpida.com>.

Elpida Press Contacts:

Kumi Higuchi
Corporate Communication Group
Elpida Memory, Inc. (Japan)
Tel: +81-3-3281-1648
E-mail: press@elpida.com

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