Notice of Construction of New Semiconductor Fabrication Facility

TOKYO--Toshiba Corporation (TOKYO: 6502) today announced that the company's board of directors, meeting today, has decided on a construction and equipment investment plan for a new fabrication facility for expanded production of BiCS FLASH™, its proprietary 3D flash memory, on land adjacent to the Yokkaichi Operations memory production complex in Mie prefecture.

1. Purpose of the New Fabrication Facility

NAND flash memory is a driving force in data storage, with extensive applications ranging from smartphones, tablets and other personal digital equipment to an increasingly important role in enterprise computing and datacenters. Production of BiCS FLASH™ requires a new clean room with dedicated equipment for the 3D process. The New Fab 2 building, which will be fully completed in the first half of FY2016, will initially provide this space. In order to meet future growth in demand for flash memory, Toshiba needs to construct an additional clean room for 3D flash memories.

In light of the foregoing, the Board of Directors decided on a construction and equipment investment plan for the new fabrication facility, with an estimated cost of approximately 360 billion yen from FY2016 to FY2018. Precise decisions on the construction schedule and facility investment for the new facility will be made in FY2016, in line with market trends, with production expected no earlier than CY2018. Toshiba expects to continue its JV operation with SanDisk in expanding BiCS FLASH™ capacity in the new facility.

Toshiba positions the memory business as a core business, and will continue to make focused investments that enhance its market competitiveness.

2. Future Outlook

Precise decisions on the construction schedule and facility investment for the new facility will be made in FY2016, in line with market trends.

As the facility construction costs will begin in FY2016, there will be no impact on Toshiba’s consolidated financial forecast for FY2015 announced on February 4, 2016.

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