FOR IMMEDIATE RELEASE

Update on Toshiba Memory Corporation's Investment
in Production Equipment for Fab 6 at Yokkaichi Operations

TOKYO— Toshiba Corporation today announced that Toshiba Memory Corporation (TMC), a wholly-owned subsidiary that manufactures Flash memory, will unilaterally invest in manufacturing equipment for the Fab 6 clean room at Yokkaichi Operations.

As Toshiba announced in its June 28, 2017 release, "Toshiba Memory Corporation to Invest in Manufacturing Facilities for Fab 6 at Yokkaichi Operations," the company negotiated with SanDisk on a joint investment in the manufacturing equipment, but failed to reach agreement. Accordingly, TMC will move forward with a unilateral investment in Phase-1 of Fab 6 that will equip the clean room to handle TMC's next-generation 96-layer BiCS FLASH™ memory, and allow TMC to meet demand growth in coming years.

TMC will invest approximately 195 billion yen in Fab 6 in FY2017, covering the installation of manufacturing equipment for 96-layer BiCS FLASH™ memory in the Phase-1 clean room, and the construction of Phase-2. TMC calculates that proceeding unilaterally with the installation of manufacturing equipment in Fab 6 will require it to increase its funding by 15 billion yen against its initial estimate. Installation is expected to begin as early as December, 2017.

Demand for TMC's next generation BiCS memory devices is expected to increase significantly due to growing demand for enterprise SSDs in datacenters, SSDs for PCs, and memory for smartphones; TMC expects this strong market growth to continue in 2018. TMC's investment timing will position it to capture this growth and to expand its business. TMC intends to increase the output of 3D NAND at Yokkaichi to approximately 90% of its capacity in FY2018, and will continue to make timely investments to expand operations.

This decision to move forward with a unilateral investment in Fab 6 does not impact production for the memory business, as Toshiba Memory produces the memory. Nor does it impact the various contracts related to development.

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