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**FOR IMMEDIATE RELEASE**

November 29, 2011

**Toshiba to Reorganize Japanese Semiconductor Production Facilities  
for Discrete and Analog and Imaging ICs**

TOKYO—Toshiba Corporation (Tokyo: 6502) today announced a reorganization of its semiconductor production facilities in Japan that will reinforce the operating structure and profitability of the discrete, analog and imaging IC businesses.

The reorganization will concentrate the front- and back-end production processes of six discrete semiconductor facilities into three major facilities: Himeji Operations-Semiconductor (Ibo-gun, Hyogo prefecture); Kaga Toshiba Electronics Corporation (Nomi, Ishikawa prefecture); and Buzen Toshiba Electronics Corporation (Buzen, Fukuoka prefecture).

In parallel with this, production will be phased out at three facilities during the first half fiscal year of 2012: Kitakyushu Operations (Kitakyushu, Fukuoka prefecture) and Hamaoka Toshiba Electronics Corporation (Omaezaki, Shizuoka prefecture), which carry out front-end production of optical semiconductors; and Toshiba Components Co., Ltd. (Mobara, Chiba prefecture), an assembly facility for power semiconductors.

Concentration of domestic production of discrete products at three major facilities will allow Toshiba to strengthen cost competitiveness and focus on higher value added products.

Following the reorganization, Himeji Semiconductor Operations will continue to strengthen its function as a development center for power semiconductors and small signal devices. Kaga Toshiba Electronics Corporation, as a main facility for the power semiconductor front-end process, will increase capacity on its current 8-inch wafer product line and expand production to include the front-end process for optical semiconductors.

Buzen Toshiba will assume the new function of development center for assembly and packaging technologies for optical semiconductors. It will increase consignment to overseas pursuing cost competitiveness, and its production will be limited to focused products.

In the analog and imaging IC businesses, Toshiba will continue to promote a shift to production on larger wafers to improve manufacturing efficiency and cost competitiveness. Oita Operations will halve production on its 6-inch wafer line during the first half of fiscal year 2012.

Toshiba has been implementing a series of measures to restructure and strengthen its discrete and analog and imaging IC businesses, including accelerating the transfer of assembly and test operations to overseas facilities, outsourcing, shifting to larger diameter wafer production lines and halving its product line-up. The latest measure will secure asset reduction through concentration of production facilities and further strengthen cost competitiveness by boosting productivity.

Regular employees at the affected facilities will, in principle, be redeployed within Toshiba Group.

■ Reorganization of domestic semiconductor production facilities

Now (up to the 1 <sup>st</sup> half of 2012)		After reorganization (after the 2 <sup>nd</sup> half of 2012)	
Factories	Products	Factories	Products
Himeji	Front end process Power semiconductors Small signal devices	Himeji	Front end process Power semiconductors Small signal devices
Kaga	Front end process Power semiconductors Small signal devices Back end process Small signal devices	Kaga	Front end process Power semiconductors Small signal devices Optical semiconductors Back end process Small signal devices
Buzen	Back end process Small signal devices Optical semiconductors	Buzen	Back end process Small signal devices Optical semiconductors
Kitakyushu	Front end process Optical semiconductors		
Hamaoka	Front end process Optical semiconductors		
Toshiba Components	Back end process Power semiconductors		

In addition to the above, Toshiba is responding to the current economic slowdown and fall in demand for consumer products, most notably for PCs and TVs in Europe and the United States, by cutting production at some of its semiconductor facilities from late November 2011 to early January 2012.

Production will be affected at six facilities in all: three Toshiba Corporation facilities—Oita Operations, which produces analog semiconductors and image sensors; Himeji Operations-Semiconductor, which produces discrete semiconductors; and Kitakyushu Operations, which produces optical semiconductor devices—and three Toshiba Group companies, Iwate Toshiba Electronics, which produces ASICs and MCUs; and Kaga Toshiba Electronics and Hamaoka Toshiba electronics, which produces discrete semiconductors.

Temporary reductions in working and operating hours will give Toshiba the flexibility it needs to respond to the fall off in demand for consumer products. The company will monitor the market and demand to make optimum decisions on its operations and production levels after the turn of the year.

The affected facilities and the scheduling are as below.

Oita Operations;

6-day shutdown during Year-end and New-Year's Holidays (Dec.30-Jan.4) plus decrease in production

Himeji Operations – Semiconductor;

Approx. 2-week shutdown including Year-end and New-Year's Holidays (Dec.29-Jan.5)

Kitakyushu Operations;

Approx. 2-week shutdown including Year-end and New-Year's Holidays (Dec.29-Jan.5)