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**Toshiba Completes Acquisition of HDD Manufacturing Equipment
and Transfer of HDD Manufacturing Facility**

TOKYO--Toshiba Corporation (Tokyo: 6502) today announced that it has completed the acquisition of certain 3.5-inch HDD manufacturing equipment and related intellectual property from Western Digital Corporation (NYSE: WDC) and the transfer to Western Digital of all shares of Toshiba Storage Device (Thailand) Co., Ltd.

The acquisition positions Toshiba to start sales of 3.5-inch HDD for desktop PCs and DVD recorders and to enhance supply of near-line^[1] HDDs for servers, a market segment that is expected to grow with the server market.

Going forward, Toshiba's consolidation of HDD production at two manufacturing facilities in the Philippines and a contract manufacturer in China will allow the company to strengthen its cost competitiveness by boosting manufacturing efficiency.

Having completed this reinforcement of its HDD operations, Toshiba aims to double sales in the business to 800 billion yen in fiscal year 2014.

^[1] Note: Near-line storage supports large-capacity storage while on-line storage supports frequent data access and retrieval. Near-line storage employs HDD offering even higher reliability than those used in desktop PCs applications.

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