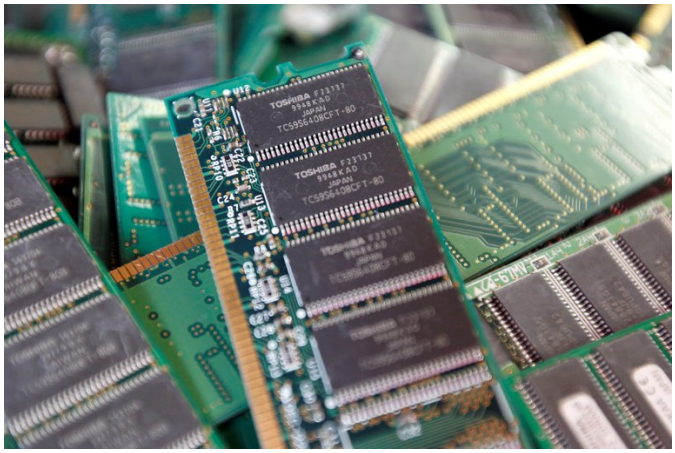
Following months of dispute Western Digital and Toshiba finally kiss and make up through an agreement to "strengthen and extend their relationship"-- specifically through a joint investment in the Fab 6 facility in Yokkaichi, Japan.



The legal dispute came about a year ago, after Toshiba decided to put its prized memory business (the Toshiba Memory Corporation, aka TMC) on sale following massive losses suffered by its nuclear power subsidiary. WD objected to the sale, claiming its consent was required due to its May 2016 acquisition of SanDisk, which included half of the Toshiba-SanDisk partnerships in NAND flash memory manufacture.

May 2017 saw WD start legal arbitration proceedings against Toshiba. In turn Toshiba filed a lawsuit against WD in Japanese courts, claiming unfair competition and mishandling of trade secrets. The situation between the two companies only got more bitter from that point, making things worse for a Toshiba eager for the capital the sale of TMC would bring.

Eventually, in September 2017, Toshiba managed to sell TMC to a Bain Capital-led consortium bringing together the likes of Apple, Seagate, Dell and SK Hynix. The deal is worth $18 billion, and was signed off by WD a month later.

The WD-Toshiba agreement involves WD investing $950m in the 2nd phase of the Fab 6, a facility dedicated to the production of BiCS Flash, the next generation of 3D flash memory. The two companies will also extend partnership agreements until 2029, as well as jointly build a new flash wafer fab in Iwate, Japan.

"With the concerns about litigation and arbitration removed, we look forward to renewing our collaboration with WD, and accelerating TMC's growth to meet growing global demand for flash memory," Toshiba says. "This will ensure that TMC has the resources it needs to continue to innovate and deliver for a fast-growing flash memory market, particularly in areas driven forward by advances in AI and IoT."

Now Toshiba just has to wait for approval from the relevant Japan authorities before the TMC sale takes place.

Go Toshiba and WD Reach Global Settlement and Agree to Strengthen Flash Memory Collaboration