

Toshiba to spend billions on new chip factory: report

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The logo of Japanese firm Toshiba is seen in central Tokyo. The company plans to spend almost nine billion dollars to build a new factory producing memory chips for mobile telephones, cameras and other electronics, a report said Wednesday.

Japan's Toshiba plans to spend almost nine billion dollars to build a new factory producing memory chips for mobile telephones, cameras and other electronics, a report said Wednesday.

The Japanese electronics giant aims to be the top supplier of NAND flash memory chips with the 800-billion-yen (8.9-billion-dollar) factory in Mie prefecture in western Japan, the Nikkei business newspaper said without citing sources.

Construction of the plant will begin as early as mid-2010, with Toshiba aiming to start production in the first half of next year, the Nikkei said.

In a brief statement, Toshiba said it was still considering how much to invest and when to start building the plant.

"We will carefully analyse the market conditions before reaching our decision," Toshiba said.

Toshiba's memory chip business, previously a drag on earnings, has staged a sharp recovery on surging global demand for flash memory chips often used for mobile gadgets and other high-tech digital products such as iPods.

As a result, the company has decided to partially resume plans, frozen due to the [economic crisis](#), to build new factories, the Nikkei said.

The new plant is expected to almost double Toshiba's monthly NAND production capacity from about 260,000 wafers to about 500,000, making it the top maker of the chips, ahead of South Korea's [Samsung Electronics](#), it said.

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