

By: ~~April 2008~~ Botezatu, Hardware Editor

## [Micron and Nanya, Hand in Hand for Memory Joint-Venture](#)

*Joint ventures are all about splitting the R&D costs*

Memory manufacturers Micron and Nanya have announced that they signed an agreement to form a new DRAM joint venture, called MeiYa Technology Corp. This will combine the two companies' experience on the DRAM market and is expected to open new opportunities in DRAM chips manufacturing. The two companies will join both their intellectual property and fabrication facilities. Nanya's Taiwanese manufacturing facility running at 200mm will be upgraded with 300mm wafers in order to increase productivity. However, during the upgrading process, the fab will be shut down until 2009. "This partnership brings greater scale and efficiency to the DRAM manufacturing operations of both parent companies, and Micron is pleased to officially enter into this joint venture with Nanya," said Mark Durcan, Micron's president and chief operating officer. According to the agreement, each of the two companies will get 50 percent of the joint venture. Both Micron and Nanya will contribute \$550 million in cash until the end of the next year, as an initial investment. Despite the early announcement, the transaction is expected to close later this year, after its terms have been analyzed and approved by the Taiwanese regulatory authorities. Memory joint ventures are extremely common, due to the fact that manufacturing companies would team up to share the huge research and development costs, rather than investing all the money by themselves. Joint ventures would split the R&D costs, then use the manufacturing capacities more efficiently. Nanya is already involved in another joint venture with the Germany-based Qimonda. At the moment, Micron is not part of any other DRAM joint-venture, but it is the co-owner of the IM-Flash business in partnership with Intel. "We are sure that MeiYa will demonstrate the synergistic combinations of Nanya and Micron's strength in the DRAM industry. Nanya has a very high expectation for this new entity," said Dr. Jih Lien, Nanya's president.