

**HITACHI, INGENTIX, MATSUSHITA, SANDISK AND TOSHIBA  
DEVELOP NEW MOBILE COMMERCE SECURITY STANDARD  
FOR FLASH MEMORY CARDS**

***New Standard Will Enable the Flash Memory Cards To***

***Be Used For Secure Shopping And Banking***

**MUNICH, GERMANY, TOKYO/OSAKA, JAPAN/ SUNNYVALE, CA, USA, July 25, 2002** – Hitachi, Ltd. (TSE6501/NYSE:HIT), Ingentix GmbH & Co. KG/Ltd., Matsushita Electric Industrial Co., Ltd.(Panasonic), (TSE:6752/NYSE: MC), SanDisk Corporation (NASDAQ: SNDK) and Toshiba Corporation (TSE:6502), today announced the creation of the Mobile Commerce (hereinafter MC) Extension Standard for the flash memory cards. This new MC Extension Standard will enable the implementation of security functions in addition to the standard memory features that are already supported by such cards. Adding these security capabilities will enable the flash memory cards to be used in new applications, such as: secure data transfer, content purchase and electronic payment.

Officials of the five companies, known as the 5C, believe that implementation of the new MC Extension Standard would also enable flash memory cards usage for stock trading, storage of personal medical records, and the purchase of entertainment content, like music and video. They noted that the new security features could be the driving force to expand the memory card market which last year saw worldwide sales of some 45 million flash memory cards, according to market researchers at International Data Corp. (IDC). Flash memory cards are mainly used today to capture and store digital photos, digital video, data and audio. IDC forecasts that the worldwide flash card market, which totaled about \$920 million in 2001, will grow to \$2.6 billion in 2006.

The new set of security features, which can be used with such popular flash memory cards as CompactFlash<sup>®</sup>, SD<sup>™</sup> Memory Card, MultiMediaCard<sup>™</sup> and others, is called the Mobile Commerce (MC) Extension Standard. This standard is independent of specific card specifications (physical dimensions, form factor, electrical specifications, etc.) as defined by various card standard organizations or card manufacturers. It is also independent of operating systems and therefore can be used on a wide range of devices.

The standard outlines how the security features can be implemented in flash memory cards. The new standard will be promoted and licensed in the open market so that card standard organizations, card manufacturers and device vendors can use it for the implementation of their products. It is expected that complete standard specifications and licensing documents will be available to the public by October, 2002.

“Security features in flash cards are imperative as flash cards are getting more popular and are being widely adopted in several applications ranging from mobile phones to PDAs and personal computers,” said Jurgen Hammerschmitt, CMO of Ingentix. “The common security standard of Hitachi, Ingentix, Matsushita, SanDisk and Toshiba will place flash cards far ahead of competitive solutions integrating the highest security functionality with mass storage capability in a single card.”

Masahiro Yamamura, Director of Memory BU, Semiconductor Integrated Circuits, Hitachi, Ltd., said, “Memory card is no more only storage device by the M-Commerce extension specification. The secure memory card which is integrated by this common standard provides the simple ubiquitous life to all consumers. We expect many memory card committees and manufacturers to consider the M-commerce extension specification and adopt it to the products and the card standard.”

Yoshiaki Kushiki, Managing Director in charge of multimedia and software technologies of Matsushita Electric (Panasonic) said, “Panasonic believes that the higher security technology for mobile e-commerce will be needed in the ubiquitous networked society that we now see taking shape. Together with the expansion of mobile e-commerce thanks to the penetration of mobile phones and mobile terminals in our daily lives, Panasonic expects that the more secure storage that will grow out of this standard will pave the way for the expansion of virtual payments and other time-saving benefits for consumers.”

Eli Harari, President and CEO of SanDisk, said, “Flash memory cards are becoming ever more prevalent in digital consumer electronics, cell phones, mobile computing and Internet access devices. The new Mobile Commerce Security specification developed by the 5C companies provides for the first time an industry standard for the implementation of exceptionally high levels of personal security in flash storage cards. This will make it possible for such storage cards to secure the transfer of downloaded content such as music and movies as well as personal information that is stored today in electronic smart cards, including financial, medical, personal identification and other secure personal records. We are very excited about this specification which we believe will help to accelerate the widespread adoption of flash storage cards in this decade.”

Junichi Kishida, Senior Manager of the File Memory Marketing & Promotion, Memory Division at Toshiba’s Semiconductor Company said, “In the rapidly growing mobile Internet market and the emerging ubiquitous networking industry, the five companies’ standardization of MC Extension Standard is expected to enhance distribution of e-commerce-based services and contents, and to support development of new markets and applications. In addition to providing copyright protection for current memory cards, the standard reinforces memory card security by supporting personal identification, a feature that will contribute to expansion of the memory card market. This new standard will be applied to mobile products such as mobile phones and PDAs and co-exist with IC cards.”

**About Hitachi**

Hitachi, Ltd., headquartered in Tokyo, Japan, is a leading global electronics company, with approximately 320,000 employees worldwide. Fiscal 2001(ended March 31, 2002) consolidated sales totaled 7,994 billion yen (\$60.1 billion). The company offers a wide range of systems, products and services in market sectors, including information systems, electronic devices, power and industrial systems, consumer products, materials and financial services. For more information on Hitachi, please visit the company's Web site at <http://global.hitachi.com>.

**About Ingentix**

Ingentix is a joint venture between Infineon Technologies AG, Germany, and Saifun Semiconductors, Israel. The semiconductor company makes flash memory-based mass-storage products using the revolutionary Saifun NROM™ technology. The initial product offerings by Ingentix include high-density stand alone flash chips, MultiMediaCards and secure MultiMediaCards, in which the companies unique controller implements security features. Additional information at: <http://www.ingentix.com>  
Ingentix sells its products via Infineon Technologies AG sales channels.

**About Matsushita**

Matsushita Electric Industrial Co., Ltd., best known for its Panasonic brand, is a worldwide leader in the development and manufacture of electronics products for a wide range of consumer, business, and industrial needs. Based in Osaka, Japan, the company recorded consolidated sales of US\$51.70 billion for the fiscal year ended March 31, 2002. In addition to stock exchanges in Tokyo and elsewhere in Japan, Matsushita's shares are listed on the Amsterdam, Dusseldorf, Frankfurt, New York, Pacific, and Paris stock exchanges. Additional information is available at: <http://www.panasonic.co.jp/global/top.html>.

**About SanDisk**

SanDisk, the world's largest supplier of flash data storage products, designs, manufactures and markets industry-standard, solid-state data, digital imaging and audio storage products using its patented, high density flash memory and controller technology. SanDisk is based in Sunnyvale, CA. More information is available at <http://www.sandisk.com>

### **About Toshiba**

Toshiba Corporation is a leader in information and communications systems, electronic components, consumer products, and power systems. The company's integration of these wide-ranging capabilities assures its position as a leading company in semiconductors, LCDs and other electronic devices. Toshiba has 176,000 employees worldwide and annual sales of over US\$40 billion. Visit Toshiba's website at <http://www.toshiba.co.jp/index.htm>.

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The matters discussed in this news release contain forward looking statements that are subject to certain risks and uncertainties as described under the caption, "Factors That May Affect Future Results" in SanDisk's annual report on Form 10-K and quarterly reports on Form 10-Q, filed with the Securities and Exchange Commission. The companies assume no obligation to update the information in this release.

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