

September 28, 2017  
Toshiba Corporation

FOR IMMEDIATE RELEASE

**Notice on the Signing of a Share Purchase Agreement**  
**with a Bain Capital-Led Consortium**  
**for the Sale of Toshiba Memory Corporation**

TOKYO— Toshiba Corporation’s Board of Directors (TOKYO: 6502) (Toshiba), as announced on September 20, 2017, “Notice on the Sale of Toshiba Memory Corporation,” has approved the sale of all shares of Toshiba Memory Corporation (TMC), a wholly owned subsidiary of Toshiba, to K.K. Pangea (Pangea), a special purpose acquisition company formed and controlled by a Bain Capital Private Equity, LP (including its affiliates, Bain Capital)-led consortium (the Consortium). Today, Toshiba has entered into a Share Purchase Agreement (SPA) with Pangea. An outline of the agreement follows.

**1. Names of Seller and Purchaser**

Seller: Toshiba Corporation      Purchaser: K.K. Pangea

**2. Target Shares**

All shares of TMC

**3. Purchase Price**

Two trillion yen

This amount is based on estimated debt, working capital, and capital expenditures by Toshiba and TMC. Any discrepancy with actual figures will be addressed by a purchase price adjustment determined after the closing of the share purchase.

If the shares held by Toshiba in three joint venture entities\* are not transferred to TMC, the estimated value of such shares in the joint ventures as of the end of the month before closing will be deducted as a purchase price adjustment.

\*Flash Partners, Ltd., Flash Alliance, Ltd. and Flash Forward, Ltd. are three joint ventures between Toshiba, SanDisk LLC, a subsidiary of Western Digital Corporation, and certain SanDisk subsidiaries for the joint investment in equipment used at TMC’s Yokkaichi facilities in the production of NAND Flash Memory.

**4. Outline of Investment in Pangea**

Pangea will fund the acquisition of TMC directly or indirectly from: Toshiba 350.5 billion yen (re-investment); Bain Capital 212 billion yen; Hoya Corporation (Hoya)

27 billion yen; SK hynix, Inc. (SK hynix) 395 billion yen; US investors 415.5 billion yen. In addition, Pangea intends to secure loans in the amount of approximately 600 billion yen from financial institutions and banks.

US investors are comprised of Apple Inc., Kingston Technology Corporation, Seagate Technology plc, and Dell Technologies Capital.

With Toshiba and Hoya's investments, Japan-based companies will hold more than 50% of the common stock in Pangea, and going forward Japan-based companies will continue to hold a majority. After the TMC shares are transferred to Pangea, Bain Capital and TMC management will lead TMC's business operations to secure continuous growth.

The US investors will not acquire any common stock or voting rights over TMC. In addition, SK hynix will be firewalled from accessing TMC proprietary information and will not be permitted to own more than 15% of the voting rights in Pangea or TMC for a period of 10 years as provided by the terms of the agreement.

Innovation Network Corporation of Japan (INCJ) and Development Bank of Japan Inc. (DBJ), which operate as neutral, independent organizations dedicated to promoting industrial competitiveness, have also expressed their interest in investing in Pangea or TMC at a later time, subject to satisfaction of certain conditions. Toshiba plans to leave decision-making in respect of the exercise of a portion of its voting rights held in Pangea to INCJ and DBJ, while Toshiba will retain the right to exercise these voting rights in its own discretion in certain circumstances.

## **5. Fundamental Conditions for Execution of the TMC Share Transfer**

- (1) Securing antitrust approvals in certain jurisdictions
- (2) Securing certain approvals in respect of national security
- (3) No prohibition of the share transfer by a governmental authority (for reasons other than (1) above)
- (4) Agreement to the share transfer by the general meeting of Toshiba shareholders, under Article 467 (1) (ii) of Japan's Companies Act

Western Digital Corporation (Western Digital) has sought to prevent a transfer of Toshiba's interests in certain Joint Ventures between Toshiba and SanDisk LLC (SanDisk), a subsidiary of Western Digital, to any third party. Toshiba and SanDisk are currently engaged in litigation and arbitration. The SPA contemplates that the sale of TMC will be consummated even if the Joint Venture interests have not been transferred to TMC prior to the closing, unless the transfer of TMC's stock itself is

blocked by an injunctive order.

Upon satisfaction of all conditions, the closing of the share transfer will be on the first business day of the month immediately following the month in which the conditions are satisfied or waived. If such conditions are not satisfied or waived at least 11 business days prior to the first business day of such month, then the closing shall take place on the first business day of the following month. If the conditions are satisfied or waived during the period starting on February 15, 2018 and ending on the end of March 23, 2018, the closing shall occur on March 30, 2018.

The SPA requires both Toshiba and Pangea to use their reasonable best efforts so as to complete the closing (including obtaining certain approvals from lease investors, cooperating on settling imposts and taxes after the share transaction, and taking measures to secure certain loans to Pangea), and Toshiba intends to close by the end of March 2018.

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