

February 29, 2012

**Toshiba Signs Agreement with Western Digital on Acquisition of HDD Manufacturing Equipment and Transfer of HDD Manufacturing Facility**

TOKYO -- Toshiba Corporation (TOKYO: 6502) today announced that it has entered into a definitive agreement with Western Digital Corporation (NYSE: WDC) on Toshiba's acquisition of certain of Western Digital's 3.5-inch HDD manufacturing equipment and related intellectual property, and the transfer to Western Digital of Toshiba Storage Device (Thailand) Co., Ltd. (TSDT), Toshiba's wholly-owned HDD manufacturing subsidiary located in Thailand.

Toshiba and Western Digital aim to complete the acquisition and transfer by March of this year after obtaining approval from the relevant authorities.

Under the agreement, Toshiba will acquire the following equipment and intellectual property from Western Digital.

- 1) Manufacturing equipment for 3.5-inch HDDs for use in desktop PCs and other consumer applications, plus related intellectual property; and
- 2) Manufacturing equipment for near-line <sup>[1]</sup> HDDs for server applications.

Toshiba also has agreed to transfer to Western Digital its entire shareholding in TSDT.

Toshiba's acquisition of assets from Western Digital and the transfer of TSDT to Western Digital are subject to Western Digital's completion of its pending acquisition of Hitachi Global Storage Technologies and regulatory approvals from the relevant antitrust authorities.

The global market for HDD and other storage devices is expected to see sustained demand growth, driven by the continued diversification of devices requiring storage, including PCs, tablets and smartphones, and the explosive increase in data storage and archiving that will accompany cloud computing.

Toshiba acquired Fujitsu Limited's HDD business in 2009, expanding its product portfolio of small form factor HDDs for mobile applications with Fujitsu's enterprise HDDs. Since then, the company has developed a line-up of storage products for enterprise applications. More recently, in July 2011 Toshiba unified the Semiconductor Company and the Storage Products Company, covering NAND flash memories, SSDs and HDDs, and is now positioned to carry out coordinated sales promotions to a wide range of customers.

The purchase of part of Western Digital's 3.5-inch HDD manufacturing equipment and with it the capability to produce 3.5-inch HDDs for desktop PCs, DVR and other consumer applications, will expand Toshiba's portfolio and enable the company to supply products covering all segments of the HDD market. It will also expand Toshiba's supply capacity in the market for near-line HDDs, which is expected to expand with the continuing growth of the server market, further reinforcing a strategic segment of the company's HDD business.

Toshiba will transfer the shares of TSDT to Western Digital and consolidate HDD production at its two HDD manufacturing facilities in the Philippines and a contract manufacturer in China. A key goal is to further enhance cost competitiveness by boosting manufacturing efficiency.

Following the reinforcement of its HDD businesses through this re-organization, Toshiba aims to establish itself as the leading provider of integrated storage solutions—the company that has all three key storage solutions: NAND flash, SSD and HDD.

#### Outline of Toshiba Storage Device (Thailand) Co., Ltd.

Address: Pathun Thani, Thailand  
President: Minoru Iriko  
Established: October, 2009  
Paid-in capital: 1 billion baht  
Main business: Manufacture of 2.5-inch HDD  
Employees: About 4,200

[1] Note: Near-line storage is a sort of data storage supporting large capacity storage, while on-line storage is appropriate for frequent access. It features generally higher reliability than HDDs for desktop PC applications.