

October 13, 2016
Toshiba Corporation

**Notice on Bankruptcy Declaration and Start of Bankruptcy Proceedings
of Toshiba Samsung Storage Technology Korea Corporation**

TOKYO—Toshiba Corporation (TOKYO: 6502) has announced that Toshiba Samsung Storage Technology Korea Co., Ltd. (TSST-K), a non-consolidated subsidiary of Toshiba and engaged in the Optical Disc Drive business, has been declared bankrupt and bankruptcy proceedings of TSST-K have been commenced by the Seoul Central District Court on October 12, 2016. Further details are as follows

1. Background

As Toshiba announced on October 12, 2016 in “Notice on Start of Proceedings on Corporate Rehabilitation of Toshiba Samsung Storage Technology Korea Corporation,” the Seoul Central District Court of Korea (Seoul Court) had decided to discontinue the corporate rehabilitation proceeding for TSST-K, which is 50.1% owned by Toshiba Samsung Storage Technology Corporation (TSST), a Toshiba subsidiary, on September 27, 2016, and the decision became effective on October 12, 2016 and the rehabilitation proceeding under the control of the Seoul Court was terminated because there was no appeal to the decision within 14 days from the decision.

TSST-K has determined to file corporate rehabilitation proceedings and filed it yesterday, with an improved rehabilitation plan, with the Suwon District Court (Suwon Court) that has jurisdiction over Suwon city in which TSST-K is located. However, on the same day, the Seoul Court has decided to declare bankruptcy of TSST-K and to start bankruptcy proceedings of TSST-K. This decision is subject to an appeal by TSST-K within 14 days from the decision.

2. Future Outlook

Upon TSST-K’s filing of corporate rehabilitation proceedings with the Suwon Court, the Court will decide within 1 month from the filing whether it starts such proceedings or not. Until a decision is made by the Suwon Court, Suwon Court’s review of the filing of rehabilitation proceedings and the bankruptcy proceedings in the Seoul Court will proceed simultaneously.*¹

In case that the Suwon Court decides not to start corporate rehabilitation proceedings, the bankruptcy proceedings in the Seoul Court only will proceed.

In case that the Suwon Court decides to start corporate rehabilitation proceedings, the bankruptcy proceedings in the Seoul Court will be suspended. *²

Toshiba will act appropriately following any decision of the Courts, and will make any required disclosure in a timely manner.

*¹: In case that the Suwon Court issues a preservation order prior to its formal decision on whether to commence the rehabilitation proceedings, the bankruptcy proceedings in the Seoul Court will be suspended.

*²: In the event that the Suwon Court thereafter decides to discontinue corporate rehabilitation proceedings, the bankruptcy proceedings in the Seoul Court will be restarted.

3. Total liabilities

TSST-K's liabilities total approximately 9.0 billion yen.

4. Appraised value of equity

Toshiba recorded an impairment loss for TSST-K, and the current book value of TSST-K's stock is 1 yen.

5. Impact on Toshiba's performance

The company has recorded an allowance to its accounts receivable in respect of TSST-K of approximately 600 million yen (as of the end of September 2016). Toshiba does not hold any financial guarantees or like with regard to the liabilities of TSST-K, and TSST-K's liabilities will have no financial impact on Toshiba.

6. Outline of TSST-K

(1) Company name	Toshiba Samsung Storage Technology Korea Corporation
(2) Headquarters	Suwon City, South Korea
(3) Name and Title of Representative	Juhyung Lee (President and CEO)
(4) Business Outline	Development and sales for optical disc drives, such as DVDs for PCs and computer equipment
(5) Capital Stock	10,728,565,000 won (approx. 1 billion yen)

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