

FOR IMMEDIATE RELEASE

Regarding the Execution of Indemnification Obligation based on the Share Purchase Agreement for the Transfer of Toshiba Memory Corporation's Shares

TOKYO—Toshiba Corporation (TOKYO: 6502) has received a request for indemnification of a loss of approximately US\$42 million (approximately 4.77 billion yen) from Toshiba Memory Corporation (hereinafter TMC)^{*1}, based on the indemnity clause in the share purchase agreement (hereinafter SPA) for the sale of Toshiba Memory Corporation^{*2}. This is the total amount that can be reasonably calculated at the time of the request, and Toshiba will pay and record the loss in its fiscal year 2018 financial business results. Furthermore, if terms that Toshiba and TMC have agreed transpire, it is possible that TMC will make an additional request for indemnification.

1. Background and Outline

Toshiba entered into the SPA with K.K. Pangea, a special purpose company formed and controlled by a consortium led by Bain Capital Private Equity, LP, on September 28, 2017, and the share transfer was completed on June 1, 2018.

As disclosed in the convocation notice of Toshiba's extraordinary general meeting of shareholders held on October 24, 2017, the SPA provides that Toshiba shall indemnify the purchaser and its affiliates against any losses incurred as the result of any breach of any representations and warranties made by Toshiba, the determination of a United States International Trade Commission (USITC) investigation, specific litigations and other patent claims, and any claim by a counterparty to any specific patent license agreements. It is on this basis that TMC has requested indemnification.

2. Future Outlook

The loss of \$42 million was not included in Toshiba's FY2018 full year consolidated business results forecast announced on May 15, 2018, and the company will promptly announce any items that require further disclosure.

*1: On August 1, 2018, K.K. Pangea, a special purpose company formed and controlled by a consortium led by Bain Capital Private Equity merged with Toshiba Memory Corporation and changed its name to Toshiba Memory Corporation. TMC here refers to the new company after the merger.

*2: Toshiba Memory Corporation before the merger by K.K. Pangea.