

FOR IMMEDIATE RELEASE

**Update on 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) announced on October 5, 2018, in “Regarding the Execution of Indemnification Obligation Based on the Share Purchase Agreement for the Transfer of Toshiba Memory Corporation’s Shares,” that it was possible that Toshiba Memory Corporation (hereinafter TMC)<sup>\*1</sup> would make an additional request for indemnification under terms already agreed between the companies.

Toshiba has subsequently received an additional request from TMC for indemnification<sup>\*2</sup> for a loss of US\$40 million (approximately 4.54 billion yen) and will therefore pay this additional amount, in addition to the US\$42 million yen announced on October 5, 2018, and record a total loss of US\$82 million (approximately 9.31 billion yen) in its results for the second quarter of FY2018.

\*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 received a request from TMC for indemnification of a loss determined as a result of a United States International Trade Commission (USITC) investigation and patent claims in the U.S. and Taiwan in relation to Macronix International Co., Ltd. (Macronix) of Taiwan. Macronix filed complaints alleging patent violations regarding NAND flash memory devices and products against some Toshiba Group companies, including Toshiba and TMC, seeking damages, and also requesting the United States federal courts, the USITC and the Intellectual Property Court in Taiwan to issue injunctions on imports into their respective territories. The final determination by the USITC was made on October 9, 2018, and Toshiba, TMC and Macronix have now reached settlement and agreed to file for dismissal of the complaints in all jurisdictions.

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