

Toshiba Memory Holdings to implement 1.2 trillion yen financing through preferred stock and loans

TOKYO, Japan — Toshiba Memory Holdings Corporation, the world leader in memory solutions, announced today that its board of directors has agreed today with Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., and Mizuho Bank, Ltd., (hereinafter: main financial banks), to take on 900 billion yen in new loans and an additional commitment line of 100 billion yen, aiming to further strengthen the company's business base and capital structure. The board of directors also decided today to issue 300 billion yen worth of non-convertible-bond-type preferred stock as a third-party allotment to Development Bank of Japan Inc., bringing the total amount of new financing to 1.2 trillion yen. Both financing initiatives are scheduled to be implemented by the end of June.

The new financing will be used to refinance loans totaling of 600 billion yen from its main financial banks for the acquisition of Toshiba Memory Corporation last June by K.K. Pangea, a special-purpose company formed by a consortium led by Bain Capital Private Equity, LP. The company will also reorganize its capital structure through moves including early redemption of existing non-convertible-bond-type preferred stock.

Toshiba Memory Holdings will continue to enhance its competitiveness by deploying various financial measures going forward. This will include implementing cutting-edge R&D targeted at flash memory and responding to promising market trends with strategic capital investments in its "K1" manufacturing facility in Kitakami, Iwate Prefecture, Japan.

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