

Western Digital CEO Steve Milligan says his corporation is willing to help bail out sinking Toshiba.

Japanese tech giant Tosh, which runs a NAND foundry joint-venture with WD, is in recapitalization hell: it is trying to sell its flash memory business for a trillion or more Yen (\$9bn+) following calamitous and so far unquantified losses in Westinghouse Electric – its US-based nuclear power station building business.

Toshiba's up-for-sale memory division – which includes Toshiba's share of the NAND foundry joint-venture – has attracted first round bids from Foxconn, Broadcom, **SK Hynix** and WD, with Broadcom and Foxconn offering more than a trillion yen over what WD offered.

WD claims the terms of the joint-venture agreement give it veto rights on any sale of the flash memory biz, and is talking to Toshiba about that while looking for bid funding help.

So, having recapped the background, here we have Western Digital's top dog pushing a charm offensive by writing letters to Japanese publications. Milligan's memo reads: "Our solution would provide Toshiba and its creditors with the necessary financial resources to emerge from the current crisis."

It goes on to say: "Our shared fab complex at Yokkaichi would remain the centerpiece of our memory development and manufacturing for the long term as well.

"As long-term partners and supporters of Toshiba, it has been difficult for us at Western Digital to watch this great company go through this period of profound financial and strategic challenges.

"We are focused on helping to develop a solution that is consistent with our shared values and ensures the long-term interests of all of the stakeholders are protected, from employees to customers as well as shareholders and creditors."

We're told **WD has been talking to US investment fund Kohlberg Kravis Roberts (KKR; <http://www.kkr.com/>)** and others (**Bain Capital; <https://www.baincapital.com/>**) about bid funding partnering. **KKR has been linked with the Japanese state-backed INCJ fund (<http://www.incj.co.jp/>)** in offering a joint bid for the stricken Toshiba's memory business. As has WD, apparently.

The eye-watering sums involved, and WD's indebtedness since buying SanDisk for \$17bn in 2015, mean that its CEO and board are looking for all the help they can get – including positive PR from Japanese media coverage – to help persuade Toshiba's board and investors that **salvation lies with WD rather than selling the memory business to a third party.**

(INCJ: Innovation Network Corporation of Japan; 産業革新機構)