

October 31, 2017  
Toshiba Corporation

FOR IMMEDIATE RELEASE

**Notice on Agreement with Westinghouse Electric Company Regarding  
Transfer of Shares of Toshiba's Consolidated Subsidiary**

TOKYO--Toshiba Corporation (TOKYO: 6502) hereby gives notice that the company has reached agreement with Westinghouse Electric UK Holdings Limited (WECUKH) and Westinghouse Electric Company LLC (WEC) regarding the transfer of Toshiba's 70% shareholding in Mangiarotti S.p.A (Mangiarotti) to WECUKH or its subsidiary (the Transfer).

The Transfer will be completed on receipt of approval by the US Bankruptcy Court of New York, as well as satisfaction of other precedent conditions, with completion of the Transfer expected in November 2017. In relation to the Transfer, Toshiba has agreed to write-off the 110 million euros (approx. 14.6 billion yen) owed to it by Mangiarotti in the form of an outstanding loan and its interest, all the Mangiarotti debt that Toshiba currently holds.

Toshiba has also agreed in principle to proceed with the process whereby Toshiba Energy Systems & Solutions Corporation (ESS), a recently spun-off subsidiary of Toshiba that specializes in the energy businesses, will acquire the 52% of Nuclear Fuel Industries, Ltd. (NFI) shares owned by WECUKH. The details of this acquisition will be further discussed by the parties and the schedule for completion of the acquisition is undetermined at this stage.

1. Objectives of Mangiarotti share transfer and the debt write-off

In September 2014, Toshiba Group, including WECUKH, acquired Mangiarotti, a supplier of nuclear power station equipment, and it became a part of WEC Group (WECUKH and WEC). Toshiba's reorganization of its nuclear power business outside Japan lowered the significance of its holding in Mangiarotti, but not Mangiarotti's positioning as an important company for WEC Group's businesses in Europe. Inclusion of Mangiarotti in the WEC Group sales process under rehabilitation proceeding is expected to contribute to maintaining the corporate value of WEC. In light of this, Toshiba and WEC Group discussed the transfer of Mangiarotti's shares, and agreed to proceed with the Transfer, with the premise that Toshiba would write-off the debt owed to it by Mangiarotti, which considered to have low recoverability, allowing Mangiarotti to achieve a

certain recovery of its financial base. Maintaining the corporate value of WEC Group is expected to help to reduce Toshiba's parent company guarantee obligations payments as a result.

## 2. Outline of Mangiarotti

(1) Company name	Mangiarotti S.p.A		
(2) Headquarters	Via Timavo,59, 34074 Monfalcone Gorizia, Friuli Venezia Giulia, Italy		
(3) Name and Title of Representative	Mario Signorini, CEO		
(4) Business Outline	Manufacture of heavy components for the oil & gas and the nuclear industries		
(5) Capital Stock	9.8 million Euro (approx. 1.3 billion yen)		
(5) Established	1930		
(6) Shareholders composition	Toshiba: 70% WECUKH: 30%		
(7) Relationship between Toshiba and Mangiarotti	Capital	Consolidated subsidiary	
	Personnel	Dispatches three directors	
	Business	None	
(9) Operating Performance and Financial Condition in the Last Three Fiscal years			
Fiscal years Unit: million euros (billion yen)	FY2013 (Ended Dec.2013)	FY2014 (Ended Dec. 2014)	FY2015 (Ended Mar. 2016*)
Net Assets	0 (0)	-4 (-0.53)	3 (0.40)
Total Assets	221 (29.36)	214 (28.43)	175 (23.25)
Sales	83 (11.03)	48 (6.38)	110 (14.61)
Operating Income (loss)	-9 (-1.20)	-18 (-2.39)	-21 (-2.79)
Net Income (loss)	-14 (1.86)	-28 (-3.72)	-24 (-3.19)

\* Mangiarotti changed its accounting closing date from December 31, to March 31 from FY2015, and figures for FY2015 in the above table accordingly include business results from January 2015 to March 2016.

## 3. Outline of Westinghouse Electric UK Holdings Limited (WECUKH)

(1) Company name	Westinghouse Electric UK Holdings Limited
(2) Headquarters	Lancashire, United Kingdom
(3) Name and Title of	Fiona A Houghton, Company Secretary

Representative		
(4) Business Outline	Holding company for WEC's business in Europe	
(5) Capital Stock	35.6 million pounds (approx. 5.4 billion yen)	
(6) Established	1990	
(7) Net Asset	170 million pounds (approx. 25.7 billion yen)	
(8) Total Asset	395 million pounds (approx. 59.7 billion yen)	
(9) Shareholders composition	Toshiba Nuclear Energy Holdings (UK) Limited (TNEH (UK)*)	
(10) Relationship between Toshiba and Mangiarotti	Capital	Non-consolidated subsidiary
	Personnel	Dispatches two directors
	Business	None
	Status of related parties	NA

\* TNEH (UK) is the holding company of WEC Group for businesses outside U.S., and was formerly a subsidiary of Toshiba. TNEH (UK) was deconsolidated from Toshiba Group by its filing of a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code on March 29, 2017.

#### 4. No. of shares owned, no. of shares for sale and sales price

- (1) No. of shares owned before Transfer: 6,893,384 common stocks  
(No. of voting rights: 6,893,384; % of voting rights: 70%)
- (2) No. of shares for sale: All shares stated above
- (3) Sales price: 1 euro (approx. 133 yen)

#### 5. Dates of agreement and approvals (local time in Italy)

- (1) Agreement: October 30, 2017
- (2) Approval by the U.S. Bankruptcy Court: November 15, 2017 (planned)
- (3) Closing of the Transfer: November 15, 2017 (planned)

#### 6. Type and amount of debt write-off

- (1) Type of debt: Loan and its interest
- (2) Amount of debt: 110 euros (approx. 14.6 billion yen)
- (3) Date of write-off  
(Local time in Italy): October 30, 2017 (partial)  
November 15, 2017 (full amount, planned)

#### 7. Acquisition of NFI

Since it was established in 1972, NFI has provided stable supply of nuclear fuel to Japan's nuclear power plants. WECUKH acquired 52% of NFI shares in 2009

in order to secure nuclear fuel technology and to participate in Japan's nuclear fuel supply system. As WEC and TNEH (UK), the parent company of WECUKH and owner of 52% of NFI's shares, filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code on March 29, 2017, NFI is not under Toshiba's material control, and deconsolidated from Toshiba Group from FY2016, which ended March 31, 2017. However, Toshiba, WEC and WECUKH have agreed that it would be more appropriate for ESS to be involved in the management of NFI, as NFI's business base is Japan. Toshiba, WEC and WECUKH have subsequently agreed, with the understanding that all necessary conditions are fulfilled, for ESS to acquire WECUKH's shareholding in NFI. The schedule for completion of the acquisition is as yet undetermined, but once it is completed NFI will be reconsolidated into Toshiba Group. Details of the acquisition will be further discussed by the parties to the Transfer.

(1) Purchase price for NFI

Common stock of NFI (52%): US\$1 (approx. 113 yen)

Advisory expenses and others: Undetermined

(2) Outline of NFI

(1) Company name	Nuclear Fuel Industries, Ltd.
(2) Headquarters	2-2-4 Higashi-Shinagawa, Shinagawa-ku, Tokyo, JAPAN
(3) Name and Title of Representative	Kenichi Kitagawa, President and CEO
(4) Business Outline	Development, design, and production of nuclear fuel for light-water reactors (PWR/BWR) Core management services for light-water reactors (PWR/BWR) Development, design, and production of fuel for new HTR reactors and other research reactors Technological development related to the nuclear fuel cycle Design and manufacturing of nuclear fuel-related inspection equipment Sterilization and material processing services by electron beam irradiation
(5) Capital Stock	1 billion yen
(5) Established	July 1972
(6) Shareholders	WECUKH: 52%

composition	Sumitomo Electric Industries, Ltd.: 24%		
	The Furukawa Electric Co., Ltd.: 24%		
(7) Relationship between Toshiba, WECUKH and NFI	Capital	Toshiba indirectly holds 52% of NFI's shares. However, NFI is currently deconsolidated from Toshiba Group due to filing by TNEH (UK) of voluntary petition under Chapter 11 of the U.S. Bankruptcy Code	
	Personnel	There is no personnel relationship between Toshiba, ESS and NFI.	
	Business	There are no business transactions between Toshiba and NFI. There a small number of transactions between ESS and NFI, but their value is minimal.	
(9) Operating Performance and Financial Condition in the Last Three Fiscal years			
Fiscal years	FY2013	FY2014	FY2015
Unit: million yen	(Ended Mar. 2014)	(Ended Mar. 2015)	(Ended Mar. 2016)
Net Assets	14,931	12,470	11,034
Total Assets	33,434	31,340	28,826
Net Sales	10,656	7,310	8,098
Operating Income (loss)	1,052	-936	-1,611
Recurring Profit	679	-1,495	-1,498
Net Income (loss)	-2,168	-2,045	-1,406

## 8. Future Outlook

Mangiarotti will be deconsolidated from Toshiba Group after the Transfer, causing Toshiba to incur non-operating losses: a 2.9 billion yen loss before income taxes for the 3Q of FY2017, ending March 31 2018, and an expected impact of the equivalent amount in the business results forecast announced on October 23, 2017. Toshiba will also record a write-off of 14.6 billion yen in the 3Q of FY2017. Since the company has made provision for these amounts, the impact on Toshiba's non-consolidated business results for FY2017 will be limited.

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