

November 8, 2018
Toshiba Corporation

FOR IMMEDIATE RELEASE

Toshiba to Take Steps to Wind-up NuGeneration, Withdraw from Nuclear Power Plant Construction Project in UK, and to Record of Loss on Valuation of Stocks of Subsidiaries and Affiliates (Non-consolidated)

TOKYO--Toshiba Corporation (TOKYO: 6502) today announced that its Board of Directors, meeting today, has resolved to withdraw from a nuclear power plant construction project in the UK and to take steps to wind-up NuGeneration Ltd. (hereinafter “NuGen”), a consolidated subsidiary. In relation to this Toshiba expects to record a loss on the valuation of stocks of subsidiaries and affiliates (non-consolidated).

1. Reason for Wind-up

Toshiba acquired 60% of the outstanding shares of NuGen, a UK-based new nuclear development company that planned to construct a nuclear power plant on the West Cumbria coast in northwest England, in June 2014. Toshiba subsequently acquired the remaining 40% of NuGen’s shares from France’s ENGIE S.A. (hereinafter “ENGIE”) in July 2017, when ENGIE exercised its right to sell its entire shareholding to Toshiba. This was the result of the filing of a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code by Westinghouse Electric Company and others, which triggered the “Event of Default” condition in the contract between Toshiba and ENGIE.

Under Toshiba’s policy to eliminate risks related to the overseas nuclear power construction business, Toshiba has invited new investors to participate in NuGen, and also considered the sale of Toshiba Group’s shareholding in NuGen. However, notwithstanding negotiations with multiple companies, Toshiba is unable to anticipate to complete the sale of NuGen during FY2018, to March 31, 2019. After considering the additional costs entailed in continuing to operate NuGen, Toshiba recognizes that the economically rational decision is to withdraw from the UK nuclear power plant construction project, and has resolved to take steps to wind-up NuGen.

In relation to this, Toshiba has also resolved to take steps to wind-up ADVANCE ENERGY UK LIMITED (hereinafter “AEUL”), a consolidated subsidiary established by Toshiba as a special purpose company for a holding its shares in NuGen.

2. Outline of NuGen

(1) Name	NUGENERATION LIMITED		
(2) Address	7th Floor, 3 Piccadilly Place, Manchester, M1 3BN, UK		
(3) Name and Title of Representative	Thomas SAMSON, Chief Executive Officer		
(4) Business Outline	Development of a new generation nuclear power station on the Moorside site in West Cumbria, Northwest England; responsible for regulatory work, permits and licensing, and commercial activities.		
(5) Capital Stock	GBP 381,870,010 (approx. 56.7 billion yen) (as of October 31, 2018)		
(6) Establishment	February 25, 2009		
(7) Major Shareholders and Shareholding Ratios	. AEUL 100%		
(8) Relationship between Toshiba and NuGen	Capital	AEUL, Toshiba's wholly-owned subsidiary, holds 100% of NuGen's voting rights	
	Personnel	Toshiba executives and employees are concurrently assigned to NuGen as executive officers.	
	Business	Toshiba and its subsidiaries entrust administrative services to NuGen.	
	Status of related parties	Toshiba's consolidated subsidiary.	
(9) Operating Performance and Financial Condition in the Last Three Fiscal Years (Non-consolidated)			
Fiscal Years	FY2015	FY2016	FY2017
Net Assets (Equity)	46,776 million yen	48,587 million yen	47,522 million yen
Total Assets	51,038 million yen	52,949 million yen	49,193 million yen
BPS	211 yen	148 yen	128 yen
Sales	0 million yen	0 million yen	0 million yen
Operating Income	-6,563 million yen	-6,953 million yen	-10,180 million yen
Recurring Profit	-5,380 million yen	-6,914 million yen	-10,176 million yen
Net Income	-5,380 million yen	-6,914 million yen	-10,227 million yen
EPS	-24 yen	-21 yen	-27 yen
Dividend per Share	-	-	-

3. Schedule

Toshiba resolved to take steps to wind-up NuGen and AEUL on November 8, 2018. Toshiba will start the winding-up process by January 31, 2019 (planned) and will fulfill all UK legal procedures required to bring it to completion.

4. Loss Related to Wind-up and Future Outlook

As a result of winding-up NuGen and AEUL, Toshiba expects to record a consolidated loss before taxes of approx. 15 billion yen. This amount is included in Toshiba's consolidated business results forecasts for FY2018, ending March 31, 2019 announced today in "Notice Regarding Revision of Toshiba Corporation's Consolidated Business Results Forecast for FY2018 and the Differences between Toshiba Corporation's Non-Consolidated Business Results Forecast for FY2018 and Actual Business Results". In addition, Toshiba also expects to record a loss on the valuation of stocks of subsidiaries and affiliates related to AEUL of approx. 3.8 billion yen, as an extraordinary loss in its non-consolidated business results. This loss will be eliminated from the consolidated financial statements and there will be no change in consolidated business results.

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