

FOR IMMEDIATE RELEASE

Toshiba to Restart Bidding Process for the U.S. LNG Business

TOKYO—The Board of Directors of Toshiba Corporation (TOKYO: 6502), meeting today, resolved to terminate the purchase and sales agreement that it signed with China’s ENN Ecological Holdings Co., Ltd. (hereinafter “ENN”) on November 8, 2018, for the transfer to ENN of all outstanding shares of Toshiba America LNG Corporation, a consolidated subsidiary of Toshiba responsible for the LNG business in the U.S (hereinafter “the PSA”). Toshiba has already submitted an official notice of termination to ENN.

Toshiba also reconfirmed its decision to withdraw from all business related to the purchase and sale of LNG in the U.S. (hereinafter “the LNG business”), and decided to restart the bidding process to transfer the LNG business to a third party.

Under the “Toshiba Next Plan,” Toshiba is maximizing its corporate value by concentrating resources on growth areas. It has categorized the LNG business as a non-core business, and decided to withdraw from the business at the earliest possible timing. This conclusion is unchanged, and Toshiba aims to complete the withdrawal from the business within this fiscal year.

On April 11, 2019, in “Update on Toshiba’s Withdrawal from the U.S. LNG Business”, Toshiba announced that it had been informed by ENN that its board of directors had met and resolved to terminate the PSA, and that this decision would be submitted for approval to an extraordinary general meeting of ENN’s shareholders on April 29, 2019.

As of today, Toshiba has not yet received ENN’s official notice of termination. Separately, following its own comprehensive analysis of the situation, Toshiba has determined that pursuing the transaction contemplated in the PSA is surrounded by uncertainty, and therefore decided to terminate the PSA. With this decision, Toshiba aims to secure the earliest possible termination of the PSA, allowing it to quickly reinstate the bidding process and to realize an early sale and withdrawal from the LNG business.

In its April 11 update, Toshiba also stated that, upon completion of the PSA, all contracts related to the sale of U.S. LNG entered into by Toshiba Group, including contracts between Toshiba Group companies and trading agreements between Toshiba Group and customers,

would either be transferred or canceled, thus completing Toshiba's withdrawal from all business related to the purchase and sale of LNG in the U.S. Following the termination of the PSA with ENN and the restart of the bidding process, Toshiba will continue to fulfill its obligations under the existing contracts whilst aiming to complete the withdrawal within this fiscal year.

In its consolidated business result forecast for FY2018, ending March 31, announced on February 13, 2019, Toshiba made provision for a 93 billion yen loss on the premise of completion of the PSA, and in its non-consolidated business results announced on November 8, 2018 made provision for a 123 billion yen extraordinary loss. As these one-time losses will no longer occur as a result of the PSA termination, Toshiba will not book these provisions in its FY2018 financial statements. Toshiba is currently reviewing the impact of the absence of the loss provisions and other factors on its financial FY2018 performance, and will promptly announce any items that require disclosure.

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