

June 1, 2019
Toshiba Corporation

FOR IMMEDIATE RELEASE

Notice on Toshiba's Sale and Withdrawal from U.S. LNG Business

TOKYO—Toshiba Corporation (TOKYO: 6502) today announced that, on May 31, it concluded a purchase and sales agreement (hereinafter “the Share Transfer”) with Total Gas & Power Asia Private Limited, the Singaporean arm of Total S.A. (hereinafter “Total”), the French major energy company, for all shares of Toshiba America LNG Corporation (hereinafter “TAL”), a Toshiba consolidated subsidiary that operates in the liquefied natural gas (LNG) business.

Toshiba and Total have also agreed, that, with the Share Transfer, all contracts related to the sale of LNG business entered into by Toshiba Group, including contracts between Toshiba Group companies and trading agreements between Toshiba Group and its customers, will either be transferred to Total or canceled. The agreement provides that Total will provide a substitute guarantee to replace Toshiba's existing guarantee over the obligations of TAL under the liquefaction tolling agreement with FLNG Liquefaction 3, LLC (hereinafter “FLIQ3”). Upon approval by FLIQ3, Toshiba will be released from its guarantee over TAL (the “Guarantee Release”) (together with “the Share Transfer”, “the Transfer”). Toshiba and Total plan to complete all necessary procedures, including FLIQ3's approval of the Guarantee Release and to finalize the Transfer by March 31, 2020.

Under the “Toshiba Next Plan”, Toshiba is maximizing its corporate value by concentrating resources on growth areas, and with the close of the Transfer, Toshiba will complete its withdrawal from the LNG business, which it has categorized as a non-core business.

With the close of the Transfer, TAL will be deconsolidated from Toshiba Group, and Toshiba expects to record a loss, including related expenses, of approximately 93.0 billion yen in its consolidated business financials. At the end of March 2020, the close of fiscal year 2019, Toshiba will determine whether it is necessary to book a loss on the valuation of stocks of Toshiba Energy Systems & Solutions Corporation (hereinafter “ESS”) in its non-consolidated business results, by assessing ESS's financial status and business plan at that time.

1. Events prior to the Transfer

On April 17, 2019 in “Toshiba to Restart Bidding Process for the U.S. LNG Business” Toshiba announced its decision to quickly reinstate the bidding process.

Following this decision, Toshiba re-invited purchase bids from LNG companies, large-scale utilities and financial institutions. On examining multiple proposals from potential buyers, Toshiba selected Total. The decision was made on the basis of the maximization of

Toshiba's corporate value, and from the comprehensive perspectives of overall clarity, minimization of loss, and securing a full release from further risk of loss in the LNG business. Whilst the Transfer will require Toshiba Group to bear a one-time payment of US\$815 million (approx. 91.2 billion yen) to Total, the Guarantee Release will serve Toshiba's objective of withdrawing from the LNG business with minimum risk, and Toshiba has determined that the Transfer is the best option available.

2. Outline of the Transfer

With the Share Transfer, Toshiba will transfer to Total all outstanding shares of TAL held by Toshiba America Inc. (hereinafter "TAI"), Toshiba's wholly owned subsidiary in the U.S., at a price of US\$15 million (approx. 1.7 billion yen). Toshiba expects the Share Transfer to be completed by March 31, 2020. Upon the completion, ESS will transfer to Total its agreement with TAL requiring it to receive the entire amount of LNG, securing full dismissal of the responsibility to receive LNG from TAL under that agreement. In return, ESS will pay a one-time payment of US\$815 million (approx. 91.2 billion yen) to Total.

LNG sales contracts that ESS has concluded to date will be transferred to Total, with the agreement of the customers. The economic value of these contracts is reflected in the one-time payment. Also, the Guarantee Release will be executed once it has been approved by FLIQ3. Once all of these transactions are concluded, TAL will be deconsolidated from Toshiba Group. In addition, ESS will be fully relieved from all obligations based on contracts between Group companies related to the LNG business and Toshiba Group will thus complete its full withdrawal from the LNG business.

3. Outline of subsidiary to be transferred

(1) Name	Toshiba America LNG Corporation	
(2) Address	1800 West Loop, Suite 1770, Houston, TX, U.S.A.	
(3) Name and Title of Representative	Takayuki Shibano, President and Chief Executive Officer	
(4) Business Outline	LNG production and sales to Toshiba Group	
(5) Capital Stock	US\$15 (approx. 17 hundred yen)	
(6) Establishment	February 7, 2017	
(7) Major Shareholders and Shareholding Ratios	TAI 100%	
(8) Relationship between Toshiba and TAL	Capital	Toshiba's consolidated subsidiary
	Personnel	Toshiba executives and employees are concurrently assigned to TAL as executive officers. Toshiba employees are on temporary transfer to TAL.

	Business	Toshiba and its subsidiaries have entered into transactions in preparation for the start of a liquefaction facility operation at FLIQ3, and outsourcing some marketing services to TAL. Toshiba and its subsidiaries entrust administrative services to TAL.	
(9) Operating Performance and Financial Condition in the Last Three Fiscal Years (Non-consolidated)			
Fiscal Years	FY2016	FY2017	FY2018
Net Assets (Equity)	-	1,597 million yen	1,728 million yen
Total Assets	-	1,804 million yen	1,995 million yen
BPS	-	106 million yen	115 million yen
Sales	-	0 million yen	0 million yen
Operating Income	-	36 million yen	60 million yen
Recurring Profit	-	34 million yen	62 million yen
Net Income	-	5 million yen	59 million yen
EPS	-	330 thousand yen	4 million yen
Dividend per Share	-	-	-

Note: There are no figures in FY2016 because TAL was set up on February 7, 2017.

4. Outline of the company to purchase

(1) Name	Total Gas & Power Asia Private Limited
(2) Address	250 North Bridge Road #17-03/04 Raffles City Tower Singapore 179101
(3) Name and Title of Representative	Jungwon Shin, Managing Director
(4) Business Outline	Trading of liquefied natural gas, petcoke, power and sulphur
(5) Capital Stock	US\$ 15.4 million (approx. 1.72 billion yen)
(6) Establishment	May 13, 2010
(7) Consolidated Net Assets (Equity)	US\$ 135 million (approx. 15.1 billion yen)
(8) Consolidated Total Assets	US\$ 310 million (approx. 34.7 billion yen)
(9) Major Shareholders and Shareholding Ratios	Total Gaz Electricité Holdings France 100% (As of December 31, 2018)

(10) Relationship between Toshiba and Total	Capital	None
	Personnel	None
	Business	None
	Status of Related Parties	None

5. Number of shares held by Toshiba Group before and after the Share Transfer*

(1) Number of shares held before the Share Transfer	15 shares (voting rights holding ratio: 100%)
(2) Number of shares transferred	15 shares (voting rights holding ratio: 100%)
(3) Transfer price	US\$ 15 million (Approx. 1.7 billion yen)
(4) Number of shares after the Share Transfer	0 share (voting rights holding ratio: 0%)

* Shares of TAL are held by TAI

6. Schedules

(1) Decision made	May 31, 2019
(2) Signing of the Transfer	May 31, 2019
(3) Expected completion of the Transfer	By March 31, 2020 (planned)

7. Future Outlook

As a result of the Transfer, Toshiba expects to record a loss of approximately 93.0 billion yen in its consolidated business financials for fiscal year 2019, covering the ESS one-time payment to Total and other expenses related to the Transfer. ESS will finance the payment with a capital increase realized by Toshiba's purchase of new stock issued by ESS in March 2019. Toshiba will determine whether it is necessary to book a loss on the valuation of stocks of ESS in its non-consolidated business results, by assessing ESS's financial status and business plan at the end of March 2020, the close of fiscal year 2019.

As stated in its May 13, 2019 announcement, "Toshiba Announces Consolidated Results for Fiscal Year 2018, ended March 31, 2019," Toshiba's forecast of Income (loss) from continuing operations, before income taxes and noncontrolling interests, and Net Income (loss) attributable to shareholders of the Company of its consolidated forecast for fiscal year 2019 are not available. Toshiba will promptly announce any item that requires disclosure.

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