TOKYO—Toshiba Corporation (TOKYO: 6502) announced that it has completed on August 30, 2019 (U.S. CDT), Toshiba Group’s withdrawal from the liquefied natural gas (LNG) business in the United States.

As announced on June 1, 2019, in “Notice on Toshiba’s Sale and Withdrawal from U.S. LNG Business,” Toshiba concluded a purchase and sales agreement (hereinafter “the Share Transfer”) with Total Gas & Power Asia Private Limited, a Singaporean affiliate of Total S.A. (hereinafter “Total”), the major energy player, for all shares of Toshiba America LNG Corporation (hereinafter “TAL”), a Toshiba consolidated subsidiary that operates in the LNG business.

At the same time, Toshiba and Total also agreed that all contracts related to the LNG business entered into by Toshiba Group would either be transferred to Total or canceled, and that Total would provide a substitute guarantee to replace Toshiba’s then existing guarantee for all of TAL’s obligations under a liquefaction tolling agreement with FLNG Liquefaction 3, LLC, thereby releasing Toshiba from its guarantee of TAL (hereinafter “the Guarantee Release”, together with the Share Transfer “the Transfer”).

With the completion of all necessary requirements and conditions including the Guarantee Release, the Transfer has been completed.

Following the completion of the Transfer, TAL has been deconsolidated from Toshiba Group, and Toshiba will record a loss, including related expenses, of approximately 90.0 billion yen in its consolidated business financials of fiscal year 2019, ending March 31, 2020. Toshiba has already made a provision of 89.3 billion yen in its consolidated results of the first quarter of fiscal year 2019, ending March 31, 2020, as announced on August 7, 2019. At the end of March 2020, 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.

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