

Toshiba pushes sale of nuclear unit Westinghouse as crisis deepens

- 1) Toshiba Corp is 'actively considering' a sale and other strategic options for U.S. nuclear unit Westinghouse, the group said on Tuesday, as it expanded a probe into problems there that caused it to miss an earnings deadline for a second time.
- 2) The Japanese conglomerate said it believed it could find buyers for a majority stake in Westinghouse despite the potential for future losses as the unit had a stable fuel and services business.
- 3) But Chief Executive Satoshi Tsunakawa sidestepped questions about a potential Chapter 11 filing for Westinghouse, saying only there were various options. Sources have said bankruptcy lawyers have been hired as an exploratory step.
- 4) A sale would represent the latest in a series of drastic steps as Toshiba grapples with a multibillion dollar financial maelstrom stemming from Westinghouse's ill-fated purchase of a U.S. nuclear power plant construction company in 2015.
- 5) It has already put up most or even all of its prized memory chip business for sale to cope with an upcoming \$6.3 billion writedown for the nuclear business and to create a buffer for potential losses down the road.
- 6) Westinghouse has been plagued by huge cost overruns at two U.S. projects in Georgia and South Carolina and liabilities related to those projects mean it is unlikely to be an easy asset to sell, despite attractive technology.
- 7) Tsunakawa emphasised that the projects were only a small part of Westinghouse's business. "Around 80 percent of Westinghouse's revenues come from stable businesses in services and fuel-related businesses so I think that will be taken into consideration too," he told a news conference.
- 8) He added, however, that it was not yet clear yet whether Toshiba would be paid by the buyer or would have to pay the buyer to take Westinghouse off its hands.
- 9) Toshiba aims to have Westinghouse off its consolidated accounts by the end of the next financial year in March 2018, he said.
- 10) South Korea's KEPCO is seen by industry executives as the only potential buyer, as it expands in nuclear after a successful deal in the United Arab Emirates. KEPCO said on Tuesday it would consider an approach by Toshiba. "We will review the overall project and weigh how beneficial this project would be to us," a spokesman said. (中略)
- 11) Toshiba's remaining business focus would be social infrastructure such as elevators, water treatment and railway systems.
- 12) Those forecasts helped its stock recover from sharp losses to end 0.5 percent higher on the day. Tsunakawa separately confirmed that Toshiba would be taking national security concerns into account when selecting bidders for its memory chip unit. That stance would put U.S. suitors at a major advantage as Japan's government is worried about the loss of key technology to China.
- 13) Toshiba gained a new extension until April 11 for third-quarter earnings which follow its first postponement of audited earnings a month ago. If it fails to meet that deadline and does not gain another extension it would have until April 21 to submit the earnings or be delisted.
- 14) Toshiba is also due to submit on Wednesday a report to the Tokyo Stock Exchange on its internal controls in the wake of its latest financial woes as well the 2015 accounting scandal. That could eventually also lead to a delisting if the bourse finds Toshiba's efforts unsatisfactory.
- 15) It will also meet with creditor banks on Wednesday to explain the situation, sources familiar with the matter said.【March 14, 2017 / REUTERS】
②conglomerate 巨大複合企業③sidestep (問題や責任を) 回避する chapter11 アメリカ連邦破産法の11章 (日本の会社更生法に相当) ④grapple with 取り組む maelstrom 大混乱④ill-fated 不運に見舞われた⑤prized 大変貴重な write-down 償却
buffer(破綻に備える)準備金 down the road (米話) 将来に ⑥plague 苦しめる overrun 見積もり超過 (額) ⑨consolidated account 連結決算⑩suitor 企業買収を試みる企業⑫delist 上場廃止する⑮creditor bank 貸方銀行

☆Ice breaker for active discussion

1. What is your image about Toshiba? Do you own any of their products? How do you like it?
2. Why do you think Toshiba decided to buy Westinghouse?
3. What do you think is the future of Toshiba amidst the present financial crisis?
4. Can you name some other companies that were once thriving but eventually fell?
5. Make sentences using the following words: conglomerate, sidestep, ill-fated, prized, down the road, creditor and maelstrom