

Toshiba pauses spin-off plan, weighs going private

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Japanese conglomerate Toshiba is putting its spin-off plan on hold after shareholder opposition.

Troubled Japanese conglomerate Toshiba has said it is suspending its plan to split into two after last month's shareholder vote against the idea and will now weigh the possibility of going private.

The firm announced in a statement Thursday that its management team will lead discussions with private [equity](#) funds and other possible investors on potential offers.

A newly formed special committee will also "identify the privatization offer that is best for our diverse stakeholders" and report back before Toshiba's annual shareholders' meeting in June.

The [management team](#) will separately develop a new business plan, which will also be announced before the meeting, Toshiba said.

The decision comes after shareholders, in a non-binding decision, voted against a proposal to split the company into two.

It was the latest setback for the engineering giant, which was once a symbol of Japan's tech and business prowess but has faced a series of scandals, financial troubles and shock high-level resignations in recent years.

The plan had already been revised once after an initial proposal to break up the company into three met stiff resistance.

Several major shareholders argued that a spin-off would only add to Toshiba's woes by creating more managerial posts at smaller units, rather than improving the firm's governance.

And some want a buyout instead, following an abandoned takeover offer last year from private equity fund CVC Capital Partners.

Bain Capital has said it is examining a bid for Toshiba, and the [private equity firm](#) has already received backing from one key shareholder.

It could face hurdles though given the national security implications of some of Toshiba's businesses.

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