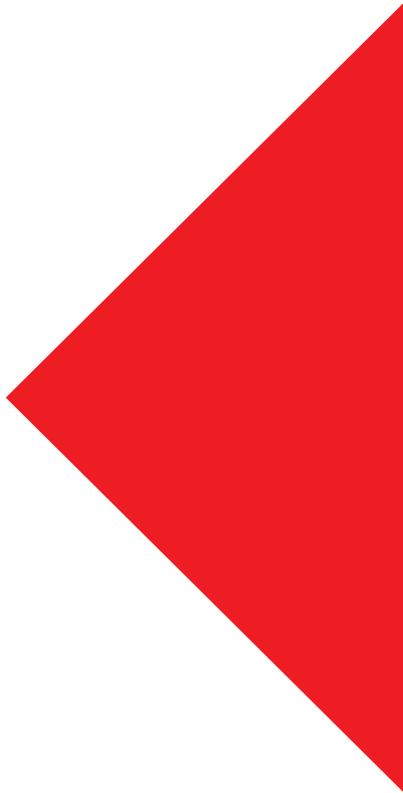


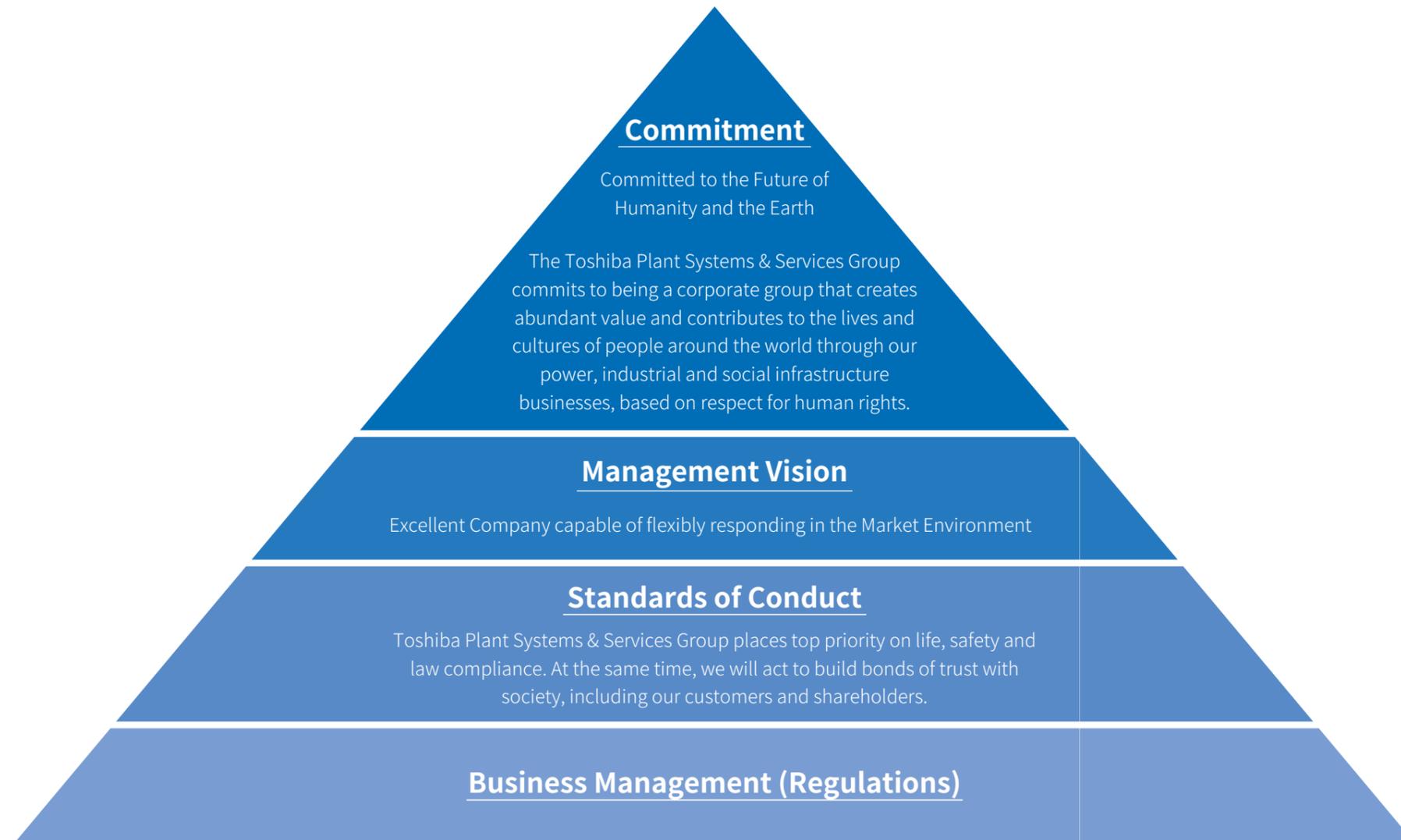
TOSHIBA

**TOSHIBA PLANT SYSTEMS &
SERVICES CORPORATION**

CSR Report 2019



Toshiba Plant Systems & Services Group Management Philosophy Framework



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Editing Policy

The aim of the report is to provide disclosure related to the company and to allow all its stakeholders to better understand the company's CSR-related philosophy and initiatives as a whole.

This report details the initiatives and roles that the company plays in society and with respect to the earth through its business activities.

Reporting period

This report generally covers the period from April 2018 through March 2019, but also includes information on activities prior to and after this period.

Organizations covered in this report

This report covers certain group companies with a focus on Toshiba Plant Systems & Services Corporation.

Expected timing of issuance of next report

July 2020

Reference guidelines

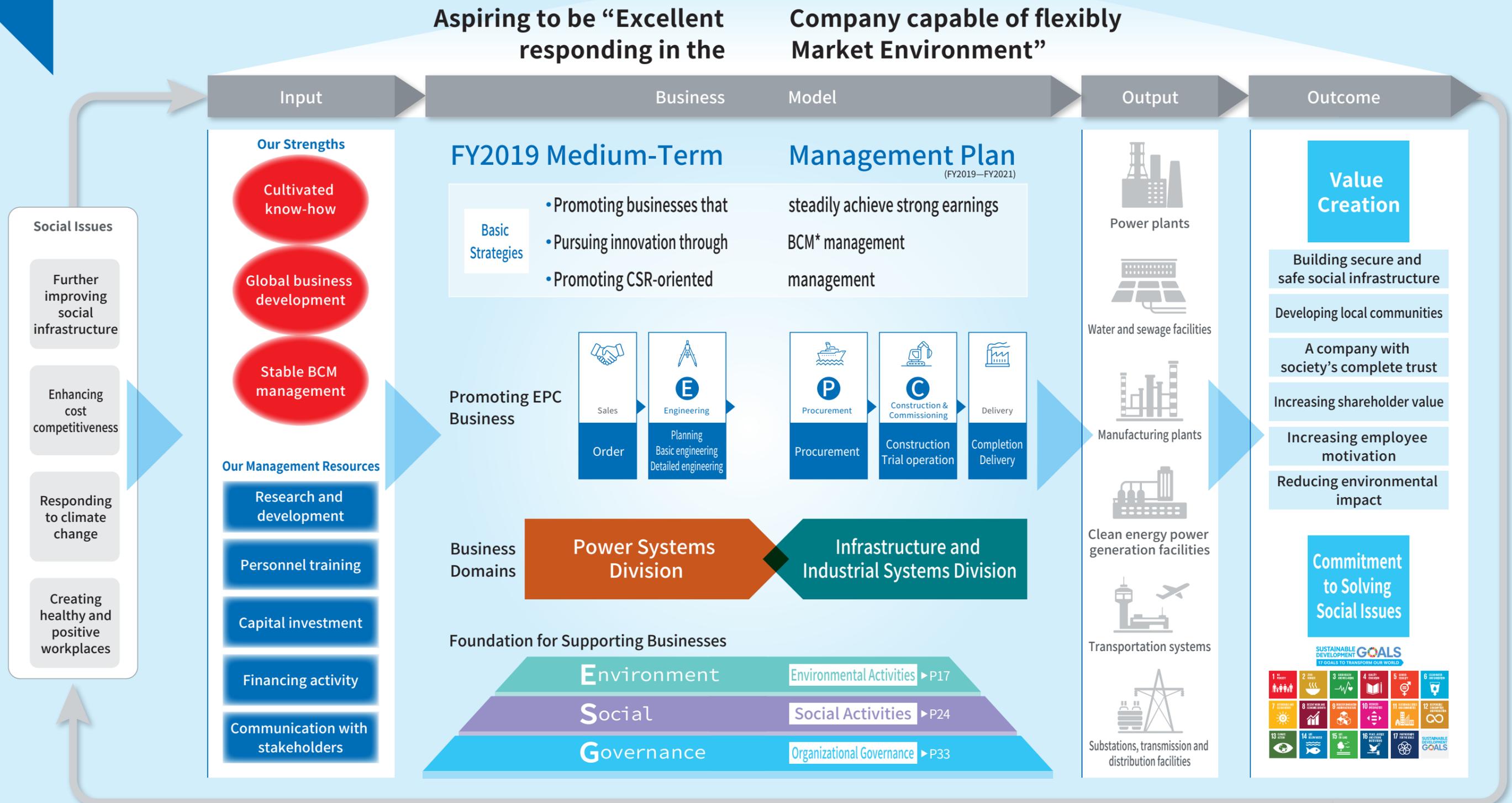
ISO 26000:2010 Guidance on Social Responsibility
Ministry of Economy, Trade and Industry's "Guidance for Collaborative Value Creation"



Toshiba Plant Systems & Services Group's Value Creation Process

With the management vision of Toshiba Plant Systems & Services Corporation (the "Company") and its group companies (collectively, the "Group"), "Excellent Company capable of flexibly responding in the Market Environment," we conduct our business activities.

Through our business activities we provide services, products, and systems to solve the various challenges facing society. By doing so, we aim to achieve sustainable growth while creating value for society as well as customers and other stakeholders.



*BCM (Balanced CTQ Management): A methodology for management maintaining a balance between financial and other business conditions as well as management quality to realize a company's management vision.
CTQ (Critical to Quality) refers to the most important management-related issues.

We aim for strong earnings and Excellent Company capable of flexibly

sustainable growth to become an responding in the Market Environment.



I am Koichi Harazono, President and Chief Executive Officer, Representative Director. I joined Toshiba Corporation in 1981, mainly worked in the sales division in the energy and social infrastructure fields, and managed the Transmission & Distribution Systems Division. I joined Toshiba Plant Systems & Services Corporation in 2018 and have been in charge of the Corporate Planning Division. I realize that I was able to discover the Group's strengths and challenges.

We intend to work toward reinforcing our business foundation and realize the improvement of our corporate value with an eye toward the market environment, which will rapidly change even more in the future. I look forward to your continued guidance and encouragement.

President and Chief Executive Officer,
Representative Director

Koichi Harazono

Record high earnings and undertaking new businesses based on the new management vision

In FY2018, the Group posted consolidated net sales of ¥244.2 billion and ordinary income of ¥22.3 billion, both of which were record highs. Business results domestically and abroad were generally strong, with especially favorable results related to solar photovoltaic power generation plants and semiconductors, and with construction of general industrial factories being in full swing.

We changed our management vision from “Excellent Company continuing profitable and sustainable growth” to “Excellent Company capable of flexibly responding in the Market Environment.” The biggest reason for this is that the market environment is undergoing large changes due to environmental issues, and we believe that we need to focus on businesses such as renewable energy, which can take the place of coal-fired power plants, which are expected to become more difficult to construct.

In the medium-term management plan, we are aiming for net sales of ¥250.0 billion and ordinary income of ¥21.0 billion in FY2021 in order to achieve this management vision. While stably realizing strong earnings in base areas, we will also undertake two new businesses with the goal of expanding business domains and markets.

The first is the “power generation business,” which will turn us into a power producer. We will first gain achievements domestically before developing overseas. The next is the “vegetable factory business,” which focuses on the possibilities between agriculture and energy. Utilizing our strengths such as factory construction and energy management, we will establish and operate joint ventures with our knowledgeable specialized partners, and work to improve volume efficiency and profitability by increasing the size of factories. In addition, we are working to promote the digitalization of power generation and general industrial plants.

Promoting business activities while checking against SDGs

With regard to CSR management, we begin with the belief that, “Toshiba Plant Systems & Services Corporation places top priority on life, safety and law compliance, and desires to be a corporate group trusted by the community.” Accordingly, we have not only strengthened and enhanced the corporate

governance system, promoted safety management activities with the goal of zero accidents, but also continued to maintain and improve quality, reduce the environmental impact and contribute to society.

Additionally, regarding “workstyle reform,” which can be called a recent challenge, we believe that we must pursue stable growth by increasing productivity with technological innovation, and utilize a combination of personnel development and revitalization.

From the point of view of management, it is recognized that the way one thinks about SDGs is important. This is because the goals and methods to create a sustainable society are thoroughly defined and become a part of the management policy. We furthermore promote the Company's business operations in a manner that involves identifying which SDGs such operations align with, thereby comprehensibly conveying the notion that our business operations play a favorable role in terms of the planet on which we live. We find that such efforts are greatly advantageous.

When it comes to the Company's governance practices, although we will continue to operate based on the existing governance framework, we must also keep a close eye on developments in our world amid a scenario where today's mass media and other interests have been calling boards of directors of listed companies into question. Meanwhile, our global operations also make it necessary for the Company to place focus on enhancing governance of our overseas affiliates.

Honing our technological and frontline capabilities attentively aligned with voices of the times

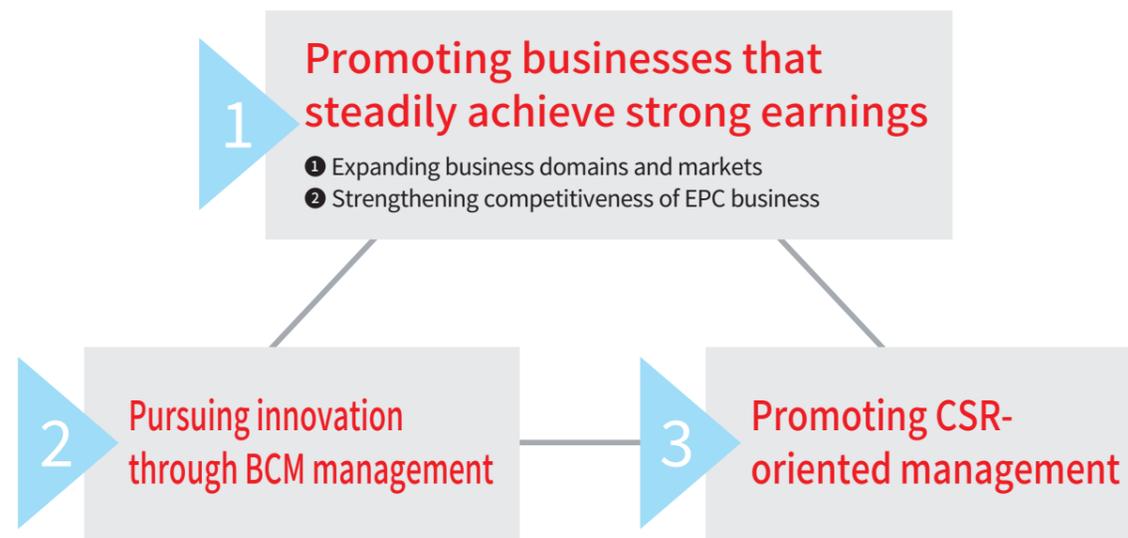
The Company helps to make more abundant and comfortable lifestyles a reality through its power, industrial and social infrastructure businesses. To such ends, we will continue to provide value demanded by society, thereby honing our technological and frontline capabilities attentively taking heed of voices of the times. Moreover, as we engage in our business activities we will also promote CSR-oriented management that is cognizant of ESG principles and the SDGs, with due consideration placed on the global environment.

We are committed to our aims of building relationships of trust with our stakeholders, helping to bring about a sustainable society, and improving our corporate value.

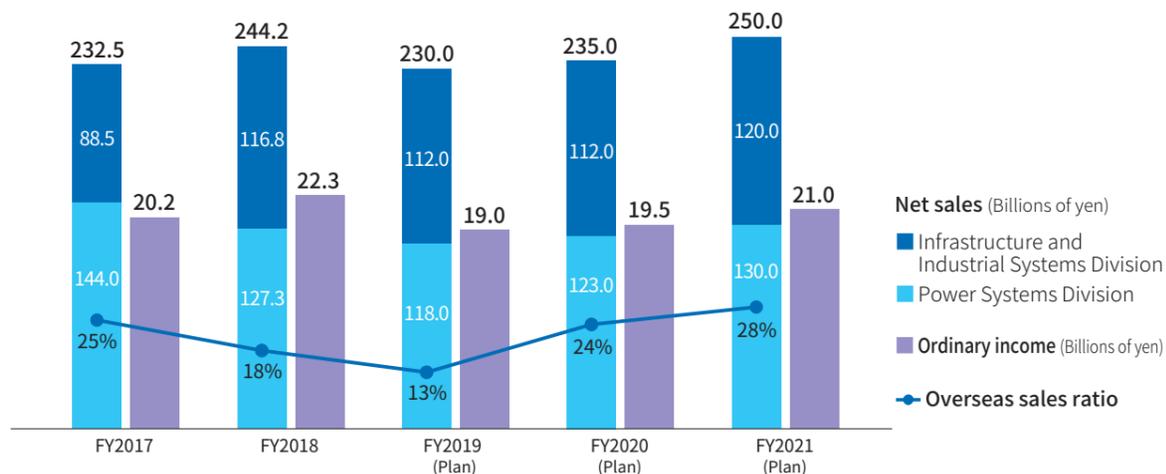
Aspiring to be “Excellent Company capable of flexibly responding in the Market Environment”

To become an “Excellent Company capable of flexibly responding in the Market Environment,” the Group created the Medium-Term Management Plan, which was initiated in FY2019. Under this plan, the Group is advancing specific measures based on the three basic strategies stipulated in the plan.

Basic Strategies We will steadily achieve strong earnings and growth under the three basic strategies.



Quantitative Targets We will respond flexibly to the market environment to ensure profitable and sustainable growth.



1 Promoting businesses that steadily achieve strong earnings

▶ Expanding markets for existing businesses

- Power Systems Division**
- **Nuclear power**
Decommissioning measures for Fukushima Daiichi Nuclear Power Station
Address new regulatory standards for resuming operations
Extend operating life of aging plants
 - **Domestic thermal power**
LNG thermal, biomass-mixed fuel power generation facilities
Gas-fired combined-cycle power generation facilities, etc.
Upgrade and maintenance work
 - **Overseas**
Southeast Asia, Africa... Combined-cycle power generation facilities
Renewable energy power generation facilities, etc.
India, Nepal... Strengthen hydroelectric power business

- Infrastructure and Industrial Systems Division**
- **Japan and Overseas (Japanese companies in Southeast Asia)**
EPC for manufacturing plants
... Semiconductor, chemical, life science related, etc.
Clean energy power generation facilities
... Biofuel power generation facilities, solar photovoltaic power generation facilities, etc.
 - **Water and sewage treatment**
Measures to handle earthquakes and flooding, upgrade old facilities
 - **Building facilities, data centers**
Stable power supply multiplexing/enhancement, upgrade extra-high voltage substations
 - **Transportation systems (airports, railways, roads)**
Airport lighting, etc., railway frequency converters / transformers, etc., road-related ETC, etc.

▶ Expanding business domains and markets

- **Create new businesses**
Entry into power generation business
Entry into vegetable factory business
- **Implement CPS technology*1 in existing businesses**
Supply energy management services to industrial parks, etc.

▶ Strengthening competitiveness of EPC business

- **Quality**
Steadily implement a quality management system
COPQ*2 reduction activities, eliminate quality non-conformance
Strengthen risk management
- **Process improvements**
Raise/improve operational efficiency through IT
Work process optimization
- **Strengthening competitiveness through cost reduction**
Integrated procurement, global procurement
Design standardization, improve construction methods, make testing methods more efficient
Optimize fixed costs
- **Technological capabilities**
Expand application of engineering tools
Systematic development of supervisory/ chief engineers and project managers

*1 CPS (Cyber Physical System): A mechanism for collecting physical data, analyzing the collected data in cyberspace by using digital technology to convert them into easy-to-use information and knowledge, and providing feedback to the physical world so as to create added value
*2 COPQ (Cost of Poor Quality): Unnecessary costs due to low quality or defective quality

2 Pursuing innovation through BCM management

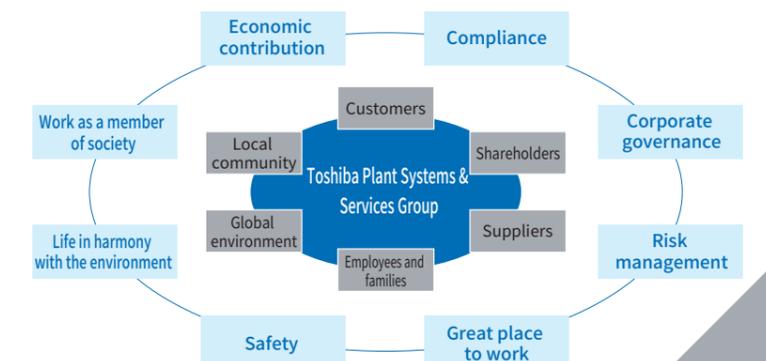
We will establish BCM management in all divisions.

- Balanced management based on four perspectives (Finances, society/customers, work process, learning/growth)
- Set goals at the individual employee level
- Pursue innovation through inter-divisional projects
- Implement BCM management in domestic and overseas affiliates



3 Promoting CSR-oriented management

Toshiba Plant Systems & Services Group places top priority on life, safety and law compliance. At the same time, we will work to build bonds of trust with society, including our customers and shareholders.



Addressing Customer Challenges Underpinned

We contribute to building power, industrial and social infrastructures in respective nations by taking on a broad range of initiatives encompassing everything from setting up new power generation facilities and factories to upgrading facilities and carrying out small-scale renovations.



PT. TPSC ENGINEERING INDONESIA



Employees of the company

Established: August 26, 1994
Activities: Work related to compliance with local content requirements for orders received by Toshiba Plant Systems & Services Corporation, procurement of local materials and machinery for such orders, subcontracting to local companies, dispatch of local temporary staff; and local information gathering

Our overseas subsidiary PT. TPSC ENGINEERING INDONESIA marked its 25th anniversary in August 2019. This company mainly handles local projects for Toshiba Plant Systems & Services Corporation in Indonesia, and in recent years has been engaging in projects involving large thermal power plants and construction of factories.

TPSC ENGINEERING (MALAYSIA) SDN. BHD.



Team building event (jungle trekking)

Established: February 26, 2001
Activities: Work related to compliance with local content requirements for orders in Malaysia and elsewhere jointly received by Toshiba Plant Systems & Services Corporation, including engineering, planning of commissioning, construction, construction management, project management, maintenance,

procurement of materials and machinery, subcontracting to local companies, and dispatch of local temporary staff; and local information gathering

An overseas subsidiary established in 2001, TPSC ENGINEERING (MALAYSIA) SDN. BHD. serves as an engineering base for handling our thermal power projects overseas. In the multi-ethnic nation of Malaysia, this company cultivates mutual understanding and communications among its employees who embody a wide variety of religions and customs by implementing various events reflective of their various backgrounds in-house and elsewhere, and by arranging cross-cultural exchanges.

TOSPLANT ENGINEERING (THAILAND) CO., LTD.



At a company tour for the 25th anniversary

Established: March 1, 1993
Activities: Bidding on behalf of overseas subsidiaries of Toshiba Plant Systems & Services Corporation, construction, maintenance, procurement of materials and machinery, engineering, etc.; work related to compliance with local content requirements for orders received by Toshiba Plant Systems & Services Corporation, procurement of local materials and machinery for such orders, subcontracting to local companies, dispatch of local temporary staff; and local information gathering

Our longest-held overseas subsidiary, TOSPLANT ENGINEERING (THAILAND) CO., LTD. celebrated its 25th year in business in March 2018. This company mainly serves Japanese companies in Thailand, and engages in EPC operations with respect to construction of factories and facilities that generate power using natural energy sources. This company also engages in overseas training geared to developing a more international workforce of junior employees.

TPSC (INDIA) PRIVATE LIMITED



Hyderabad Office: Ceremony for the 20th anniversary



Greater Noida Office: Groundbreaking ceremony for expansion of hydroelectric turbine assembly plant.

Established: December 15, 1998
Activities: Bidding on behalf of overseas subsidiaries of Toshiba Plant Systems & Services Corporation, construction, maintenance, procurement of materials and machinery, manufacture, assembly, engineering, etc.; work related to compliance with local content requirements for orders received by Toshiba Plant Systems & Services Corporation, engineering, procurement of local materials and machinery for such orders, manufacture, assembly, subcontracting to local companies, dispatch of local temporary staff; and local information gathering

One of the oldest Japanese companies in India, TPSC (INDIA) PRIVATE LIMITED celebrated its 20th anniversary in December 2018. With offices in two locations in India, it mainly handles EPC operations for thermal power, hydropower, substation and general industrial projects. This company has been engaging in various projects thus far both within and outside of India, and accordingly plays a major role in the global expansion of Toshiba Plant Systems & Services Corporation.

TPSC (THAILAND) CO., LTD.



Employees of the company

Established: June 23, 2010
Activities: Work related to compliance with local content requirements for orders received by Toshiba Plant Systems & Services Corporation, including construction, construction management, maintenance, procurement of materials and machinery, and engineering; support for order procurement activities by Toshiba Plant Systems & Services Corporation; procurement of local materials and machinery for such orders, subcontracting to local companies, dispatch of local temporary staff; and local information gathering

TPSC (THAILAND) CO., LTD. was established in June 2010 to handle operations involving a combined-cycle power plant project awarded in 2010. This company has worked in collaboration with Toshiba Plant Systems & Services Corporation and TPSC ENGINEERING (MALAYSIA) SDN. BHD. to complete 12 power plant projects in Thailand so far, and are currently taking on construction involving one such project in Cambodia. In addition, given the popularity of football in Thailand, TPSC (THAILAND) CO., LTD. has also formed a futsal team, and otherwise facilitates interaction with the local community in part by holding gatherings with its customers and other business partners.

by the Notions of Security, Safety and Quality

TPSC US CORPORATION



Established: October 1, 2010
Activities: Dispatch of engineers to power plant construction projects being carried out by the Toshiba Group; coordination of Toshiba Plant Systems & Services Corporation's global trainees at training sites in the United States, assisting with living arrangements, etc.

Having encountered substantial changes to its business environment subsequent to its establishment in October 2010, TPSC US CORPORATION currently takes charge of operations that mainly involve dispatching engineers and taking on global trainees.

This company also actively engages in social contribution activities such that entail engaging in constructive communications with local communities through initiatives that include raising funds to help breast cancer patients and donating winter clothing.

TPSC PHILIPPINES CORPORATION



Christmas party

Established: June 30, 2015
Activities: Work related to orders received by Toshiba Plant Systems & Services Corporation including electrical equipment work, machinery equipment work, civil engineering and construction, procurement of local materials and machinery, subcontracting to local companies, dispatch of local temporary staff; work in the

Philippines and adjacent countries including engineering, electrical equipment work, machinery equipment work, civil engineering and construction, procurement of local materials and machinery, and maintenance; and local information gathering

TPSC PHILIPPINES CORPORATION mainly engages in general industrial projects in the Philippines, primarily entailing expansion and renovation of factories belonging to Japanese companies, power plant construction, and maintenance operations. Established in June 2015, TPSC PHILIPPINES CORPORATION is our newest overseas subsidiary. This company also engages in overseas training geared to developing a more international workforce of junior employees.

KANSAI TOSHIBA ENGINEERING CORPORATION



Employees of the company

Established: January 26, 1970
Activities: Electrical equipment maintenance services involving power substation plants, industrial plants, and public-sector plants

Since its establishment in 1970, KANSAI TOSHIBA ENGINEERING CORPORATION has been engaging in operations that involve testing and adjusting electrical equipment, conducting maintenance and inspection, and handling repair work for the Toshiba Group's social infrastructure and industrial fields in the Kanto and Kyushu regions mainly in western Japan.

In addition, this company leverages its strengths with respect to engineering companies in handling a wide range of operations extending from design, procurement of equipment, and installation to maintenance and inspection, thereby addressing demand from customers in the increasingly diverse general industrial realm.

TPSC (VIETNAM) CO., LTD.



Established: May 6, 2014
Activities: Work related to compliance with local content requirements for projects in Vietnam including construction, construction management, project management, maintenance, procurement of materials and machinery, subcontracting to local companies, and dispatch of local temporary staff; work related to projects in Vietnam including procurement of materials and machinery for which Toshiba Plant Systems & Services Corporation has received orders, subcontracting to local companies, dispatch of local temporary staff; and local information gathering

Established as an overseas subsidiary in May 2014, TPSC (VIETNAM) CO., LTD. takes charge of tasks geared to construction of power plants in Vietnam, such that include handling local support operations, gathering information and carrying out activities for gaining orders.

SHIBAURA PLANT CORPORATION



Employees of the company

Established: December 23, 1983
Activities: Construction and repair of power substation equipment, environment-related facilities, etc., and periodic inspections; construction of electrical and communications equipment; rental, repair and sales of construction materials and temporary structures

SHIBAURA PLANT CORPORATION was formed through a merger in 2004 of Shibaoura Technical Service Co., Ltd. with Shibakyo Plant Kensetu CO., Ltd, which started operations upon its launch in 1983. SHIBAURA PLANT CORPORATION aims for quality that is a rank above the rest, leveraging its strengths in supporting on-site operations in terms of both tangible and intangible aspects, in carrying out tasks that currently involve managing construction of thermal and nuclear power plants, handling general industrial electrical work, procuring materials and machinery used in temporary structures for construction, and handling construction of temporary structures.

TOSHIBA ENGINEERING SERVICE CORPORATION



Employees of the company

Established: April 1, 1981
Activities: Staff division operations for respective companies of the Toshiba Plant Systems & Services Group; dispatch of staff to respective companies of the Group, and technical support operations

TOSHIBA ENGINEERING SERVICE CORPORATION facilitates smooth execution of business within the Toshiba Plant Systems & Services Group, carrying out operations that include handling general affairs, inter-office delivery services, and technical support services. It is also entrusted with handling employee benefit operations and otherwise strives to enhance convenience for Group employees by operating various employee benefit services such as those involving kiosks, stock ownership plans, insurance plans, and recreation facilities.

Toshiba Plant Systems & Services Group emphasizes industrial and social infrastructure that enables people society and industry to continually be ensured of

the building of power, active in all works of security and safety.

Toshiba Plant Systems & Services Group's principal sphere of business includes the building of a foundation that supports the advancement of society and industry through the construction of power, industrial and social infrastructure encompassing power plants and substation facilities, water and sewage facilities, transportation facilities, industrial plants and buildings.

Power Systems Division

The Power Systems Business provides engineering, construction, testing, trial operation and such maintenance services as inspections and renovations for thermal, hydroelectric and nuclear power plants. We conduct a broad range of business involving thermal and hydroelectric power generation facilities in Japan and overseas. In particular, we have built up a track record through numerous projects centered in the ASEAN region. In addition to commercial power plants, we apply our nuclear power technologies at nuclear power plants and related facilities.

Net Orders

¥116.3 billion

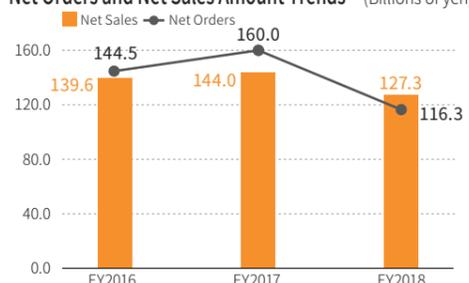
Year on year 27.3% decrease Percentage of orders 49.9%

Net Sales

¥127.3 billion

Year on year 11.6% decrease Percentage of orders 52.1%

Net Orders and Net Sales Amount Trends (Billions of yen)



Infrastructure and Industrial Systems Division

The Infrastructure and Industrial Systems Business provides engineering, construction, test operations, adjustments and field services, etc. for social infrastructure and general industrial facilities, and clean energy power plants. We conduct business for public- and private-sector facilities in a broad range of fields, including electrical facilities and equipment, dispersed power source facilities, substations, transmission and distribution facilities, and other energy-related business, as well as production and related facilities.

Net Orders

¥116.8 billion

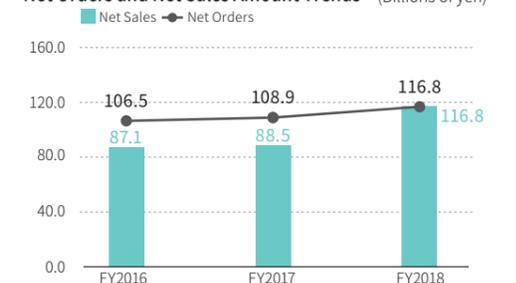
Year on year 7.2% increase Percentage of orders 50.1%

Net Sales

¥116.8 billion

Year on year 32.1% increase Percentage of orders 47.9%

Net Orders and Net Sales Amount Trends (Billions of yen)



Aggressively implementing CSR management as a to the building of a foundation that supports society

company that contributes and industry

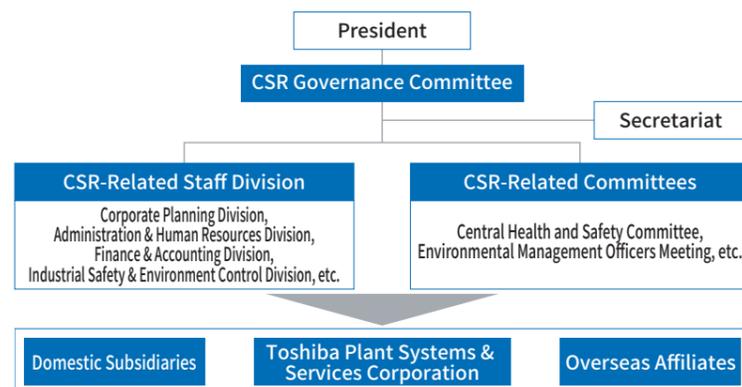
In order to continue to be trusted by society, the Toshiba Plant Systems & Services Group promotes all business activities with the highest priority placed on life, safety and law compliance, and fulfills its social responsibilities so as to satisfy all stakeholders.

Toshiba Plant Systems & Services Group's Basic CSR Policy

	Important Issues	ISO 26000 Core Issues	Corresponding SDGs
 <h2>Environment</h2> <p>Protect the environment which supports life, and contribute to society</p> <p>To reward our customers' trust and contribute to the advancement of society, we engage in environmental activities in all EPC business processes.</p>	<h3>Environmental Management</h3> <p>Recognizing that working to solve environmental issues in all of our business activities is one of the main pillars of the company's management, all of our employees strive to reduce the environmental impact of our business activities.</p>	<p>Environment</p> <p>Community Involvement and Development</p>	 <p>P17~</p>
 <h2>Social</h2> <p>Provide high-quality systems and services</p> <p>We contribute to resolving social issues as a corporate group that develops power, industrial and social infrastructure.</p>	<h3>Quality Management</h3> <p>Strive to increase customer satisfaction by continually improving the quality management system.</p> <h3>Occupational Health and Safety Management</h3> <p>Create an environment where employees can work with peace of mind and promote safety activities with the aim of having zero work accidents.</p>	<p>Human Rights</p> <p>Labor Practices</p> <p>Fair Operating Practices</p> <p>Consumer Issues</p>	 <p>P24~</p>
 <h2>Governance</h2> <p>Practice thorough compliance and operate properly</p> <p>We thoroughly comply with laws and regulations, societal norms, ethics, internal rules and other directives on a global basis, and promote business activities amid fair and honest competition.</p>	<h3>Corporate Governance</h3> <p>Enhance our corporate governance system and strive to improve management transparency and effectiveness in order to keep the trust of stakeholders.</p>	<p>Organizational Governance</p>	 <p>P33~</p>

CSR Promotion Framework

The Company has established a CSR Governance Committee chaired by the head of the Administration & Human Resources Division. This committee performs cross-organizational oversight of CSR-related staff division operations and the activities of related committees. This strengthens coordination among all CSR activities, and invigorates the CSR activities of the entire Toshiba Plant Systems & Services Group.



SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD

Transforming our world: the 2030 Agenda for Sustainable Development was adopted at the United Nations Sustainable Development Summit held at the UN headquarters in New York from September 25-27, 2015. The Agenda is a plan of action for people, the planet, and prosperity, and includes declarations and goals. These goals were developed to succeed the Millennium Development Goals (MDGs), and are officially called the Sustainable Development Goals (SDGs). They comprise 17 goals and 169 targets for these goals.

Toshiba Plant Systems & Services Group will contribute to the initiatives to achieve these goals for sustainable development.



Toshiba Plant Systems & Services Group places top priority on life, safety and law compliance. At the

same time, we will work to build bonds of trust with society, including our customers and shareholders.

	Related SDGs	FY2018 (Plans & Activities)				FY2019 (Plan)		
		Action Policy	Activity Themes	Activity Plans	Activities	Evaluation	Activity Themes	Future Issues and Goals
E		To reward our customers' trust and contribute to the advancement of society, we engage in environmental activities in all EPC business processes.	Considering ideal of environmental activities	Identify environmental measures in all business processes, share measures and develop them into activities	Identified environmental measures in business processes with respect to projects laterally across the company	○	Integrating business activities and environmental activities	Develop and firmly establish environmental measures within business processes
			Reducing the environmental impact of business activities	<ul style="list-style-type: none"> Reduction of energy-derived CO₂ Maintain level of energy conservation activities Efficient use of resources (reduction of waste emissions) Study and implement initiatives to reduce packaging materials Maintain high recycling rate Conservation of biodiversity Promote green procurement for office supplies Promote paperless meetings in each organization 	<ul style="list-style-type: none"> Reduction of energy-derived CO₂ Maintained current levels of energy conservation activities: Electric power: 3,810,000 kWh Changed lighting to LED Efficient use of resources (reduction of waste emissions) Studied and implemented initiatives to reduce packaging materials Maintained high recycling rate: 99% Conservation of biodiversity Promoted green procurement for office supplies Promoted paperless meetings in each organization (reduction of approximately 1,340,000 sheets of paper – A4 size equivalent) 	○	<ul style="list-style-type: none"> Promoting energy-saving measures Maintain level of energy conservation activities Reducing industrial waste Promote measures to reduce waste and recycle Promoting green procurement Promoting paperless meetings 	Carry out initiatives for respective activities based on results of study on ideal environments
Community Involvement and Development		We have offices in 8 countries around the world. As a good corporate citizen, we engage in meaningful communication with local communities, and support a wide range of programs to contribute to the sound and sustainable advancement of society.	Promoting provision of eco-friendly products and construction	<ul style="list-style-type: none"> Promote provision of eco-friendly products and new energy equipment Reduce man-hours and materials in construction by developing construction methods and technologies 	Continued to provide renewable energy products such as solar photovoltaic power generation facilities	○	Promoting provision of eco-friendly products and construction	Continue to provide renewable energy products such as solar photovoltaic power generation facilities
			<ul style="list-style-type: none"> Provide continual support for projects that restore and preserve domestic cultural properties Continually build social infrastructure and support programs for the next generation in emerging countries Continually engage in social contribution activities at offices and worksites Provide cooperation and support for volunteer activities carried out individually by employees 	<ul style="list-style-type: none"> Kyoto: Support the conservation of a statue of Senjuin no Miya at Shinnyoji India: Continue to support the Solar Lantern project Indonesia: Support the construction of Ledang Primary School 	<ul style="list-style-type: none"> Kyoto: Conserved the statue of Senjuin no Miya at Shinnyoji Cambodia: Continued to support the upgrade of a drinking water supply system India: Supported the Solar Lantern project Indonesia: Supported the construction of Ledang Primary School 	○	Continually build social infrastructure and support programs for the next generation in emerging countries	<ul style="list-style-type: none"> India: Continue to support the Solar Lantern project Provide support for construction and repair of toilets at the SAKURA CAMBODIA-JAPAN FRIENDSHIP SCHOOL (TOMNOP ROLORK CHAS PRIMARY SCHOOL)
S		Toshiba Plant Systems & Services Corporation has 3,519 employees, while including group companies (4 domestic, 8 overseas), there are 4,395 employees. We view diverse personnel and working styles positively, and work on a global basis to create work environments that lead to imagination and competitiveness for our businesses.	Respect for human rights	Strive to have all officers and employees correctly understand human rights so that it becomes part of the corporate culture	<ul style="list-style-type: none"> Held human rights lecture to coincide with human rights week Provided education on human rights at rank-based training 	◎	Respect for human rights	Strive to have all officers and employees correctly understand human rights so that it becomes part of the corporate culture
			Training and utilization of personnel	Enhance the career design system and use it to develop human resources	<ul style="list-style-type: none"> Implemented career entry program that entails job matching for employees desiring transfer, and carried out career design interviews and personnel evaluation feedback interviews between employees and their superiors 	◎	Training and utilization of personnel	Build highly convenient management tools and effectively develop human resources
			Supporting diverse working styles	As a part of the Workstyle Reform Project, study measures to help senior employees work with a high level of motivation until the age of 65	<ul style="list-style-type: none"> Overhauled employment structures through reorganization of affiliated companies Eased up on requirements for salary increases by overhauling the pay and conditions system 	◎	Promoting workstyle reform	Develop measures geared to achieving more flexible approaches to work
			Promoting work-life balance	Improve work efficiency and shorten total working hours through putting the Workstyle Reform Project into action	<ul style="list-style-type: none"> Revamped work schedule options with the aim of bringing about more flexible approaches to work through initiatives under the Workstyle Reform Project Currently in the process of conducting initiatives for improving work efficiency by revising work processes 	◎	Promoting workstyle reform	Improve work efficiency by enhancing work processes
Fair Operating Practices		Based on the understanding that our business depends on support from suppliers and partner companies, we make sure to engage in fair, transparent and free competition and engage in appropriate business transactions. By doing so, we create relationships in which all parties can co-exist and prosper.	Ensuring transparent and fair business transactions	<ul style="list-style-type: none"> Continue compliance related to procurement to ensure transparent and fair business transactions Confirm that all worker dispatching companies we do business with are transitioning to the license system under the Amended Worker Dispatching Act in advance of the September 30 deadline for transitional measures for the unified application of the license system 	<ul style="list-style-type: none"> Worked to implement thorough compliance related to procurement by providing training to officers and employees about relevant laws and regulations, including anti-trust laws, subcontractor regulations, construction business act, ordinance for eliminating organized crime groups, and enrollment in social insurance Confirmed that all worker dispatching companies with which we do business transferred their undertaking system to the license system under the Amended Worker Dispatching Act 	○	Ensuring transparent and fair business transactions	<ul style="list-style-type: none"> Continue compliance related to procurement to ensure transparent and fair business transactions Work to eliminate anti-social forces Undertake every effort to make preliminary arrangements involving systems, etc. geared to ensuring that no transactions will be hindered by the consumption tax hike (8% to 10%) effective on October 1
			CSR promotion in the supply chain (Consideration of human rights, labor practices, and environment)	Check on the status of our suppliers' CSR initiatives	When drafting agreements (new, renewal, addition of transaction category, re-registration) with suppliers, we check their CSR initiatives (environment, quality, etc.) and demand that they promote such initiatives	○	CSR promotion in the supply chain (Consideration of human rights, labor practices, and environment)	Check on the status of our suppliers' CSR initiatives
Consumer Issues		As a company that supports society and industry, we deliver quality infrastructure and services that can please many people in society. We conduct business activities with customers in a broad range of fields, such as thermal, hydroelectric and nuclear power plants, and public- and private-sector facilities including energy-related businesses, production facilities and related facilities.	Maintaining and enhancing quality management	Promote and firmly establish Company-wide quality activities based on ISO 9001:2015, and maintain and improve quality management	Underwent regular and extended ISO 9001 examinations, and acquired certifications Company-wide	○	Maintaining and enhancing quality management	Engage in quality activities based on ISO 9001, maintain and continue certifications Company-wide, and work to organize and streamline operations
			Enhancement of quality	Continuously carry out PDCA cycles in order to enhance quality, and work to continuously improve the quality management system	Continuously improved the effectiveness with PDCA cycles by carrying out quality activities based on the quality control policy, along with efforts aimed at organizing and rectifying the quality management system	○	Maintaining and enhancing quality management	Work to continuously improve the quality management system utilizing PDCA cycles
			Raising customer satisfaction level	Strive to provide services that contribute to solving social issues	Continuously implement improvement activities to address customer needs	<ul style="list-style-type: none"> Analysis of customer satisfaction and dissatisfaction data revealed no serious dissatisfaction information Implemented improvement activities to address customer needs based on survey results 	○	Raising customer satisfaction level
G		In order to continue to be a corporate group trusted by society, we enhance the corporate governance system and strive to raise our level of management transparency and effectiveness.	Strengthening initiatives for the Corporate Governance Code and appropriately addressing revisions	<ul style="list-style-type: none"> Conduct an appropriate review of all 73 principles Handle Corporate Governance Code revisions and formulate policies, etc. 	In line with the Corporate Governance Code revisions as of June 1, 2018, established five new principles and revised nine principles; on December 27, 2018, renewed disclosure with release of all 78 principles, upon having passed resolutions on wording of the new and revised principles at the Board of Directors meeting held on that date	○	Building appropriate governance structure	Develop an optimal structure for the Board of Directors
			Enhancement of the risk management system	<ul style="list-style-type: none"> Improve the effectiveness of the internal control system for corporate governance Improve Company-wide compliance awareness by making sure all officers and employees understand the Standards of Conduct and continually implementing compliance training and other types of training Enhance the Group management system 	<ul style="list-style-type: none"> Strengthened initiatives for the whistleblower system (thoroughly familiarized employees, including those of Group companies, regarding matters that include systems, operations and procedures) Ensured thorough compliance with the Standards of Conduct by carrying out compliance lectures for officers and rank-based training Strengthened Group governance by establishing rules for overseas subsidiaries 	○	Appropriately address revisions, etc. (planned) to the Companies Act and the Securities Listing Regulations	<ul style="list-style-type: none"> Conduct an appropriate review of all 78 principles of Corporate Governance Code Check on developments regarding revisions to the Companies Act and the Securities Listing Regulations Formulate policies regarding revisions to the Companies Act and the Securities Listing Regulations, and appropriately address revisions
			Maintaining ethical standards	Continually provide education related to compliance and information security, and rank-based training, etc.	Improved Company-wide compliance awareness by adequately and appropriately implementing training	○	Maintaining ethical standards	Continually provide education related to compliance and information security, and rank-based training, etc.
			We carry out business operations that meet the expectations of our shareholders and other investors, and strive to provide timely and accurate information disclosure.	<ul style="list-style-type: none"> Ensure a stable share price, market capitalization, and dividend payout ratio Strive to disclose appropriate IR information in a timely manner 	<ul style="list-style-type: none"> Maintain the target of a consolidated dividend payout ratio of approximately 30%, the basic policy on the profit allocation Continually carry out timely disclosure as stipulated by the Tokyo Stock Exchange as an enhancement of IR activities, and provide timely and appropriate information for institutional investors 	<ul style="list-style-type: none"> Achieved the target of a consolidated dividend payout ratio of approximately 30%, the basic policy on the profit allocation (FY2018 28.5%) Provided timely disclosure as stipulated by the Tokyo Stock Exchange as an enhancement of IR activities, and provided timely and appropriate information for institutional investors (financial results meetings, IR meetings, etc.) 	○	<ul style="list-style-type: none"> Ensure a stable share price, market capitalization, and dividend payout ratio Disclose appropriate IR information in a timely manner

《Evaluation Standards》 ◎ Achieved all targets ○ Targets mostly achieved △ More remaining issues than achievements × No progress

Environment

Protect the environment which supports life, and contribute to society

Environment



Engaging in environmental activities in all EPC business processes

We recognize that working to solve environmental issues in all of our business activities is one of the main pillars of the company's management. All of our employees strive to reduce the environmental impact of our business activities.

Environmental Management

We have established a "Basic Policy for the Environment" and an "Environmental Management Concept," and carry out environmental activities in line with both.

Basic Policy for the Environment

In line with our Commitment, which is "to be a corporate group that creates abundant value and contributes to the lives and cultures of people around the world through our power, industrial and social infrastructure businesses, based on respect for human rights," and in accordance with our recognition that a corporate social responsibility is "to hand over the precious global environment to the next generation in a sound condition," we contribute to the realization of a sustainable society through promoting environmental management highlighted by ongoing improvements related to the environment and efforts to prevent pollution, with the aim of realizing the Toshiba Group Environmental Vision.

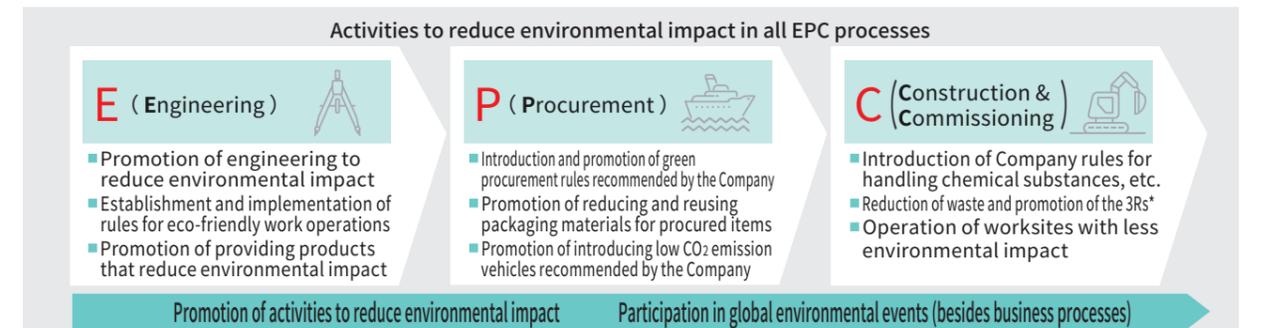
1. Viewing the initiatives for the environment as one of the primary responsibilities of the management, we promote environmental activities in accord with the economy.
2. In order to protect the global environment, we will promote environmental activities, such as evaluating the environmental impacts of our business activities, including their impacts on biodiversity, and will establish environmental targets for reducing our environmental impact, preventing pollution, and achieving other goals.
3. In addition to complying with environmental laws and regulations, as well as other guidelines that we have agreed to, we will establish our own management standards and improve our management.
4. As a company that engages in everything from planning, design and other engineering operations, to procurement, construction, and field services, we will look to reduce our environmental impact, promote recycling, prevent global warming, and conserve resources and energy in all of our business processes.
5. We will raise the environmental awareness of all employees and everyone who works to advance the Company, and work on environmental activities with all of us doing our part. In addition, we will actively disclose information and communicate with local communities and society as a whole as we strive to maximize cooperation.

Initiatives for Environmental Management

We carry out initiatives for environmental management under our Environmental Management Concept of "We work to reduce the environmental impact of our EPC business activities" to promote sustainable consumption and services. Such initiatives include curbing the resource and energy consumption and the environmental impacts accompanying our EPC business, practicing green procurement and providing eco-friendly products.

Engaging in Environmental Management in All EPC Business Processes

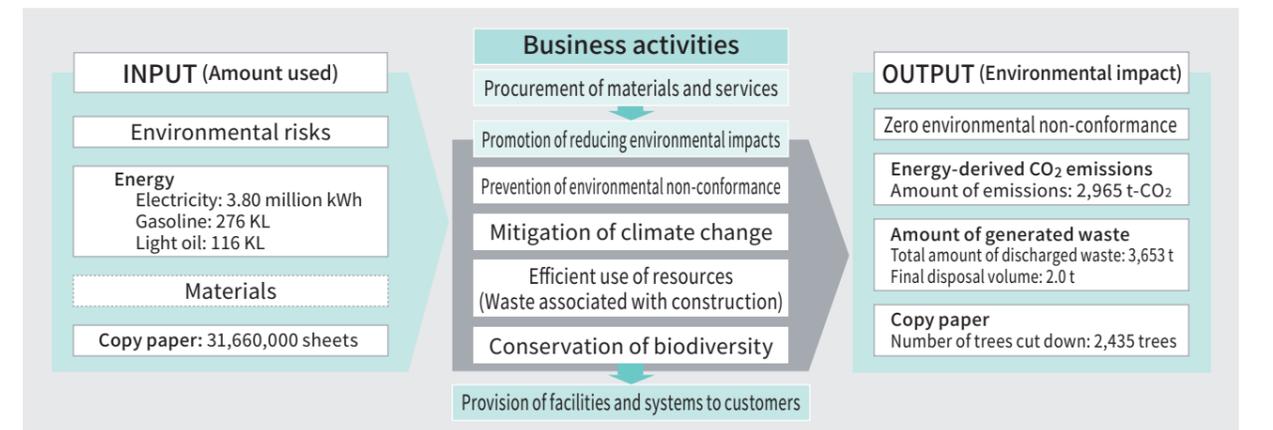
We recognize that working to solve environmental issues in all of our business activities is one of the main pillars of the company's management. All of our employees strive to reduce the environmental impact of our business activities.



*3Rs: Reduce, Reuse, and Recycle

Environmental Activities and Material Flow

The material flow below shows the extent to which business activities impact the environment.



(Note) The values above are from FY2018.

Criteria used to calculate energy data
 Copy paper
 Conversion coefficient for CO₂
 Conversion coefficient for trees used for copy paper

Electricity: Power consumption of offices and factories.
 Gasoline and light oil: Fuel for vehicles used by offices and worksites.
 Copy paper: Amount of copy paper purchased by offices and factories.
 Electricity: 5.31 t-CO₂ /10,000 kWh
 Gasoline: 2.32 t-CO₂/KL
 Light oil: 2.62 t-CO₂/KL
 13,000 sheets (Size A4) /tree

Environmental Activity Targets

We will work to reduce environmental impact in all processes of our business activities.

Activity Objective	Activity Items	Activity Target
Maintenance of zero environmental non-conformance	Continuance of zero environmental non-conformance	Zero environmental non-conformance
Mitigation of climate change	Reduction of energy-derived CO ₂ emissions	Maintenance of activity level
Efficient use of resources	Reduction of total amount of generated waste	Reduction of amount of discharged waste
	Sorting of waste with more care	Improvement of recycling rate
Conservation of biodiversity	Reduction in amount of copy paper purchased	Promotion of paperless meetings
	Promotion of purchase of eco-friendly products	Promotion of 3R activities Promotion of green procurement

Initiatives for Conservation of Biodiversity

As part of biodiversity conservation activities, we use electronic media for internal meeting materials in order to reduce paper usage.

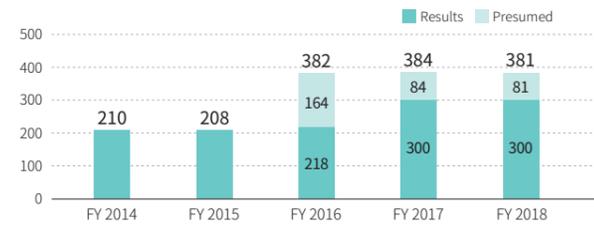
Results of FY2018
 Reduction of roughly 1,540,000 sheets of paper on an A4 conversion basis (Approximately 118 source trees)

Reduction of approximately 1,540,000 sheets (A4 conversion basis) (Source trees: Reduced by approx. 118)

Initiatives to Mitigate Global Warming

In order to control the emissions of carbon dioxide (CO₂), which is said to be the main factor behind global warming, we are working on various activities to reduce CO₂ emissions derived from energies such as electricity and vehicle fuel used at factories, offices, and worksites.

Company-wide Workplace Electricity Use (Unit: 10,000 kWh)



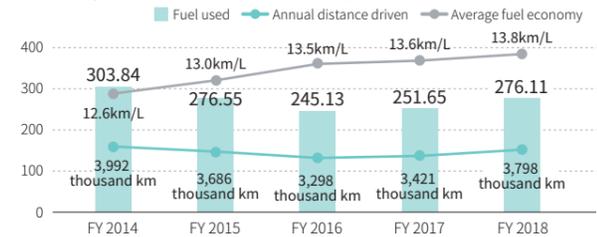
In FY2018, we switched to LED lighting at Tsurumi Office as an environmental measure.

From FY2016, we also considered offices that are located in other companies' business sites and for which we are unable to actually measure the amount of electric power we use, and included those values in Company-wide figures. In FY2017, we added workplaces where actual measurements are made.

Although the distance traveled and the number of vehicles vary yearly depending on construction details and locations, we are working to reduce fuel consumption by implementing eco-friendly driving and using eco-friendly cars and other initiatives.

The power CO₂ emission coefficient is the receiving end coefficient. Because this graph shows the trend in electric power use, a coefficient of 5.10 t-CO₂/10,000kWh was applied for all fiscal years.

Company-wide Vehicle Fuel Consumption (Gasoline) (Unit: kL)



Consideration of Environmental Activities Matching Our Business Activities

To envisage our future environmental management activities, we formed a company-wide, cross-divisional project entitled "Environmental Vision" comprising all business divisions and staff divisions responsible for environmental management and considered the current situation since FY2018. Through this project, we have been able to clarify what our environmental activities are as a company that engages in construction related to power, industrial, and social infrastructure.

① Identification of issues with current environmental activities

Increasingly serious impacts are growing, including disasters caused by abnormal weather around the world. In response to this situation, the international community is engaging in a variety of initiatives, such as global warming countermeasures under the Paris Agreement and environmental efforts under the Sustainable Development Goals (SDGs). Thus far in the initiatives we have engaged in as environmental activities, we have reduced the environmental impact in all EPC business processes and worked to ascertain the status of our electricity usage, the amount of generated waste, among various other aspects linked to CO₂ emissions. Looking to promote environmental activities even further to reflect the expansion of such activities

on a global scale, we reviewed and adjusted the environmental activities we carry out internally. Accordingly, after considering specific future environmental initiatives, we decided to engage in "17 Implementation Items" within the Company.

The "Environmental Vision," a company-wide, cross-divisional project, will launch sub-projects to systematically carry out the "17 Implementation Items." We aim to enhance and energize our environmental activities by having each sub-project create ongoing, specific environmental activity guidelines, such as zero-energy use at worksites and proactive use of green procurement.

② Promotion of environmental management

In April 2019, the Company amended the aforementioned "Basic Policy for the Environment," and further clarified the Company's intention to promote management taking the environment into consideration (environmental management) and contribute to the realization of a sustainable society. Rather than viewing environmental efforts as additional costs, environmental management is based on the idea that environmental efforts will lead to sustainable growth by controlling environmental problems. We will curb resource and energy consumption as well as environmental impacts accompanying our business activities through the entire

life cycle, and promote sustainable consumption and production by reducing the environmental impact within business areas as well as through green procurement and the provision of eco-friendly products and services, etc. The Company has already acquired a certain market size for eco-friendly products (solar photovoltaic, small- and medium-sized hydroelectric, biomass power generation, etc.). Going forward, we will contribute to the realization of a sustainable society by promoting business plans (Medium-Term Management Plan, etc.) that take environmental management into consideration.

③ Development of future environmental activities (Activity plans for FY2019 and beyond)

By carrying out the "17 Implementation Items" identified in the "Environmental Vision" project, we will promote the Environmental Management Concept of "reducing the environmental impact of our EPC business activities."

"17 Implementation Items" related to Environmental Activities

- | | |
|---|---|
| E Implementation items related to engineering | 1) Reduce environmental impact in the engineering stage
2) Create examples of eco-friendly work operations |
| P Implementation items related to procurement | 3) Create list of recommended green procurement items
4) Create materials packaging guide
5) Consider ways to reduce vehicles used to transport materials and machinery
6) Consider the introduction of eco-friendly vehicles |
| C Implementation items related to construction & commissioning | 7) Create manual of techniques for the storage, management, and handling of chemical substances
8) Create guide for eco-friendly work operations related to the handling of chemical substances, oils, toxic substances, and other items
9) Create uniform policy for the handling of industrial waste
10) Create 3R policy guide for industrial waste, materials and machinery, equipment, and packaging materials
11) Create list of recommended construction equipment and heavy equipment
12) Create guide for the reduction of environmental impacts of field offices |
| Other implementation items related to overall business site activities | 13) Training for affiliates and partner companies
14) Create plan for reducing the environmental impact of office buildings
15) Create recommended measures for eco-friendly driving
16) Create measures to increase environmental awareness
17) Participate in environmental events in local communities |

We will create clear standards and rules to be followed, and develop uniform initiatives for the Company.

Close-up Aiming for Zero-Energy Office Buildings

At the Chiba Service Center, which is responsible for plant maintenance services, a new ZEB-compatible* office building was completed by the Company's EPC on April 19, 2019. This office building has three floors above ground and a total floor area of 464m². It is operated as an office of the Group, and demonstrations aiming for zero energy consumption through energy-creation and energy-saving are being carried out. Energy is created by the solar photovoltaic power generation system installed on the rooftop; stored using an energy storage system and peak shifting; and saved using an energy-saving system, in which lighting and air conditioning are controlled by human sensors using image authentication technology. The overall energy consumption by offices will be reduced by linking each of these systems with the Building Energy

Management System (BEMS). We will provide energy-saving building support services and eco-friendly building/factory construction, along with other services, and continue our efforts to reduce the burden on the environment through our business.

*A ZEB (net Zero Energy Building) is a building that aims to achieve a net balance of zero primary energy consumption over a period of one year. It aims to achieve this by introducing renewable energy after realizing significant energy savings while maintaining the quality of the indoor environment by controlling loads through advanced architectural design, the active utilization of natural energy, and the introduction of highly-efficient equipment.



Environmental Management Vision

SDGs Environmental-related Goals	Through Social Contribution Activities
<p>Goal 7 ENERGY: Develop the clean energy business based on technological capabilities and our track record (power plants, solar photovoltaic, small- and medium-sized hydroelectric, biomass power generation, etc.)</p> <p>Goal 9 INDUSTRIAL INFRASTRUCTURE: Expand the clean energy business in the facility construction field (air conditioning, fire extinguishing, lighting, security, energy-saving, IoT, ZEB, etc.)</p> <p>Goal 11 CITIES AND COMMUNITIES: Promote the introduction of eco-friendly products and technologies for public transportation agencies, etc. (airports, railways, roads, etc.)</p> <p>Goal 12 CONSUMPTION AND PRODUCTION: Promote and enhance activities to reduce environmental impact overseas (waste, CO₂, chemical substances, etc.)</p> <p>Goal 13 CLIMATE CHANGE: Enhance activities to reduce CO₂</p>	<p>Goal 6 CLEAN WATER: Promote regional contribution activities at overseas worksites</p> <p>Promotion of social contribution activities at overseas subsidiaries and worksites Promote activities already underway (solar lanterns, drinking water) and consider new activities</p>

Community Involvement and Development



Contributing to the sound and sustainable development of local communities

We contribute to the advancement of society by supporting various activities as a company that handles power, industrial and social infrastructure. As a good corporate citizen, we value communication with local communities and actively engage in social contribution activities.

Social Contribution Activities

Basic Policy for Social Contribution Activities

As a company that handles power, industrial and social infrastructure, we contribute to sound and sustainable development in the main countries and territories in which we operate, based on the Toshiba Plant Systems & Services Corporation's Standards of Conduct.

In Japan, we support activities related to restoring and preserving cultural properties in order to pass down ancient Japanese culture to future generations. Overseas, we provide ongoing support for activities related to improving social infrastructure and developing future generations (construction of schools and other educational facilities).

Also, as a good corporate citizen, we value communication with local communities and promote social contribution activities.

Activity Concepts

- 1. Assistance for efforts to pass down Japanese culture and techniques**
In order to pass ancient Japanese culture and wonderful traditions down to future generations, we support efforts to restore and preserve cultural properties, and help pass down restoration techniques and skills.
- 2. Assistance for activities to improve social infrastructure**
In addition to improving social infrastructure through our business activities, we contribute to development of local communities by supporting programs to upgrade infrastructure in inadequate condition.
- 3. Assistance for activities to develop future generations**
We support the construction of schools and other educational facilities that provide learning opportunities to children that will build our future society.
- 4. Promotion of activities rooted in local communities**
We value communication with people in local communities in which we operate, and continually engage in programs that contribute to local communities.

Assistance for Efforts to Pass Down Japanese Culture and Techniques

Assistance in restoration and preservation of domestic cultural properties

In order to pass down precious Japanese cultural properties to future generations, since FY2010 we have been assisting*2 with activities to restore and preserve cultural properties through the "project to restore and preserve cultural properties in Imperial Convents"*1.



Key projects supported by the project to restore and preserve cultural properties in Imperial Convents

Year	Assistance project	Location
2018	The conservation of a statue of Senjuin no Miya at Shinnyoji temple	Kyoto Prefecture
2016	The conservation of a statue of Abbess Gekkyoken at Shinnyoji temple	Kyoto Prefecture
2015	The conservation of a statue of Kotokuin no Miya at Shinnyoji temple	Kyoto Prefecture
2014	The conservation work on a set of Genji screens belonging to Chūgūji Imperial Convent	Nara Prefecture
2013	The conservation of a statue of Hongakuin no Miya at Shinnyoji temple	Kyoto Prefecture
2012	The repair and preservation of the outer garments of a layered court costume (the <i>uwagi</i> and <i>karaginu</i> of a <i>jūnihitoe</i>) owned by Reikanji temple	Kyoto Prefecture
2011	The restoration of a nikai-zushidana, a two-tiered decorated cabinet, belonging to Sanji Chion-ji Imperial Convent	Kyoto Prefecture
2010	The restoration of the <i>Nanakusa Emaki</i> handscroll belonging to Hokkeji Imperial Convent	Nara Prefecture

*1 Project to restore and preserve cultural properties in Imperial Convents: Project to restore and preserve the paintings, sculptures, craft works, textiles, and historic structures owned by Imperial Convents for posterity.

*2 This project is sponsored by the Medieval Japanese Studies Institute, and we provide support through the Foundation for Cultural Heritage and Art Research.

Assistance for Activities to Improve Social Infrastructure

Support for the infrastructure projects in emerging countries

As a company that handles power, industrial and social infrastructure, we have helped upgrade inadequate infrastructure since FY2014 in emerging countries where we have deep business ties, and offer assistance to contribute to the development of local communities.

Key projects supported

Year	Assistance project	Description	Country
2018	Installation of drinking water supply system*1	We upgraded drinking water supply system in order to supply safe water to four elementary schools and neighboring residents in the Kingdom of Cambodia, Kandal Province.	Cambodia
2017	Installation of drinking water supply system*1	We installed drinking water supply system equipment (water storage tanks, water supply pumps, drinking water filters, etc.) in order to supply safe water to elementary schools in four towns in the Kingdom of Thailand, Sa Kaeo Province, Ta Praya District.	Thailand
2016	Bridge construction*1	We built a safe and durable bridge to replace the bamboo bridge that junior high and high school students in the area designated for support were using to go back and forth from school as well as for transporting agricultural products.	Philippines
2016	Solar power generation facilities*2	We installed solar power generation facilities with storage batteries at an elementary school in an area without electricity so that students can learn in a comfortable environment under lighting.	Philippines
2015	Installation of water system*1	We built a water system, including an RO System (Reverse Osmosis System) to a well in the area designated for support, in order to supply safe water to local residents.	India
2014	Installation of water system*1	We built a water system, including a disinfectant tank, water storage tank, and water distribution pipes, to provide safe water to local residents.	Philippines

*1 Funding through the Nonprofit Organization World Vision Japan

*2 Facility installation and donation through Lions Club Tokyo Akasaka



Children now able to drink clean water (Thailand)



Bridge construction (Philippines)

Supporting Activities of the Solar Lantern Project

Support for delivering electric Light to people living without electricity

There are still many people in the world who have no access to electricity. As a company that handles power, industrial and social infrastructure, we have been stretching out a helping hand since FY2008 to the "Solar Lantern project"* expanded in India.

As the first Japanese company to participate in this project, we have donated a solar panel (one panel) and 50 chargeable LED lanterns to people living in more than 50 villages without electricity.

Going forward, the Group will continue to deliver electric Light.

*Solar Lantern project: Funding to The Energy and Resources Institute (TERI) of India through the NPO Gaia Initiative



Solar panels



Solar Lantern user

VOICE

Working with our supporting partners



NPO Gaia Initiative
Ms. Mizuho Takanashi

The NPO Gaia Initiative is an NPO that aims to contribute to the establishment of appropriate relationships between the global environment and corporate activities. In 2008, Toshiba Plant Systems & Services Corporation was the first Japanese company to provide support to us when we launched the "Solar Lantern project," a project to create sustainable community infrastructure centered on natural energy. Over the years since then, Toshiba Plant Systems & Services Corporation has assisted more than 50 villages without electricity. To date, we have donated "solar lanterns" that can be charged with sunlight to villages without electricity in India. However, recently, we are shifting to supply electricity to each household by building collective solar photovoltaic power generation networks called "Solar DC Micro-Grid," each unit of which supplies electricity to 10 households. People use the electricity created from sunlight in their daily lives, such as for children to study and for women to do housework. Going forward, we will continue to work closely with Toshiba Plant Systems & Services Corporation to deliver electric Light.

Assistance for Activities to Develop Future Generations

Support for the construction of schools and other educational facilities in emerging countries

Since FY2010, we have been providing assistance* for the construction of school buildings, dormitories and other structures for elementary and junior high schools, as well as pre-schools, so that children in emerging countries can have opportunities to learn.

*Assistance: Funding through the Nonprofit Organization World Vision Japan



Ledang Primary School (Indonesia)

Promotion of Activities Rooted in Local Communities

Our business offices and worksites engage in activities to contribute to local communities. Going forward, as a good corporate citizen we will continue to actively engage in social contribution activities.

Local volunteer activities

We participate in events to sell sweets made by disabled people in the Company cafeteria, and participate in activities to support their independence.



Donations to orphanages and help with cleaning

We donate items needed by orphanages, clean facilities, and interact with the children.



Volunteer clean-up events

We pick up trash, cigarette butts and other items discarded near business offices and worksites.



Forest maintenance

We participate in events to maintain forests, including thinning operation.



Collection of PET bottle caps

We participate in events to provide vaccines to children around the world by donating collected PET bottle caps.



Commemorative backpack gift

We participate in events to collect used backpacks and send them to children overseas.



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Social contribution activities conducted by the Cambodia Branch Office

We constructed and donated 20 new toilets to the SAKURA CAMBODIA-JAPAN FRIENDSHIP SCHOOL (TOMNOP ROLORK CHAS PRIMARY SCHOOL) which is located near the thermal power plant being constructed by TPSC (THAILAND) CO., LTD.'s Cambodia Branch Office.

There are approximately 400 students enrolled in this school, but some toilets had become unusable due to the aging of facilities, and there were not enough toilets compared to the number of students. In response, we provided support for creating an environment where children can learn with peace of mind by improving the sanitary environment through the construction and donation of toilets.

Going forward, Toshiba Plant Systems & Services Group will continue to contribute to the development of local communities both in Japan and overseas.



Key projects supported

Year	Assistance project/Description	Country
2018	Provide Support for Construction and Repair of Toilets at the SAKURA CAMBODIA-JAPAN FRIENDSHIP SCHOOL (TOMNOP ROLORK CHAS PRIMARY SCHOOL) In the elementary school designated for support, there were not enough toilets compared to the approximately 1,300 children enrolled at the school due to the aging and state of disrepair of the toilets. We supported the construction of new toilet buildings and the repair of the aging toilet building, thereby creating an environment where children can continue to learn in health and with peace of mind. *Funding through JAPAN TEAM OF YOUNG HUMAN POWER (JHP)	Cambodia
2017	Construction of the Ledang Primary School	Indonesia
2016	Construction of the Vien Son Primary and Secondary School Dormitory	Vietnam
2015	Construction of Trung Dinh Satellite Preschool	Vietnam
2014	Construction of Mwakikoya Primary School	Tanzania
2013	Construction of Nonchan Kindergarten	Laos
2012	Construction of Gezani Primary School	Tanzania
2011	Construction of Beribide Primary School	Bangladesh
2010	Construction of Shadashivbari Primary School	Bangladesh

Social

Provide high-quality systems and services



Human Rights

Recognizing diverse values and respecting individuals

In accordance with basic human rights protected by the Constitution, related laws and regulations, as well as our Commitment, the Toshiba Plant Systems & Services Corporation's Standards of Conduct recognizes the diverse values of individuals based on a respect for people, and respects the character, individuality, and privacy of people. The Standards of Conduct also prohibit discriminatory remarks and actions against race, religion, gender, nationality, physical or mental disability, age, or sexual orientation, as well as physical violence, sexual harassment, power harassment, and other acts that violate human rights.

Human Rights Enlightenment (Education)

In order to ensure that employees have a correct understanding of human rights, and are fully aware of them, we continuously provide education on human rights, including during new employee training, rank-based training when people are promoted, and other occasions.

Human Rights Lecture

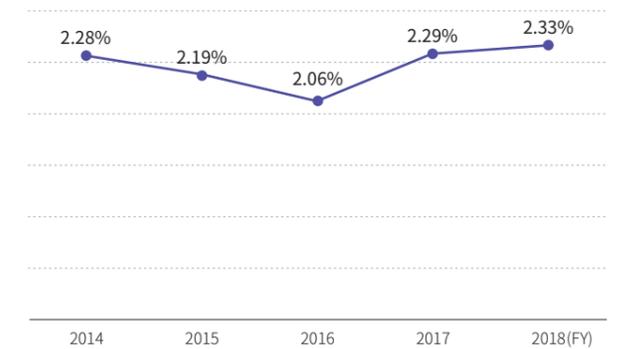
Each December, as one of the events held during human rights week, an outside lecturer is invited to give a "human rights lecture" in order to raise employee awareness about human rights issues. The theme of the lecture is different each year. Topics of past lectures have included approaches to creating comfortable workplaces and measures to prevent harassment.



Human rights lecture

Employment of People with Disabilities

Based on the philosophy of normalization, the Company actively employs people with disabilities, and supports them to thrive in the workplace. Its ratio of employees with disabilities was 2.33% as of March 31, 2019.



Establishment of Consulting Service on Human Rights

The Company established a consultation service on human rights such as sexual harassment and power harassment, and is promoting the creation of an environment where each employee can work with peace of mind. Both the Administration & Human Resources Division and the labor union have consultation desks, making it easy for employees to receive support. Issues brought to the Company's attention are addressed quickly, and the privacy of people who seek consultation is protected.

Labor Practices



Creating rewarding workplaces that emphasize employee health and safety

Our personnel are our greatest management resource, and are the source of our competitiveness as a company. We create an environment where employees can work with peace of mind and promote safety activities with the aim of having zero work accidents. We also keep our employees energized by making the most of each employee's abilities and unique strengths. Both of these initiatives lead to continual growth for the Company.

Health and Safety Initiatives

On April 1, 2019, we amended the "Basic Health and Safety Policy" in conjunction with the change in the Company's Management Philosophy Framework.

Basic Health and Safety Policy

The Company engages in business activities in accordance with our Commitment, which is "to be a corporate group that creates abundant value and contributes to the lives and cultures of people around the world through our power, industrial and social infrastructure businesses, based on respect for human rights."

To achieve these ends, we place top priority on life, safety and compliance with the law in all our business activities while promoting safe and comfortable work environments and sound physical and mental health.

1. We have positioned health and safety activities as one of the most important management issues, and while we comply with relevant laws and regulations, as well as the Company's own rules and standards related to health and safety, we also encourage all employees to work on improving occupational health and safety management systems.
2. We respect the discussion and participation of everyone involved in our business activities, and strive to create a safe and comfortable work environment as well as to improve the level of health and safety.
3. We aim for a thorough safety management framework in accordance with our health and safety plan which details the reduction of the potential risks for workplace accidents and harmful factors. With this, we ensure safe conditions and safe activities, and we have set a target of zero accidents/disasters as our goal for occupational safety.
4. We aim to create a comfortable work environment in which employees are subject to minimal fatigue and stress, believing the goal of occupational health is to promote sound physical and mental health.
5. We invest appropriate management resources when implementing this policy and continue to make efficient improvements of Basic Health and Safety Policy as well as health- and safety-related laws and regulations, rules, and standards by holding training sessions, drills, and other such activities to increase awareness.

Example of Health and Safety Initiative

① Safety sensory education

"Safety sensory education" is aimed at reminding employees of the importance of the basic actions and work operations for safety by providing a virtual experience of dangers under conditions approximating a real worksite environment while allowing employees to feel how scary an accident or disaster is. The main curriculum is designed to provide not only the experience to handle a variety of situations, including sling wire severing, pinched fingers, hanging from a belt-type safety harness, and electric shock, but also additional exercises aimed at reproducing accidents that have recently occurred for training purposes.

Since the first being held in June 2007, "Safety sensory education" has already been held more than 190 times at worksites both in Japan and overseas.



Hanging from a belt-type safety harness



Catching a 20kg dummy with a safety net

② Safety Environment Competition

In order to raise awareness of the health, safety, and the environment, and ensure proactive promotion of the activities, the Group as a whole, including affiliates and partner companies, holds a "Safety Environment Competition" each July. In FY2018, the event was held on July 11, and began with a lecture by the head of relevant Labor Standards Inspection Office and reports on examples of safety and environmental management, and included presentation of the "Safety achievement award" and the "Environmental achievement award."



Safety Environment Competition in FY2018

Health and Safety Goals

Safety Goal: Zero workplace accidents

- (1) Clarification of and compliance with health and safety rules
- (2) Firm establishment of basic work operations and actions
- (3) Continual improvement of occupational health and safety management systems
- (4) Enhancement of health and safety education

Health Goal: Zero health impairments

- (1) Promotion of mental healthcare
- (2) Prevention of health impairments caused by overwork
- (3) Enhancement of health level by promoting health management
- (4) Maintenance and improvement of the workplace environment as well as disease prevention

Basic work operations and actions

All members of the Group will return to the starting point of safety, and aim for "zero workplace accidents" by firmly establishing the Basic Work Operations and Actions.

To this end, we will incorporate risk assessment results into work instructions and manuals, and use them in TBM/KY activities* attended by all employees, thereby continuously improving occupational health and safety management systems.



*TBM: Tool Box Meeting. A safety meeting held at worksites prior to performing work. It is called this because workers gather near the tool box and have a discussion led by the supervisor.

KY (abbreviation of the Japanese phrase *kiken yochi*): Small group activity aimed at preventing accidents by having individual work groups grasp the current work conditions to predict the inherent potential risks, establish countermeasures and action goals prior to performing work.

Mental healthcare promotion

We aim for managers and employees to have "zero health impairments" by energizing workplace communication, promoting mental healthcare, and working to create comfortable and low-stress work environments.



VOICE

My participation in "Safety sensory education" —Voice of customers

- It was excellent! I could experience things hands-on that I normally can't experience. I reaffirmed just how much risk there is in our work.
- Unlike deskwork, safety sensory education allows us to learn by seeing, hearing, and touching. It was great. There are not many opportunities for such memorable education that sticks in your mind, so I am glad I participated.
- I learned a lot by being able to experience dangers in a hands-on manner. Experiences that you can feel with your own hands, such as the hands-on experiences with electric shock and the safety net, are things that I will really remember.

Together with Employees

Four Areas of Emphasis

We view diverse personnel and working styles positively, and work on a global basis to create work environments that lead to imagination and competitiveness for our businesses. Our personnel are our greatest management resource, and are the source of our competitiveness as a company. We believe that getting the most out of the abilities and unique strengths of each of our valuable employees and continually energizing them will lead to continual growth for the company.

Therefore, we set the four areas of emphasis of “Personnel training and utilization,” “Diversity-related initiatives,” “Promoting workstyle reform,” and “Promoting health management.”



Personnel training and utilization

We have put in place a “Career Design System” which aims to train and utilize personnel from a medium- to long-term perspective. Superiors and the employees that report to them cultivate communication through interviews and the Company’s operating performance is aided by superiors helping employees advance their careers while checking on the direction of their employees’ development and utilization.

“Feedback meetings” that build relationships of trust between superiors and employees that report to them

The Company conducts personnel evaluations that treat employees fairly and impartially. The evaluations are based on performance over a set period in accordance with assessment criteria. As a part of feedback through interviews between superiors and employees reporting to them, assessments of performance, abilities, and attitude are explained. In addition to increasing transparency and understanding, this leads to employees having motivation to use in their future work and to personnel training.

Training system

We develop employees by effectively combining OJT, OFF-JT, and self-development systematically.

OJT

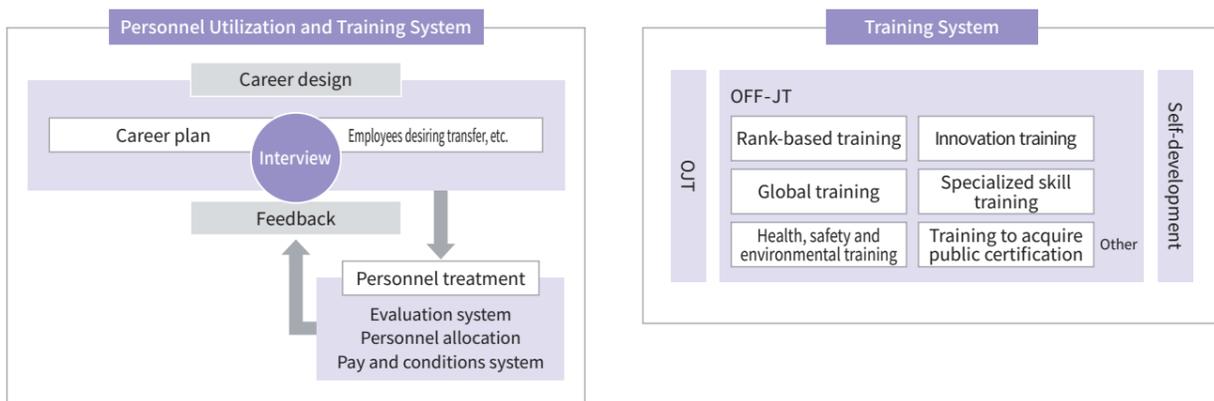
The aim of OJT is to systematically increase one’s abilities by acquiring the necessary knowledge, technical skills and business skills through work.

OFF-JT

The aim of OFF-JT is to provide systematic and specialized training away from the workplace, including rank-based training, global training, specialized skill training, and training to acquire public certification, aimed at giving employees knowledge, technical skills and business skills commonly required to carry out business.

Self-development

We offer opportunities for personnel to improve their qualifications and abilities. Such opportunities include voluntary long-distance education and “family training” which promotes mutual self-improvement among workplace units.



Diversity-related initiatives

Re-hiring system

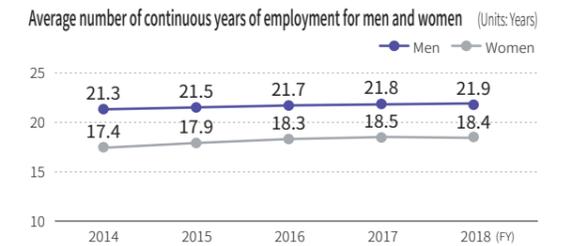
To support business plans, it is essential to pass skills down from one generation to the next and to allow experienced employees to contribute. We have established a framework for our employees to continue to work enthusiastically on the front lines of business after reaching the mandatory retirement age of 60, and the Toshiba Plant Systems & Services Group Re-hiring System which incorporates incentive structures for employees to be active on the front lines at worksites. Employees wishing to do so may renew their employment up until the age of 65.

Promoting employment for foreigners

The Company actively promotes the hiring of foreign nationals, primarily foreign students. In addition, we carry out personnel exchanges with overseas subsidiaries, and as a global company we are striving to create workplaces where personnel of diverse nationalities are active and able to thrive.

Promoting women in the workplace

The Company’s ratio of female employees is 7.0% (as of March 31, 2019). Although this ratio is low, female employees are working in a wide range of fields, including technical, sales, and administrative positions. In addition, the Company is creating mechanisms that allow female employees to thrive in the workplace, including enhancing training programs in order to increase the number of female employees in leadership roles. The Company is also working to increase the number of women hired and improve the retention rate (the average number of continuous years of employment by female employees is 18.4 years as of March 31, 2019) through its initiatives to support a balance between work, childcare and family care.



Promoting workstyle reform

Promoting workstyle reform

The Company is endeavoring to realize more flexible working styles, and is promoting the creation of workplaces that accommodate employees with restrictions, such as childcare and family care responsibilities.

Efforts aimed at workstyle reform

The Company is shortening total hours worked through initiatives to level off workloads and improve business processes in each workplace. In January 2019, we launched a work-from-home system on a trial basis, and in July 2019 we started allowing employees to take annual leave in hourly increments. By establishing these and other initiatives to help employees work more flexibly, the Company is pushing through with workstyle reform.

Supporting employees to balance work, childcare and family care

To support employees to balance work, childcare and family care, we have put in place flexible work systems that go beyond what is legally required. In addition, we have posted a “raising next-generation support leaflet” containing information on the Company’s various benefits and programs as well as public benefits, and a “family care support leaflet” on the Company intranet for employees to view necessary information anytime.

Measures to support employees to balance work with childcare and family care

Childcare leave	Until the 30th of April following the child’s second birthday (if statutory requirements are met)
Shortened working hours to provide childcare	Covers children through until elementary school graduation
Family care leave (for the sick and/or injured)	5 days a year per eligible person
Paternity leave	5 days (within 6 weeks of spouse giving birth)
Raising next-generation support leave	10 continuous days (following birth by spouse, until child turns one)
Family care leave (for the elderly and/or disabled)	One year per applicable family member (up to a year of total leave can be split into smaller periods without restriction)
Shortened working hours to provide family care (for the elderly and/or disabled)	No limit per applicable family member (until reason for family care no longer exists)
Family care leave (for the elderly and/or disabled)	5 days a year per applicable family member

Ratio of women returning to work after giving birth



Initiatives aimed at shortening total hours worked

Main leave programs

Free entry leave	Employees can register and take up to 12 days of annual leave in advance
Accumulated leave	Employees can accumulate and take up to a maximum of 20 days of annual leave, that would otherwise expire, for the purpose of self-development, volunteering, treatment of non-occupational injuries and diseases, family care, or childcare
Refresh vacation	Employees can take 5 consecutive days of vacation after 10 consecutive years of service, and then 5 consecutive days of vacation after each 5 consecutive years of service thereafter (10 days after reaching 25 years of consecutive service)
Retirement trip vacation	Employees can take 5-day travel vacation upon reaching mandatory retirement at age 60

Initiatives through the Haturatsu Work-life Level

The outcome of initiatives to reduce the total number of hours worked is used as an indicator called the “Haturatsu Work-life Level.” Divisions that have done well receive recognition, and are given money to use for recreational activities that involve the business unit.



Promoting health management

Promoting health management

The Company is promoting health management in order to raise health awareness in every individual so that they can be physically and mentally healthy and perform at their best levels.

Health guidance from industrial physicians and nurses

For employees receiving regular health checkups, industrial physicians and nurses check their health level and encourage them to receive medical checkups, as well as provide necessary support and advice concerning diet, exercise, and lifestyle improvements.

In specific health guidance, employees set improvement targets for lifestyle habits and write up detailed action plans. A nurse provides support for the detailed action to help employees achieve their targets in 6 months.

Initiatives for mental healthcare

Stress checks promote awareness of stress among employees. For employees with high stress levels, an industrial physician interviews the employee and provides guidance, aiming to quickly detect and help employees with mental health problems. In addition, the Company has established a return-to-work support system for those who have been on leave.

Efforts to improve employees' health literacy include e-learning education, rank-based training, managerial training, as well as self-care and line care support from a clinical psychologist.



	First Level Prevention and health promotion	Second Level Early detection, quick response	Third Level Convalescence support
Self-care	Training for new hires and again after first year		
	Year 5 training		
	Rank-based training		
	Stress checks		
Line care	Employee satisfaction awareness survey		
	Managerial training		
	Comprehensive workplace inspections by managers		
	Interviews with clinical psychologists		

VOICE

Voice of an employee using the childcare leave system and shortened working hours to provide childcare

After taking childcare leave for approximately a year and a half, I am now back at work taking advantage of the shortened working hours system.

When I returned to work following childcare, I found balancing work with childcare to be more difficult than I had expected, so being able to use the shortened working hours system has been significant for me, and I really appreciate having this system in place. With this system, I am able to adjust my starting time and ending time to reduce my working hours up to a maximum of two hours. Being able to use it to suit my schedule is a big plus.

Because my child is still young, there were many times when my child became ill suddenly or had a

high fever upon waking up. Some colleagues in my department had used the shortened working hours system, so they understood my situation and modified my work, which gave me peace of mind.

I am very grateful for this, because no matter how good the system is, I would not be able to take advantage of it if my colleagues didn't understand my situation and support me.

For the benefit of employees who will use the system in the future, it would be great if the Company enhances the system even more and continues to create a workplace environment that makes it easy for employees to take advantage of it.

Fair Operating Practices

Ensuring fair, transparent and free competition and appropriate business transactions

We provide fair business opportunities to suppliers, and prioritize doing business with companies that comply with relevant laws and regulations, take the environment into consideration, and have excellent technology and quality.

Procurement Policy

We hold a firm belief that materials procured should be of superior quality and safety to meet each of our customers' needs. Our unique Standards of Conduct and Toshiba Group Procurement Policy govern and ensure that our sourcing, contracting and purchasing activities are ethical, efficient and accountable while compliance to laws and regulations is met and all efforts are made to preserve the environment. We seek a wide range of partnerships with like-minded companies who share with us the same corporate values of fairness, openness, and building long trusting relationships, as we believe that together we can prosper.

Supplier Expectations

- Compliance with Laws and Regulations, Social Customs, Etc.
 - Ensuring compliance with the prevailing laws and regulations, including anti-trust laws, commercial codes, subcontractor regulations, construction business act, personal privacy laws, ordinance for eliminating organized crime groups, etc.
 - Prohibition of bribery (any gift, payment, consideration, financial or non-financial advantage or benefit of any kind which constitutes a corrupt and illegal practice)
- Considerations to Human Rights, Labor, Health and Safety
- Environmental Considerations
 - Suppliers are encouraged to adopt ISO 14001-based environmental management systems and to promote third-party certification.
 - Suppliers are encouraged to reduce or eliminate use of potentially hazardous substances and to utilize Green Procurement.
 - Suppliers are encouraged to promote environmental protection activities.
- Maintaining Sound Business Operations
- Securing Excellent Product Quality
- Offering Goods and/or Services at Appropriate Prices
- Firm Delivery Commitment and Establishment of Stable Supply Structure
- Enhancement of Technological Capabilities
- Continuing Supply in Times of Unexpected Circumstances

Establishment of Whistleblower System (Clean Partner Line)

Various training programs related to compliance during procurement are provided to officers to ensure fair trading practices. In order to ensure compliance and fair transactions, we established a whistleblower system for our suppliers called Clean Partner Line, in January 2007. If any violation of the law and regulations should arise during business transactions, our suppliers notify us. We establish more transparent relationships of mutual trust with the suppliers, and develop sound partnerships with the suppliers.

Philosophy on Intellectual Property

In addition to complying with the Patent Act, the Copyright Act, and other laws and regulations related to intellectual property rights, as well as respecting the legitimate intellectual property rights of third parties, we use intellectual property rights to protect the outcomes of our technological activities, and contribute to society by actively utilizing these intellectual property rights in our businesses.

Handling Anti-Social Forces and Our Policy

The basic policy for internal controls stipulates that officers and employees of the Group shall reject any relationships with anti-social forces that pose a threat to the order and safety of civil society, and the entire Group shall take a resolute approach to all such issues.

As a concrete measure, the Group has strengthened collaboration, steadily implemented public relations supervision training, worked to share and utilize information related to public relations. The Group also investigates the attributions of counterparties when initiating new business transactions and has thoroughly introduced organized crime group elimination clauses into business contracts. In addition, we have built a system that allows us to cooperate with external organizations such as police and corporate attorneys, and to respond appropriately and in a timely manner to any approaches from anti-social forces.



Consumer Issues

In order to deliver high-quality infrastructure and services to customers

Based on Commitment (our business philosophy) and Standards of Conduct, we implement effective measures with respect to quality management, information security and the protection of personal data, and strive to raise the level of customer satisfaction by continually improving these measures.

Quality Management

We have built a quality management system with a total engineering framework spanning from plant planning and proposals to design, procurement, construction, testing, trial operations, maintenance and services, and offer services that match customers' needs.

Going forward, we will carry out quality activities based on our "Quality Control Policy," implement strict quality management, make continual improvements, and strive to improve quality.

Quality Management System (QMS) Overview and Management Framework

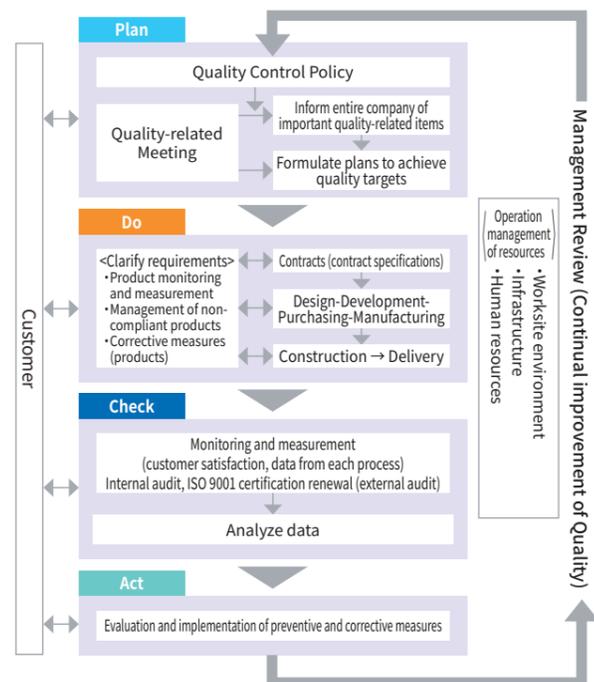
We continually make improvements to quality always from the perspective of our customers by using a stringent quality management system based on ISO 9001 requirements, and by carrying out PDCA (Plan-Do-Check-Act) cycles, the basic principle of ISO 9001.

Quality Control Policy

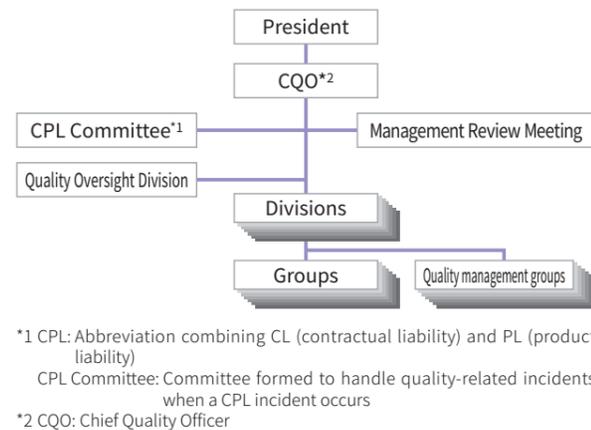
Based on our Commitment of raising the quality of life for people around the world through our power, industrial and social infrastructure businesses, ensuring progress that is in harmony with our planet, and in accordance with the Toshiba Plant Systems & Services Corporation's Standards of Conduct, we aim to contribute to society by making quality our highest priority, ensuring product safety and reliability, securing a proper worksite environment, complying with legal regulations, and by providing services, products, and systems that fulfill customer needs. To this end, we have established the Quality Control Policy as shown on the right.

1. We engage in quality assurance from the customers' point of view.
2. We comply with relevant laws and regulations and contracts, and respect the rights of customers and third parties.
3. We establish and maintain a quality management system which aims to deliver services, products and systems that fulfill customer needs, and continually improve their effectiveness.
4. We ensure quality through effecting the participation of the entire group and all employees.
5. We aim for essential improvement by investigating the root causes of process failures.

Conceptual Diagram of Quality Management System



Management Framework of Quality Management System



ISO 9001 certification mark

We have obtained ISO 9001 certification from Lloyd's Register Quality Assurance Limited, the international standard for quality management systems.



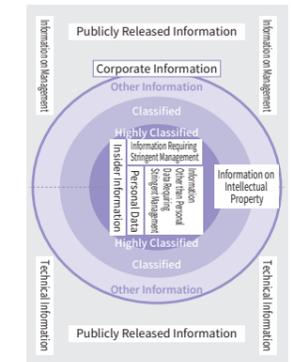
Information Security

In order to properly manage all information handled in the course of business operations (excluding information widely disclosed outside the Company) based on the Standards of Conduct and the Information Security Guidelines, we have established a management framework comprising the Company-wide Information Security Management Review by senior management, as well as the Information Security Committee, the Information Security Liaison Council, the Practices Committee, and each division.

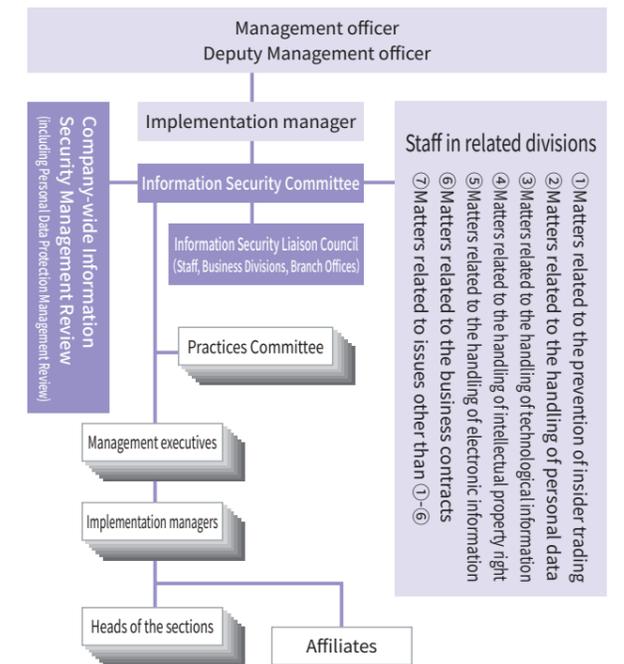
We implement measures to effectively and appropriately manage the information we hold and to reduce and avoid information risks to the maximum extent possible. In addition to carrying out a range of security measures, including those related to the handling of Company information and countermeasures for information equipment, we appropriately conclude written pledges, confidentiality agreements, and other agreements with suppliers, cooperating companies, employees and other relevant parties necessary for legal compliance concerning the use of information.

In the event of an information security incident, we will promptly restore the security system and take corrective measures.

Relationship Between Information and Security Classification



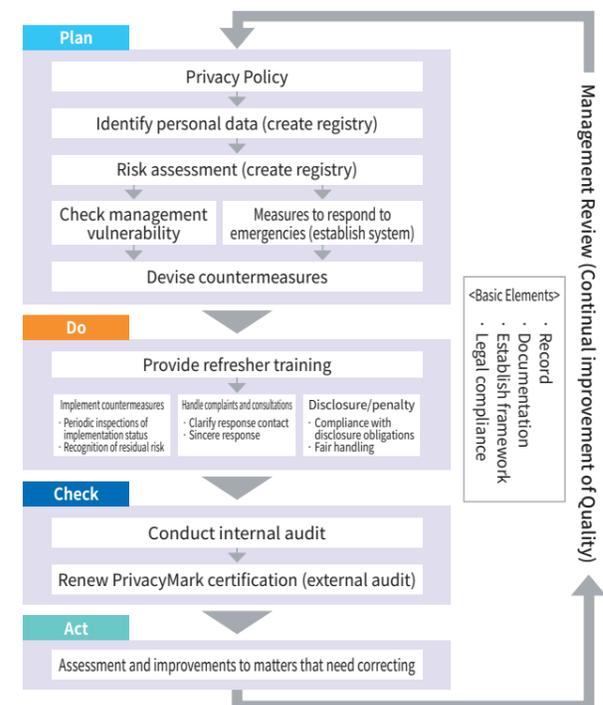
Management Framework of Information Security



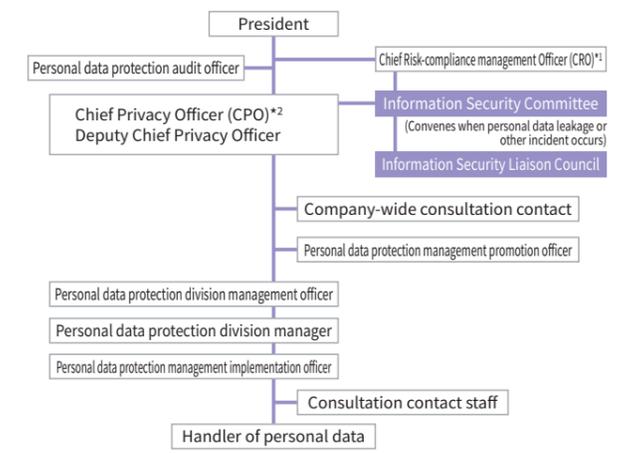
Protection of Personal Data

We have obtained the PrivacyMark certification from JIPDEC. This signifies that the Company is in compliance with all laws and regulations, as well as other standards related to the protection of personal data, in accordance with the Standards of Conduct. We have established a Personal Data Protection Management System in order to thoroughly protect the personal data we handle. This system is implemented and used in our daily operations, and improvements are continually made to the system based on improvements and reviews made by the internal and external audits.

Conceptual Diagram of Personal Data Protection Management System



Management Framework of Personal Data Protection Management System



*1 CRO: Chief Risk-compliance management Officer
*2 CPO: Chief Privacy Officer

Governance

Practice through compliance and operate properly

Organizational Governance

Aiming to improve management transparency and effectiveness, and to increase corporate value

As a company that handles power, industrial and social infrastructure, in order to keep the trust of stakeholders such as customers and shareholders, we enhance our corporate governance system and strive to improve management transparency and effectiveness.

We strive to build strong relationships of trust with shareholders, investors, customers and other stakeholders, and to increase corporate value.

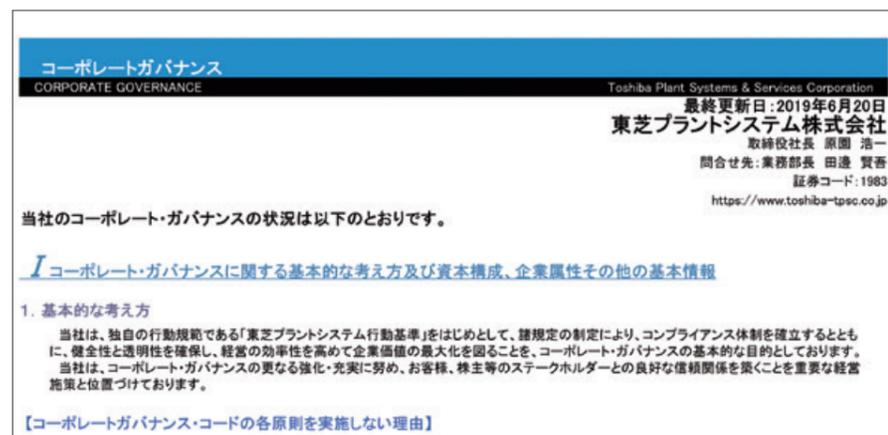
Corporate Governance Corporate Governance Policy

Starting with the “Toshiba Plant Systems & Services Corporation’s Standards of Conduct,” which is the Company’s original code of conduct, we have established a compliance system through the establishment of various rules. The basic objective of our corporate governance is to ensure management soundness and transparency, to increase management efficiency, and to maximize corporate value.

We have striven to further strengthen and enhance our corporate governance, and have positioned the building of good relationships of trust with stakeholders such as shareholders, investors and customers as an

important management policy.

In addition, based on the purpose and spirit of the “Corporate Governance Code” established by the Tokyo Stock Exchange, the Company aims to realize sustainable growth and medium- to long-term corporate value improvement, and in order to clarify the basic philosophy and initiatives of the Company with respect to corporate governance, we have established “Our Efforts Related to the Corporate Governance Code” as policies corresponding to all 78 principles, the full text of which is disclosed on the Company’s website.



Excerpt from the Corporate Governance report (June 20, 2019)
https://www.toshiba-tpsc.co.jp/pdf/ir/or/pdf/corporate_governance_20190620.pdf

Corporate Governance System

The Company is a company with Board of Statutory Auditors. The Company has 11 Directors (including two Outside Directors) and four Statutory Auditors (including two Outside Statutory Auditors). Through their efforts, the Company is working to strengthen and enhance its corporate governance system, and is aiming to boost management efficiency and ensure transparency.

1. Board of Directors

The Board of Directors generally holds meetings once a month in order to ensure that Directors are efficiently executing their duties.

As the highest management decision-making body, the Board of Directors discusses and makes decisions on matters stipulated in laws and regulations and the Articles of Incorporation, as well as other important management matters. In addition, the Board of Directors receives reports in a timely and appropriate manner from each Director and Executive Officer regarding the status of operations, and effectively and efficiently monitors and supervises the suitability and rationality of operations.

Moreover, the Executive Officer System has been introduced to quickly respond to rapid changes in the business environment as well as competition with other companies by separating the business execution function from the management decision-making and supervising functions.

2. Management Meeting

The Management Meeting is generally held once a week in order to ensure quick decision-making and efficient operations.

At the Management Meeting, management policies and important business execution related to management strategies, etc., are discussed and decisions are made.

3. Nomination and Compensation Committee

The Nomination and Compensation Committee, comprised of two Outside Directors, one Outside Statutory Auditor and two Directors appointed by the resolution of the Board of Directors, has been established as a voluntary advisory body to the Board of Directors. This Committee ensures a framework whereby Outside Officers are able to be appropriately involved in, and provide advice with respect to matters such as the nomination of officers, as well as Directors’ compensation.

4. Board of Statutory Auditors

In accordance with the “Board of Statutory Auditors’ Rules,” the Board of Statutory Auditors generally holds meetings once a month. At these meetings, the Statutory Auditors exchange opinions and share information with one another. In addition, reports about auditing matters, etc. are received from each Statutory Auditor, and the matters are deliberated and decided upon.

As an independent organization, in accordance with the auditing

standards for Statutory Auditors, audit policy, annual audit plan, etc. decided by the Board of Statutory Auditors, each Statutory Auditor strives to deepen his/her understanding of business and proactively collect information, and through the investigation of management conditions and financial conditions, fairly and effectively audit the execution of business by Directors. In addition, the Statutory Auditors work closely with the Auditing Division and other divisions, request advice from attorneys and other outside experts as necessary, and otherwise strive to bolster the function of the Board of Statutory Auditors.

In addition, we have established a framework so that Statutory Auditors accurately and in a timely manner understand the important decision-making process and the status of business execution, and are able to offer advice and express their opinions as necessary. This includes providing Statutory Auditors with the opportunity to attend Board of Directors meetings, Management Meetings, and other important meetings, in addition to regularly providing opportunities for Statutory Auditors to meet and discuss matters with the President and Chief Executive Officer (Representative Director).

5. Auditing Division

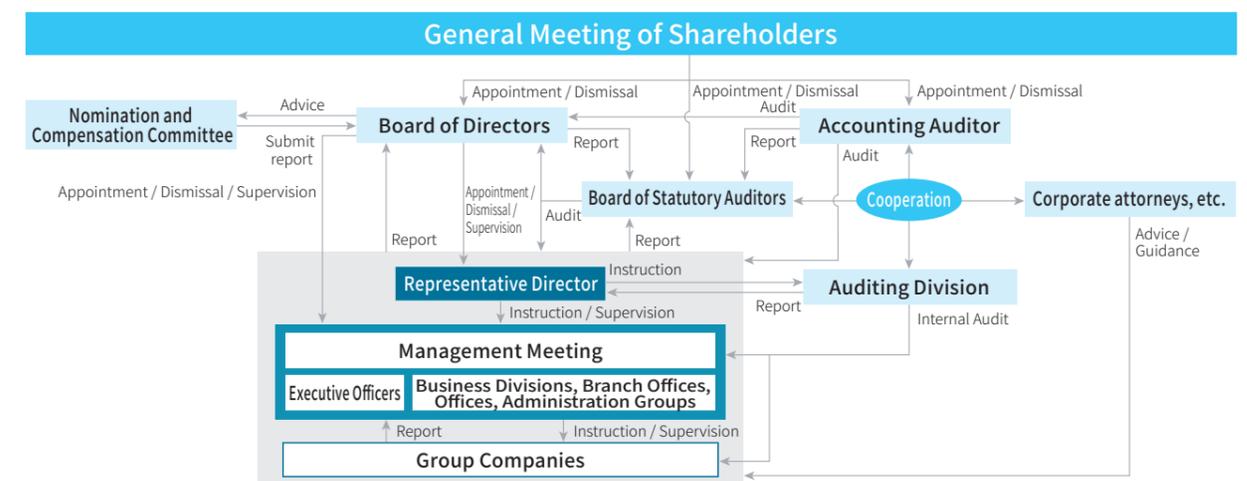
The Auditing Division was established as an organization responsible for the internal audit function. Based on the plan for the fiscal year, the Auditing Division audits the business activities and accounting of the Company’s various divisions and of group companies.

The Auditing Division studies and evaluates the effectiveness of compliance, risk management and governance processes of each division, and the status of management activities impartially and from an independent position, from the standpoint of legality, rationality, and efficiency. The Auditing Division possesses the audit function to provide opinions, advice, and recommendations aimed at making improvements, and works closely with the Statutory Auditors and others with respect to the overall audit process and shares information related to audits.

6. Accounting Auditor

PricewaterhouseCoopers Aarata LLC, the Accounting Auditor, performs statutory accounting audits and works closely with the Board of Statutory Auditors to ensure the legality and appropriateness of accounting practices.

Corporate Governance Structure



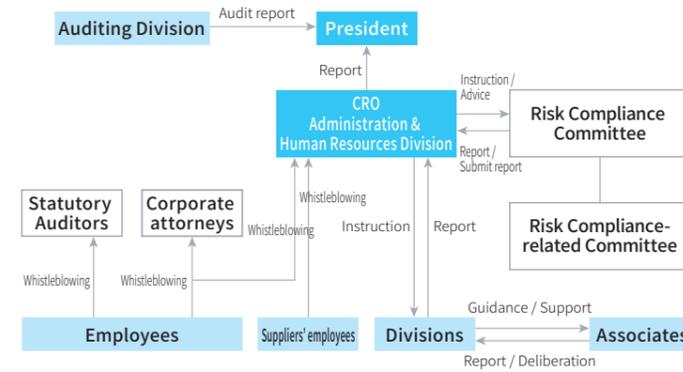
Policy and Structure of Risk Management and Compliance

We thoroughly comply with all laws and regulations, social norms, ethics, and internal rules, and strive to improve management efficiency and ensure management transparency.

In addition, we ensure strong compliance with our Commitment, our Management Vision, and the “Toshiba Plant Systems & Services Corporation’s Standards of Conduct,” which is the Company’s original code of conduct. As a corporate citizen of the Earth that values the environment, human rights, and harmony with local communities, we aim to realize sound and high-quality management.

Furthermore, each year we determine priority measures in our risk and compliance management measures while taking into consideration current changes in the business environment. By pursuing these measures that are common to the whole Company, we strive to enhance compliance.

Risk Management and Compliance Structure



Whistleblower System



Whistleblower System

As part of our proactive effort to prevent compliance violations and to limit risk, we have established a “Risk Hotline” as well as a “Board of Statutory Auditors Hotline.” These measures allow the Company to directly obtain information on risk internally.

Furthermore, in either system, we make sure that people who provide information on risks are not subject to unfair treatment on the grounds that they provided such information.

Together with Shareholders and Investors

Policy on Disclosure of IR Information

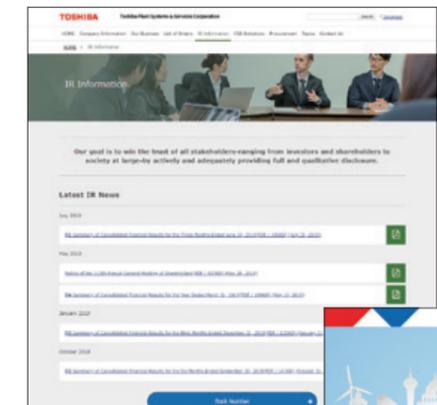
Information disclosure is an important management priority, and we recognize it is essential to appropriately disclose information in order to obtain our stakeholders’ understanding.

To put this in practice, we quickly carry out timely

disclosure in accordance with laws and regulations etc., in addition to voluntarily disclosing information (including non-financial information) determined to be important for shareholders and other stakeholders.

Dialogue with Shareholders and Investors

We recognize that proactively engaging in dialogue with our shareholders to listen to their opinions and requests, and reflecting such feedback into management, are important responsibilities in order to achieve sustainable growth and to increase corporate value over the medium to long term. To this end, we have established an IR framework centered on the director responsible for IR. We hold financial results meetings for shareholders and investors generally twice a year, as well as proactively hold IR meetings and other events based on requests, and strive to disclose information in a timely and appropriate manner to a reasonable extent, while keeping in mind principles such as shareholder equality and insider information handling etc. As necessary, the director responsible for IR provides feedback about the outline of such information and shares information with other directors and relevant divisions through meetings, reports, and other means.



Website IR information



Shareholder Newsletters

Message from Outside Auditor

Providing services responding to the changing times



Outside Auditor
Attorney at Law

Takashi Ishii

[Biography]

- April 2000 Registered as Attorney at Law
- April 2007 Joined Japan Fair Trade Commission (An Official with Fixed Term of Office)
- April 2012 Re-registered as Attorney at Law
- August 2015 Attorney at Law, Outside Statutory Auditor of the Company (Present position)

I have interacted with many companies since starting my career as an attorney. Based on this experience, at Board of Directors meetings I make sure to proactively state my opinions about how issues that can have a major impact on management are seen from the outside, such as whether materials related to our debates are appropriate, and whether our discussions are being carried out properly in the right way.

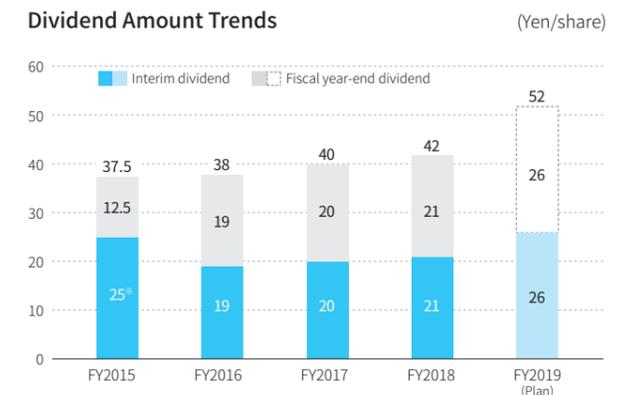
In addition, I recognize that the role required of me by the Board of Directors is to point out issues in promoting business based on my expertise. For example, both the Company and its parent company are listed on the stock exchange. Therefore, one issue is how the interests of the shareholders besides the parent company, which is a major shareholder, will be protected. Therefore, I understand that one thing expected of me is to objectively monitor things such as whether transactions with the parent company are appropriate, and whether there are inappropriate provisions of profits, and to reflect such findings in the Company’s management.

I feel that the FY2019 Mid-Term Management Plan properly indicates a vision for flexibly responding to the changes in the market, amid the changes in society and the expansion of renewable energy along with the shift away from carbon. In order to survive as a sustainable company, it is important for the Company to respond to the changing times. Going forward, we will face significant changes in the environment, and there will likely be a wide range of demands placed on us by society. If we can resolve social issues and expand our earnings by providing services that respond to the changing times, we will likely be able to grow further as a sustainable company.

Basic Policy on the Profit Allocation

The Company works to return profits with the target of a consolidated dividend payout ratio of approximately 40%, while considering the optimal balance between increasing corporate value through medium- to long-term growth and the return of profits. Also, the Company effectively uses internal reserves to bolster its financial position, to prepare for future business development, and to flexibly respond to changes in the business environment as well as other developments. Taking changes in the business environment, the Company’s financial condition, and other factors into consideration, the Company considers carrying out share buybacks as a way of raising capital efficiency and returning profits to shareholders.

Dividend Amount Trends



Breakdown of FY2015 interim dividend: Ordinary dividend = ¥12.5, Special dividend = ¥12.5

Company Data/Network (As of July 1, 2019)

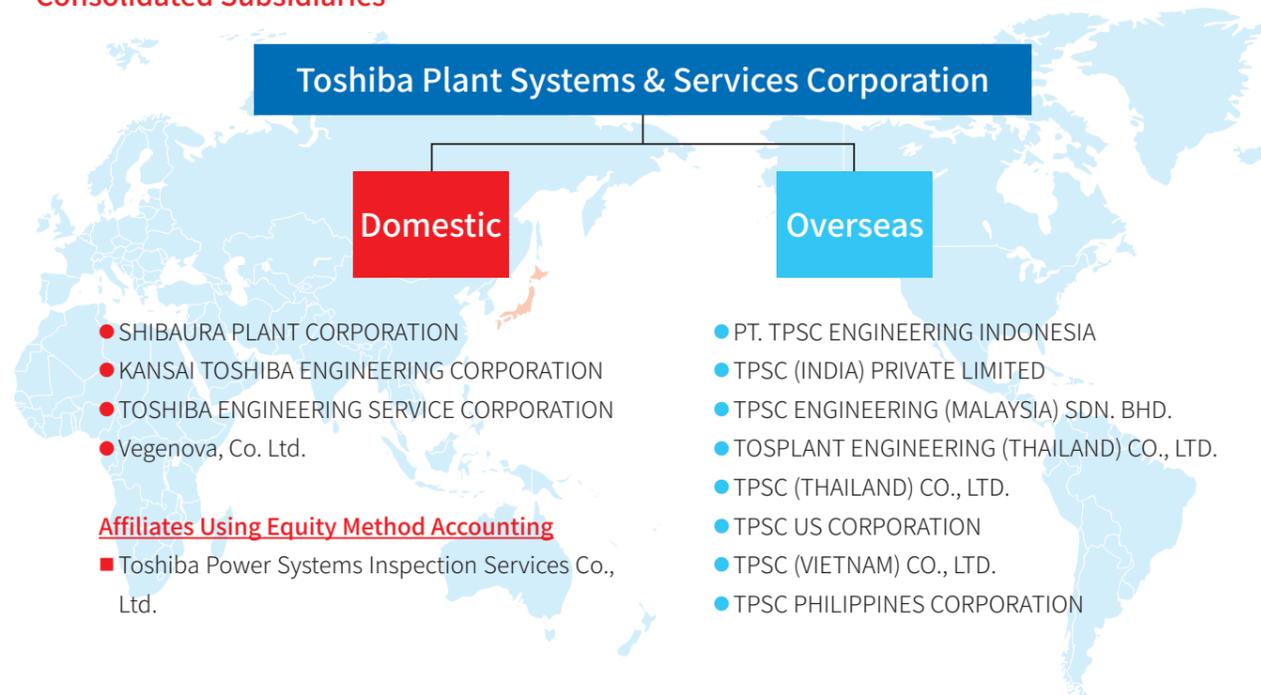
Company Name	Toshiba Plant Systems & Services Corporation
Address of Head Office	Tsurumi Toshiba Building 36-5, Tsurumichuo 4-chome, Tsurumi-ku, Yokohama City, Kanagawa, Japan
Representative	Koichi Harazono, President and Chief Executive Officer, Representative Director
Founded	October, 1923
Established	October, 1938
Paid-in Capital	11,876,021,006 yen
Our Business	Engineering, procurement, construction, trial operation, adjustments, and services for facilities and buildings targeting power plants, substations, public facilities and general industry
Number of Employees	4,395 (Consolidated basis), 3,519 (Non-Consolidated basis)



Domestic Network

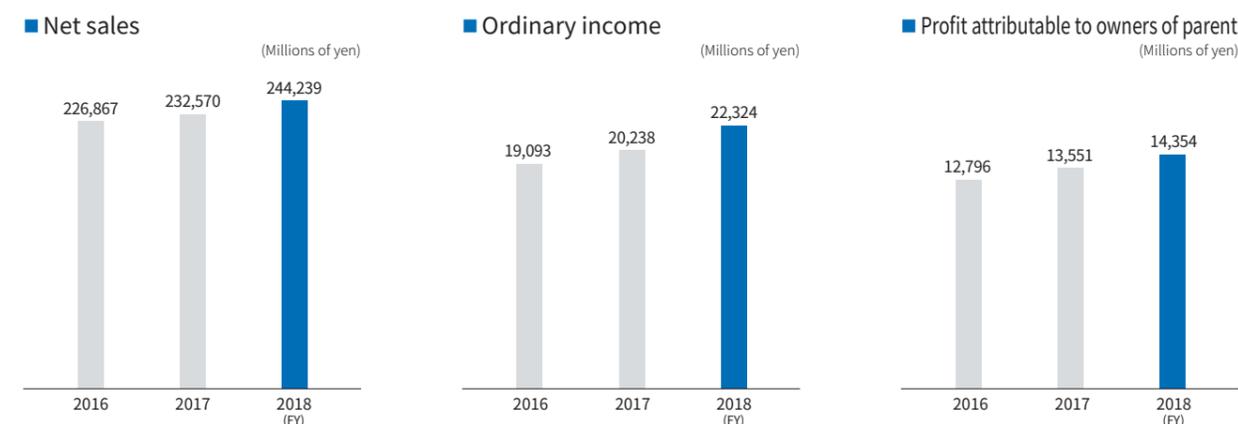
Offices, Factories	Tsurumi Office (Head Office, Yokohama City), Kawasaki Office (Kawasaki City), Kawasaki Solid Square Office (Kawasaki City), Isogo Office (Yokohama City), Atsugi Factory (Atsugi City), Atsugi Technology Research & Development Center (Atsugi City), Atsugi Plant Equipment Control Center (Atsugi City)
Offices	Fuchu Office (Fuchu City), Keihin Office (Yokohama City), Hamakawasaki Office (Kawasaki City)
Branch Offices	Tohoku Branch Office (Sendai City), Chubu Branch Office (Nagoya City), Kansai Branch Office (Osaka City), Kyushu Branch Office (Fukuoka City)
Branch Offices	Hokkaido Branch Office (Sapporo City), Shin-etsu Branch Office (Niigata City), Hokuriku Branch Office (Toyama City), Chugoku Branch Office (Hiroshima City), Power Plant Systems West-Japan Branch Office (Shunan City)
Offices	Fukushima Office (Koriyama City), Iwate Office (Kitakami City), Mie Office (Yokkaichi City), Shikoku Office (Takamatsu City), Oita Office (Oita City), Kumamoto Office (Kumamoto City), Okinawa Office (Urasoe City)
Offices	Kitakanto Office (Saitama City), Higashikanto Office (Chiba City), Shizuoka Office (Mishima City)

Consolidated Subsidiaries



Highlights of Consolidated Financial Results

		FY2016	FY2017	FY2018
Net sales	(Millions of yen)	226,867	232,570	244,239
Ordinary income	(Millions of yen)	19,093	20,238	22,324
Profit attributable to owners of parent	(Millions of yen)	12,796	13,551	14,354
Comprehensive income	(Millions of yen)	15,078	15,894	15,470
Net assets	(Millions of yen)	133,288	145,379	156,852
Total assets	(Millions of yen)	244,407	256,003	274,290
Net assets per share	(Yen)	1,365.06	1,489.03	1,606.41
Basic earnings per share	(Yen)	131.36	139.11	147.35
Equity ratio	(%)	54.4	56.7	57.1
Rate of return on equity	(%)	10.1	9.7	9.5
Price-earnings ratio	(Times)	12.37	16.48	13.32
Cash dividends per share	(Yen)	38.00	40.00	42.00
Dividend payout ratio	(%)	28.9	28.8	28.5
Cash flows from operating activities	(Millions of yen)	700	16,726	10,189
Cash flows from investing activities	(Millions of yen)	△ 1,518	△ 1,828	△ 76,134
Cash flows from financing activities	(Millions of yen)	△ 3,082	△ 3,810	△ 4,003
Cash and cash equivalents at end of year	(Millions of yen)	87,996	99,289	29,445



<https://www.toshiba-tpsc.co.jp/>

TOSHIBA PLANT SYSTEMS & SERVICES CORPORATION

Tsurumi Toshiba Building, 36-5, Tsurumichuo 4-chome, Tsurumi-ku,
Yokohama City, Kanagawa, 230-8691, Japan
TEL: +81-45-500-7050 FAX: +81-45-500-7155

