TOSHIBA
Leading Innovation

Annual Report 2010

TOSHIBA PLANT SYSTEMS & SERVICES CORPORATION

Basic Commitment of the TOSHIBA Group

We, the Toshiba Group companies, based on our total commitment to people and to the future, are determined to help create a higher quality of life for all people, and to do our part to help ensure that progress continues within the world community.

Commitment to People

We endeavor to serve the needs of all people, especially our customers, shareholders, and employees, by implementing forward-looking corporate strategies while carrying out responsible and responsive business activities. As good corporate citizens, we actively contribute to further the goals of society.

Commitment to the Future

By continually developing innovative technologies centering on the fields of Electronics and Energy, we strive to create products and services that enhance human life, and which lead to a thriving, healthy society. We constantly seek new approaches that help realize the goals of the world community, including ways to improve the global environment.

Committed to People, Committed to the Future. TOSHIBA

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Forward-Looking Statements
In this annual report, statements other than historical facts are forward-looking statements that reflect our plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ materially from those anticipated in these statements.

Note: In this annual report, planning and design are referred to as "engineering," while field testing, trial operation, adjustment and service are referred to as "field service."

To Our Shareholders, Customers and Friends

I am pleased to have this opportunity to report to our shareholders, customers, friends and other stakeholders on the business results of Toshiba Plant Systems & Services Corporation for fiscal 2009, ended March 31, 2010.

Tetsuo Ishii
President and Chief Executive Officer, Representative Director

Overview of Performance During the Fiscal Year

During the fiscal year under review, the Japanese economy gradually emerged from the downturn as evidenced by an increase in production due to the recovery of exports and an improvement in corporate earnings. The economic outlook remained uncertain, however, as a result of continuing trends of the curtailment of capital investment and a slow pickup in consumer spending on the back of the severe employment situation.

Despite relatively robust capital investment in electric power facilities from the previous fiscal year, business conditions surrounding the Group were harsh. This was reflected by an ongoing contraction in public-sector investment as well as private-sector capital investment remaining at low levels due to companies' cautious stance toward the economic outlook.

Principal Initiatives Undertaken During the Year

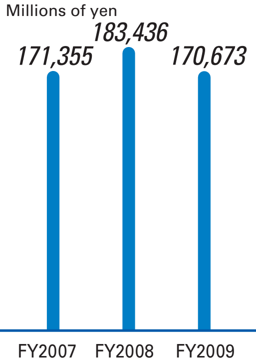
Under our 2009 Medium-Term Management Plan, we have actively promoted various measures in aiming to be an excellent company maintaining profitable and sustainable growth based on the three basic strategies of achieving profitable and sustainable growth, pursuing innovation through Toshiba's BCM* management system and implementing corporate social responsibility (CSR) oriented management.

In achieving profitable and sustainable growth, as a means of further enhancing competitiveness, we have undertaken measures to reinforce the structure of the nuclear power, industrial power plant and comprehensive plant and facilities businesses, which are positioned as growth fields, along with reforming the cost structure including expenses and variable costs. Additionally, initiatives have been implemented to further accelerate the strengthening of competitiveness by transferring the procurement function, including materials, to business divisions in order to reinforce procurement capability and develop procurement activities that consolidate technologies and procurement. We have also striven to improve and augment the procurement system by taking measures such as establishing an overseas procurement base in Singapore. Moreover, we have proactively promoted initiatives to nurture global personnel in gearing up for future overseas business expansion.

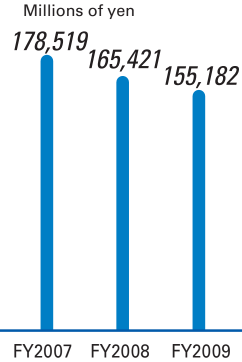
*Balanced CTQ Management (BCM) is a Toshiba business management methodology developed to achieve its business vision.

Key Financial Figures (CONSOLIDATED) Fiscal years ended March 31

Net Orders



Net Sales



In terms of pursuing innovation through Toshiba's BCM management system, we have further bolstered conventional Management Innovation (MI) activities and Small Group Activities (SGA) incorporating established innovation activities, thereby accelerating initiatives in which all employees participate.

With regard to implementing CSR-oriented management, we have continuously promoted various initiatives including social contribution activities and activities aimed at reducing environmental loads in order to become a Group that is trusted by society by placing the highest priority on life, safety and compliance in all of our business activities. Furthermore, together with strengthening efforts related to compliance and risk management in terms of laws, social norms, ethics and other aspects, we have also proactively promoted activities in various areas such as social contribution, compliance with laws and regulations and respect for human rights in an effort to enhance the quality of business management. In tandem, we are pursuing continuous improvement of our quality management system. Through such means, we are working to realize sound and first-rate management.

During the fiscal year under review, net orders decreased 7.0% over the previous year to ¥170,673 million due to a decline in orders in the Infrastructure and Industrial Systems Division. Despite an increase in periodic inspections and renovation and maintenance of existing nuclear power plants, net sales were down 6.2% year-on-year to ¥155,182 million as a result of lower sales in the Power Systems Division and Infrastructure and Industrial Systems Division.

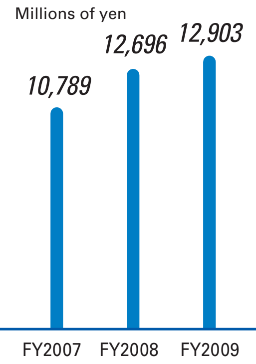
In terms of profits, despite a decrease in net sales, due to the effects of various measures such as improving efficiency and cost reductions, operating income increased 1.6% to ¥12,903 million, ordinary income rose 5.1% to ¥13,423 million and net income climbed 7.4% to ¥7,841 million, thus achieving record high profits.

Based on this performance, the Company announced cash dividends of ¥15.0 per share, evenly split between the interim and year-end dividend.

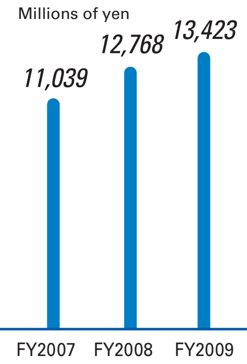
Future Approach and the Medium-Term Management Plan

Looking ahead, despite the trend toward economic recovery in various areas such as rising exports and the effects of economic stimulus measures, the outlook will remain unpredictable due to a number of concerns including strong sentiment

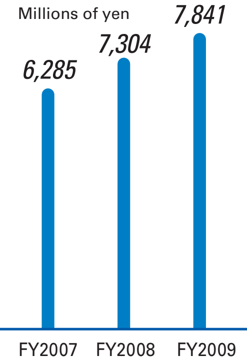
Operating Income



Income before Extraordinary Items



Net Income



regarding the necessary upgrade of facilities and the employment situation.

Under the 2010 Medium-Term Management Plan, in order to promote appropriate measures responding to the changes in the business environment and realize further sustainable growth, in addition to traditional business fields, the Group will continue to strategically allocate resources to growth areas directed toward business expansion through the concentration of resources. At the same time, we will undertake concerted efforts to maintain and improve business results by such means as strengthening cost competitiveness, including the reduction of procurement costs and promotion of business efficiency.

Consolidated targets for fiscal 2011, ending March 31, 2013, are net sales of ¥195 billion and ordinary income of ¥15 billion.

Building on our wide range of technologies in such fields as plant engineering and information systems that underpin our high reputation earned over the years, we will pursue even more advanced technology development. Based on the Group concepts of “Security and Safety,” we will contribute to social progress and development through the creation of a foundation that supports both industry and society as a whole.

“To be an excellent company maintaining profitable and sustainable growth,” we will endeavor to respond quickly to market changes, as well as ensure the world-class quality and safety of our operations. In terms of our overall business activities, we will promote CSR management through such measures as complying with laws and regulations, protecting the environment, respecting human rights and ensuring the protection of personal information. Through these activities, we will seek to build a strong relationship of trust with our customers, shareholders, employees and other stakeholders, and to enhance our corporate value.

In these endeavors, we ask for your continued guidance and support.

June 2010

Tetsuo Ishii

President and Chief Executive Officer,
Representative Director

2010 Medium-Term Management Plan Outline

Toward Becoming an Excellent Company Maintaining Profitable and Sustainable Growth

To be "an excellent company maintaining profitable and sustainable growth," we created the 2010 medium-term management plan that got under way in the fiscal year under review. We are proceeding to implement specific measures based on the three basic initiatives of the plan, specifically, achieving profitable and sustainable growth, pursuing innovation through Toshiba's BCM* management system and implementing CSR-oriented management.

The consolidated targets for fiscal 2012, the final year of the medium-term management plan, are net sales of ¥195 billion and ordinary income of ¥15 billion.

2010 Medium-Term Management Plan—Basic Strategies

▶▶Achieving Profitable and Sustainable Growth

We will proactively and strategically allocate resources to growth fields. In addition to reinforcing sales power as well as maintaining or upgrading technological capabilities, we will continue our efforts to strengthen cost competitiveness. In business operated for the Toshiba Group, we will review the scope of our business responsibility and establish an optimal Group structure by incorporating peripheral businesses. In non-Toshiba Group business, we will promote measures such as accelerating the establishment of a systematic business structure in the industrial power plant business and reinforce the collaborative structure of sales and technology in the comprehensive plant and facilities business, thereby aiming to build a business model that will achieve high earnings and growth. In overseas business, we will promote global business expansion through establishing a business model and effectively utilizing local affiliates.

▶▶Pursing Innovation through Toshiba's BCM* Management System

In response to the goals set by top management, business divisions formulate their own business strategies, which the departments and sections of the division then break down into measures to achieve those business strategies. The end of the line in this trickle down of business objectives is the personal goals of individual employees. We will undertake efforts to enable all employees to share our management vision and business strategies by implementing strategic measures based on meticulous communication at all levels, while also promoting the penetration and creation of a culture of innovation via Small Group Activities (SGAs), which are established innovation activities.

* Balanced CTQ Management (BCM) is a Toshiba business management methodology developed to achieve its business vision.

▶▶Implementing CSR-Oriented Management

In all our business activities, we give top priority to life, safety and compliance with laws and regulations. Our goal as the Toshiba Plant Systems & Services Group is to win the trust of society. Specifically, guided by an organization headed up by the CSR Promotion Committee, we are systematically promoting business risk management and thorough compliance, elimination of work accidents through strict safety management, maintaining and enhancing product quality and conducting activities to reduce the burden placed by our businesses on the environment and to contribute to society. In addition, through the careful observance of the Toshiba Plant Systems & Services business code of conduct standards, we are building a strong relationship of trust with our stakeholders.

CSR and Social Contribution Activity Report

Our CSR activities are aimed at earning the trust of society by putting into practice the Toshiba Plant Systems & Services business code of conduct standards, in which social contribution activities are actively promoted in two areas based on the themes that are promoted company-wide and employee-led volunteer activities.

CSR Themes Promoted Company-Wide
Report on the Results of the Solar Lantern Project

Charging stations are steadily being established after two years since the non-profit organization Gaia Initiative began supporting the Solar Lantern Project to light up Indian villages where there is no electricity. To date, lanterns have been delivered to nine locations and support activities will be promoted in the future as well.

Regions in which charging stations have been set up

- Six locations in the State of Rajasthan
- Three locations in the State of Assam

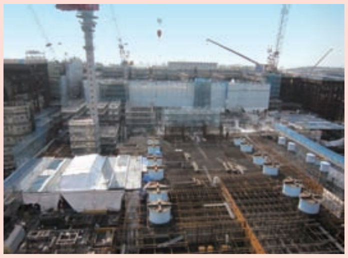
Villager holding a solar lantern

Station to charge solar lanterns using sunlight

Topic Construction of Ohma Nuclear Power Plant Fully in Progress

A project involving installation of facilities including turbines, for which the Company received orders for Electric Power Development Co., Ltd.'s Ohma Nuclear Power Plant in Ohma-machi, Aomori Prefecture, is getting fully under way. Equipped with a power generating capacity of 1,383,000kW and an Advanced Boiling Water Reactor (ABWR), the construction of the Ohma Nuclear Power Plant as a power plant that uses MOX (mixed uranium and plutonium oxides) fuel made from recycled fuels is currently making headway toward the start of operations in November 2014.

In building this plant, the Company is applying the latest construction technologies (including super large modular construction) developed by upgrading design and execution know-how acquired through previous construction projects of more than 20 plants in Japan. With this expertise, we are ensuring safe and reliable plant development.



Ohma Nuclear Power Plant, Electric Power Development Co., Ltd.

Nuclear power plants are increasingly becoming important as a mission-critical power source to stably supply energy and respond to global environmental issues, thus the construction of new power plant facilities is continuously expected to be promoted in the future. Amid these circumstances, the Company will proactively pursue business expansion by further upgrading industry-leading technologies via systematic processes of engineering, construction, testing and trial operations in building various facilities ranging from reactors to turbines.

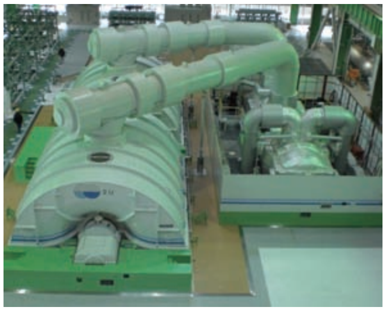
Power Systems Division

This division mainly handles applications in field sectors in heavy electric machinery-related operations for the Toshiba Group. It comprises two operational divisions: the Power Systems Division, which operates in such business fields as thermal and hydroelectric power plants, substation facilities, electric power systems and energy supply systems, and the Thermal Power Systems and Service Division, which primarily engages in such non-Toshiba fields as industrial power plants. Engineering, construction, field services and such maintenance services as inspection and renovation are also provided for these facilities.

In the fiscal year under review, while orders for industrial power plants increased, orders for large-scale power plants in both domestic and overseas markets decreased. As a result, net orders of the Power Systems Division dipped 2.0% to ¥53,490 million. Additionally, net sales dropped 20.7% to ¥41,663 million due to a decline in new construction centered on large-scale thermal power facilities in Japan and overseas as well as a decrease in maintenance services including periodic inspections and renovation.

Looking at market trends, capital investment centering on distribution facilities and renovation and maintenance by electric companies was relatively robust in Japan. In business related to industrial power plant facilities, despite the postponement of plans for new construction arising from the curtailment of capital investment, demand remains high for planned upgrades in conjunction with the aging of existing power facilities, enhancing efficiency and environmentally harmonious systems. Overseas, demand is also brisk centered on Southeast Asia.

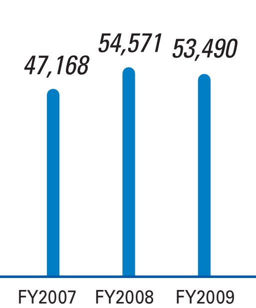
Amid these circumstances, based on the strengths of our proven track record in Japan and comprehensive structure enabling us to cover processes from engineering to construction and maintenance, we will focus on expanding our industrial power plant business, which is a growth business under our medium-term management plan, including soliciting new business and renovation and maintenance business domestically and overseas.


Maizuru Power Station , The Kansai Electric Power Co., Ltd.


El Atf Power Station, Arab Republic of Egypt

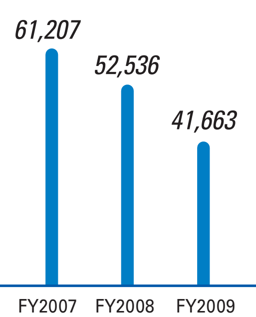
Net Orders (CONSOLIDATED)

Millions of yen



Net Sales (CONSOLIDATED)

Millions of yen



Nuclear Power Systems Division

The Nuclear Power Systems Division's operations are centered mainly on fields where we operate business for the Toshiba Group. The division undertakes engineering associated with construction, periodic inspection and renovation as well as construction, trial operations and adjustments, maintenance and service for nuclear power plants, used-fuel processing facilities and other fuel recycling facilities, and nuclear power R&D facilities.

During the fiscal year under review, net orders of the Nuclear Power Systems Division edged up 1.2% to ¥58,495 million, which was roughly on par with the previous fiscal year. Net sales rose 30.6% to ¥54,112 million mainly due to an increase in periodic inspections and renovation and maintenance of existing nuclear power plants.

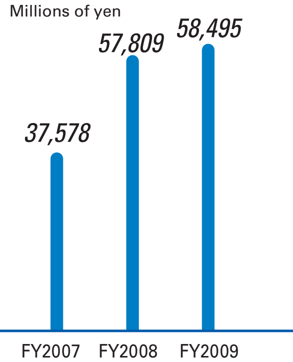
In terms of market trends, demand is rising worldwide for nuclear power to enable stable supplies of electricity, offset the skyrocketing prices of energy resources and address environmental issues. Furthermore, planned construction of new nuclear power stations is getting under way in Japan and steady demand for renovation and maintenance of existing plants to make these facilities earthquake resistant and extend their useful lives is anticipated.

The nuclear power business is one of the designated growth businesses under the Group's medium-term management plan. In collaboration with Toshiba, we will strengthen our competitiveness through various measures including greater reductions in construction periods and lower costs for the construction of new nuclear power stations in Japan as well as renovation and maintenance of existing plants. We are also developing initiatives in preparation for future business opportunities, which include participation in the construction of new nuclear power plants overseas as a member of the Toshiba Group.

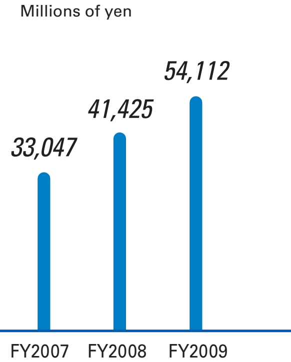
Onagawa Nuclear Power Station (courtesy of The Tohoku Electric Power Co., Inc.)

Kashiwazaki-Kariwa Nuclear Power Station (courtesy of The Tokyo Electric Power Company, Inc.)

Net Orders (CONSOLIDATED)



Net Sales (CONSOLIDATED)



Infrastructure and Industrial Systems Division

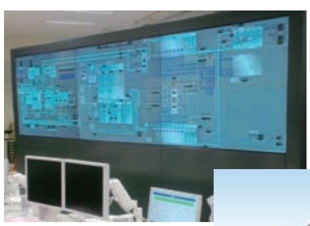
The Infrastructure and Industrial Systems Division operates mainly in the public works field of Toshiba Corporation. The division encompasses the two business areas of the Infrastructure System Division and the Industrial Systems Division. The Infrastructure System Division mainly handles the Toshiba Group's public works business, including water and sewage, transportation and construction of various facilities and systems for buildings. The Industrial Systems Division primarily is responsible for non-Toshiba Group business; plant and equipment for general industry; engineering, construction, testing and adjustments, and field services for plants and building installations; and information solutions services.

Net orders and net sales of the Infrastructure and Industrial Systems Division declined during the fiscal year under review. Net orders dropped 17.4% to ¥58,688 million while net sales decreased 16.9% to ¥59,405 million. This is primarily attributable to the worsening of the economic climate and a decline in the general industry field, including manufacturing facilities.

Despite a recovery from the economic downturn as evidenced by signs of improvement in corporate earnings, the business environment surrounding the division's market remained harsh with concerns over the ongoing trend of the curtailment of capital investment and a slackening of public works investment.

In businesses operated for the Toshiba Group, we continued efforts to increase business efficiency and reduce procurement costs and implement other cost restructuring measures. These actions were aimed at improving profitability and expanding orders in peripheral fields.

In non-Toshiba Group business, we will strengthen initiatives in the comprehensive plant and facilities business, which is designated as a growth business under our medium-term management plan. To achieve this, we will address the needs to upgrade facilities, such as plants and factories in the general industry field, by combining our leading technologies and systematic processes including engineering, procurement, construction, machine installation, testing and adjustments, and maintenance based on a wealth of experience, thereby providing total solutions for customers.

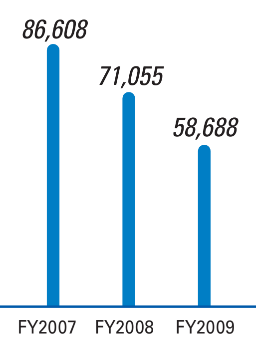



Bureau of Sewerage, Tokyo Metropolitan Government and Ariake Water Reclamation Center


Acceptance inspection center (building and multistory warehouse) construction project in Futtsu District, Ebara Corporation

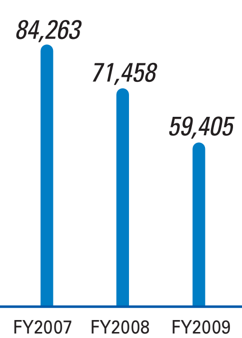
Net Orders (CONSOLIDATED)

Millions of yen



Net Sales (CONSOLIDATED)

Millions of yen



Consolidated Six-Year Summary

	Millions of yen						Thousands of U.S. dollars (Note 2)
Years ended March 31,	**2010**	2009	2008	2007	2006	2005	**2010**
Net Sales	**¥155,182**	¥165,421	¥178,519	¥164,737	¥144,261	¥138,047	**$1,667,905**
Cost of Sales	**132,170**	142,317	157,673	146,109	129,900	123,526	**1,420,572**
Operating Income	**12,903**	12,696	10,789	8,930	4,556	4,335	**138,680**
Interest and Dividend Income	**165**	321	349	169	100	96	**1,778**
Interest Expense	**—**	—	—	—	—	(1)	**—**
Income before Income Taxes	**13,268**	12,898	10,799	9,148	4,738	7,883	**142,607**
Net Income	**7,841**	7,304	6,285	5,024	2,587	4,277	**84,274**
Per Share of Common Stock							
(in yen and dollars) (Note 12):							
Net Income	**¥ 80.45**	¥ 74.92	¥ 64.47	¥ 51.52	¥ 26.53	¥ 43.83	**$ 0.86**
Cash Dividends	**15.00**	15.00	15.00	12.00	12.00	4.00	**0.16**
Total Assets	**¥150,963**	¥151,090	¥156,194	¥159,023	¥136,207	¥130,585	**$1,622,556**
Net Assets	**80,826**	74,381	68,866	65,561	61,029	59,430	**868,720**
Number of Employees	**3,934**	3,970	3,967	3,951	4,015	4,018	

See the accompanying Notes to Consolidated Financial Statements.

Financial Review

Operating Income

Operating income for the fiscal year ended March 31, 2010 climbed 1.6% to ¥12,903 million (US$138,680 thousand). As a result, the ratio of operating income to net sales rose 0.6 percentage point to 8.3%. The increase in operating income was due to the rise in net sales in addition to ongoing efforts to revamp our business structure and transform to a highly efficient corporate structure able to secure stable earnings, even amid low growth, as well as measures to cut procurement costs and reduce fixed costs by achieving an appropriate number of personnel.

Net Income

Net income for the fiscal year ended March 31, 2010 climbed 7.4% to ¥7,841 million (US$84,274 thousand).

Selling, General and Administrative (SG&A) Expenses

During the fiscal year under review, SG&A expenses decreased ¥299 million to ¥10,109 million (US$108,653 thousand). This was mainly due to ongoing efforts to cut miscellaneous expenses. The ratio of SG&A expenses to net sales was 6.5%, a deterioration of 0.2 percentage point.

Total Assets and Net Assets

Total consolidated assets at the end of the fiscal year ended March 31, 2010 declined ¥127 million from the previous fiscal year-end to ¥150,963 million (US$1,622,556 thousand). Among total assets, cash and cash equivalents increased ¥7,814 million to ¥30,554 million (US$328,399 thousand). Trade notes and accounts receivable decreased ¥4,120 million to ¥76,181 million (US$818,800 thousand). Net assets rose ¥6,445 million to ¥80,826 million (US$868,720 thousand) due to an increase of ¥6,379 million in retained earnings. The equity ratio was 53.5%.

March 31, 2010 and 2009	Millions of yen 2010	Millions of yen 2009	Thousands of U.S. dollars (Note 2) 2010
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 30,554	¥ 22,740	$ 328,399
Time deposits	673	596	7,235
Trade notes and accounts receivable	76,181	80,301	818,800
Less: allowance for doubtful accounts	(14)	(120)	(152)
Inventories (Note 3)	16,208	20,891	174,200
Deferred tax assets (Note 5)	4,657	4,862	50,056
Other current assets	2,075	1,602	22,305
Total current assets	130,334	130,872	1,400,843
Property, plant and equipment, at cost: (Note 10)			
Land	3,442	3,446	37,000
Buildings and structures	8,406	8,584	90,343
Machinery and equipment	2,585	2,539	27,780
Tools, furniture and fixtures	4,339	4,452	46,631
Leased assets	36	43	387
	18,808	19,064	202,141
Less: accumulated depreciation	(12,350)	(12,115)	(132,735)
Property, plant and equipment, net	6,458	6,949	69,406
Intangible assets	149	91	1,605
Investments and other assets:			
Investment securities (Note 6)	2,608	2,565	28,032
Investments in affiliates (Note 4)	158	134	1,699
Deferred tax assets (Note 5)	10,404	9,516	111,823
Other	852	963	9,148
Total investments and other assets	14,022	13,178	150,702
Total assets	¥150,963	¥151,090	$1,622,556

See the accompanying Notes to Consolidated Financial Statements.

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2010	2009	2010
LIABILITIES AND NET ASSETS			
Current liabilities:			
Trade notes and accounts payable	¥ 24,681	¥ 31,515	$ 265,270
Advances received on uncompleted construction contracts	3,688	5,454	39,634
Allowance for bonuses to directors and statutory auditors	64	68	685
Accrued expenses	7,080	7,482	76,101
Allowance for warranty work on construction projects	1,005	1,303	10,805
Allowance for expected losses on construction contracts	434	496	4,667
Accrued income taxes (Note 5)	5,106	5,038	54,879
Other current liabilities	2,411	1,891	25,912
Total current liabilities	44,469	53,247	477,953
Long-term liabilities:			
Severance indemnities (Note 7)	25,528	23,311	274,373
Directors' retirement benefits	41	120	439
Other long-term liabilities	99	31	1,071
Total long-term liabilities	25,668	23,462	275,883
Total liabilities	70,137	76,709	753,836
Contingent liabilities: (Note 11)			
Net assets: (Note 12)			
Shareholders' equity			
Common stock			
Authorized — 265,000,000 shares			
Issued 2010 — 97,656,888 shares	11,876	—	127,644
2009 — 97,656,888 shares	—	11,876	—
Capital surplus	20,911	20,911	224,749
Retained earnings	48,171	41,792	517,740
Treasury stock, at cost	(133)	(105)	(1,428)
Total shareholders' equity	80,825	74,474	868,705
Valuation and translation adjustments:			
Unrealized gains on securities	38	9	406
Currency translation adjustments	(85)	(148)	(912)
Total valuation and translation adjustments	(47)	(139)	(506)
Minority interests in consolidated subsidiaries	48	46	521
Total net assets	80,826	74,381	868,720
Total liabilities and net assets	¥150,963	¥151,090	$1,622,556

Consolidated Statements of Income

Years ended March 31, 2010 and 2009	Millions of yen 2010	Millions of yen 2009	Thousands of U.S. dollars (Note 2) 2010
Net sales	**¥155,182**	¥165,421	**$1,667,905**
Cost of sales	**132,170**	142,317	**1,420,572**
Gross profit	**23,012**	23,104	**247,333**
Selling, general and administrative expenses (Note 8)	**10,109**	10,408	**108,653**
Operating income	**12,903**	12,696	**138,680**
Other income:			
Interest income	**96**	236	**1,034**
Dividends income	**69**	85	**744**
Foreign exchange gains	**118**	—	**1,268**
Equity in income of affiliates	**64**	46	**687**
Other	**230**	278	**2,467**
	577	645	**6,200**
Other expenses:			
Foreign exchange losses	**—**	506	**—**
Other	**57**	67	**611**
	57	573	**611**
Income before extraordinary items	**13,423**	12,768	**144,269**
Extraordinary items:			
Other income (gain on sale of tangible fixed assets)	**106**	176	**1,146**
Other losses (office relocation expenses)	**197**	—	**2,121**
Income before income taxes	**13,332**	12,944	**143,294**
Income taxes: (Note 5)			
Current	**6,159**	6,870	**66,204**
Deferred	**(666)**	(1,228)	**(7,164)**
Income before minority interests	**7,839**	7,302	**84,254**
Minority interests in income of consolidated subsidiaries	**(2)**	(2)	**(20)**
Net income (Note 12)	**7,841**	7,304	**84,274**

See the accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Change in Net Assets

Millions of yen

	Number of shares in issue	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized gains on securities	Currency translation adjustments	Minority interests in consolidated subsidiaries	Total net assets
Balance at March 31, 2008	97,656,888	¥11,876	¥20,911	¥35,960	¥(84)	¥152	¥(32)	¥83	¥68,866
Effect of changes in accounting policies applied to foreign subsidiaries				(10)				(10)	(20)
Net income				7,304					7,304
Cash dividends				(1,462)					(1,462)
Purchase of treasury stock					(21)				(21)
Other changes						(143)	(116)	(27)	(286)
Balance at March 31, 2009	97,656,888	¥11,876	¥20,911	¥41,792	¥(105)	¥9	¥(148)	¥46	¥74,381
Net income				7,841					7,841
Cash dividends				(1,462)					(1,462)
Purchase of treasury stock					(28)				(28)
Other changes						29	63	2	94
Balance at March 31, 2010	**97,656,888**	**¥11,876**	**¥20,911**	**¥48,171**	**¥(133)**	**¥38**	**¥(85)**	**¥48**	**¥80,826**

Thousands of U.S. dollars (Note 2)

	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized gains on securities	Currency translation adjustments	Minority interests in consolidated subsidiaries	Total net assets
Balance at March 31, 2009	$127,644	$224,749	$449,179	$(1,122)	$105	$(1,590)	$491	$799,456
Net income			84,274					84,274
Cash dividends			(15,713)					(15,713)
Purchase of treasury stock				(306)				(306)
Other changes					301	678	30	1,009
Balance at March 31, 2010	**$127,644**	**$224,749**	**$517,740**	**$(1,428)**	**$406**	**$(912)**	**$521**	**$868,720**

See the accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Years ended March 31, 2010 and 2009	Millions of yen 2010	Millions of yen 2009	Thousands of U.S. dollars (Note 2) 2010
Cash flows from operating activities:			
Income before income taxes	¥13,332	¥12,944	$143,294
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	744	775	8,002
Increase in severance indemnities	2,135	1,238	22,949
Increase in allowance for doubtful accounts	8	69	84
Equity in income of affiliates	(64)	(46)	(687)
Office relocation expenses	197	—	2,121
Bad debt loss	10	—	112
Gain on sales of property, plant and equipment	(106)	(179)	(1,146)
Loss on disposal of property, plant and equipment	53	19	566
Increase in notes and accounts receivable	4,031	877	43,330
Decrease in inventories	4,684	(1,464)	50,342
Decrease in other current assets	(596)	80	(6,407)
Increase (Decrease) in notes and accounts payable	(6,846)	(13,617)	(73,586)
Increase (Decrease) in advance received on uncompleted constuction contracts	(1,828)	(1,006)	(19,644)
Increase in accrued expenses	(699)	1,343	(7,513)
Increase (Decrease) in allowance for losses on construction orders	(62)	28	(662)
Increase (Decrease) in other current liabilities	586	(111)	6,301
Other	(64)	(243)	(691)
	15,515	707	166,765
Interest and dividends received	205	345	2,202
Payment of the interest	(0)	—	(1)
Office relocation expenses	(1)	—	(15)
Income taxes paid	(6,067)	(5,266)	(65,206)
Net cash provided by (used in) operating activities	9,652	(4,214)	103,745
Cash flows from investing activities:			
Decrease in time deposits	(6)	(90)	(69)
Decrease in money deposited with group companies	(50)	—	(537)
Proceeds from sales of property and securities	151	208	1,619
Payment for acquisition of property and equipment	(448)	(647)	(4,812)
Payments for acquisition of intangible fixed assets	(63)	—	(680)
Payments for purchase of investment securities	—	(6)	—
Acquisition of shares of consolidated subsidiaries	—	(11)	—
Other	48	58	519
Net cash used in investing activities	(368)	(488)	(3,960)
Cash flows from financing activities:			
Proceed from short-term debt	800	1,200	8,598
Repayment of short-term debt	(800)	(1,200)	(8,598)
Repayment of lease liabilities	(11)	(12)	(121)
Dividends paid	(1,462)	(1,462)	(15,713)
Other	(29)	(22)	(314)
Net cash used in financing activities	(1,502)	(1,496)	(16,148)
Effect of exchange rate changes on cash and cash equivalents	32	(194)	351
Net increase (decrease) in cash and cash equivalents	7,814	(6,392)	83,988
Cash and cash equivalents at beginning of year	22,740	29,132	244,411
Cash and cash equivalents at end of year	¥30,554	¥22,740	$328,399

See the accompanying Notes to Consolidated Financial Statements.

1. Summary of Significant Accounting Policies

(a) Basis of presenting financial statements

The accompanying consolidated financial statements of Toshiba Plant Systems & Services Corporation (the "Company") and consolidated subsidiaries (collectively, the "Companies") are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside of Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan, but is presented herein as additional information.

Certain amounts in prior years' financial statements have been reclassified to conform with the current year's presentation.

Change in accounting method

Effective from the fiscal year ended March 31, 2009, the Company has adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ, PITF No. 18, May 17, 2006) and has made the necessary adjustments to the consolidated financial statements. The impact of this change in accounting method on profits and losses for the fiscal year ended March 31, 2009 was minimal.

(b) Basis of consolidation and accounting for investments in affiliates

The accompanying consolidated financial statements include the accounts of the Company and all of its subsidiaries. The consolidated subsidiaries are determined based on effective control. All intercompany accounts and transactions are eliminated in consolidation.

Investments in affiliates are accounted for by the equity method. The Company adopted the influence-based definition to determine the affiliated companies to be accounted for by the equity method.

Matter concerning the accounting periods of consolidated subsidiaries

Among consolidated subsidiaries, the fiscal year end date for PT. TOSPLANT ENGINEERING INDONESIA, TOSPLANT ENGINEERING (THAILAND) CO., LTD. and TPSC ENGINEERING (MALAYSIA) SDN. BHD. is December 31. The financial statements of these subsidiaries as of their year end are used in preparing the consolidated financial statements. Necessary adjustments for consolidation are made for any significant transactions occurring during the intervening period.

(c) Foreign currency translations

Foreign currency transactions are calculated at the applicable exchange rate prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the balance sheet dates.

The foreign exchange gains and losses from translation are recognized in the consolidated statements of income.

All assets, liabilities, income and expense accounts of foreign subsidiaries are translated at current rates at the respective balance sheet dates. The components of net assets are translated at their historical exchange rates. The effects of these translations are shown as "Currency translation adjustments" and "Minority interests in consolidated subsidiaries" in the accompanying consolidated balance sheets.

(d) Accounting for net sales and related costs

Construction contracts that started in the current fiscal year and for which the outcome of progress is deemed certain by the end of the fiscal year are recorded on the percentage-of-completion basis (rate of progress estimated by the cost-ratio method), while all other projects are recorded on the completed construction basis.

For the fiscal year ended March 31, 2009, the Company's net sales and the related costs of contracts are recognized based on either the completion method or the percentage-of-completion method. The percentage-of-completion method is used for recognizing net sales and related costs on contracts where:

(i) the contract value is ¥1 billion or more, and

(ii) the duration of the contracts is expected to be 12 months or more.

The Company's foreign subsidiaries use the percentage-of-completion method for recognizing net sales and related costs on contracts.

The Company's domestic subsidiaries use the completion method for recognizing net sales and related costs on contracts.

Change in accounting method

Change in accounting standard for recording completed construction revenue and cost of completed construction

From the current fiscal year, the Company has adopted "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007). Therefore, construction contracts that started in the current fiscal year and for which the outcome of progress is deemed certain by the end of the fiscal year are recorded on the percentage-of-completion basis (rate of progress estimated by the cost-ratio method), while all other projects are recorded on the completed construction basis. The impact of this change in accounting method on profits and losses for the fiscal year ended March 31, 2010 was minimal.

(e) Investment securities

All the debt or equity securities are classified as available-for-sale securities.

Debt securities and equity securities, whose fair value is determinable, are stated at fair value with unrealized gains or losses recorded as a component of net assets, net of applicable taxes.

Debt securities and equity securities, whose fair value is not determinable, are stated at cost, determined by the moving average method.

Debt securities, whose difference between cost and fair value is realized with accrued interest, are stated at amortized cost.

(f) Inventories

Work in progress is stated at the lower of accumulated cost, determined on a specific project basis, or net realizable value; materials and supplies are stated at the lower of cost, determined either by the first-in, first-out method or the specific identification method, or net realizable value; and finished products are stated at the lower of cost, determined by the first-in, first-out method, or net realizable value.

Change in accounting method

The Companies in Japan adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006) effective from the fiscal year ended March 31, 2009, under which work in progress is stated at the lower of accumulated cost, determined on a specific project basis, or net realizable value; materials and supplies are stated at the lower of cost, determined either by the first-in, first-out method or the specific identification method, or net realizable value; and finished products are stated at the lower of cost, determined by the first-in, first-out method, or net realizable value. The impact of this change in accounting method on profits and losses for the fiscal year ended March 31, 2009 was minimal.

Until the fiscal year ended March 31, 2008, Work in progress is stated at accumulated cost determined on a specific project basis, which includes accumulated cost in excess of billing for contracts accounted for on a percentage-of-completion basis; materials and supplies are stated at cost determined either by the first-in, first-out method or the specific identification method; and finished products are stated at cost determined by the first-in, first-out method.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost.

Depreciation of property, plant and equipment of the Company, its domestic subsidiaries and TPSC (India) Private Limited is principally computed by the declining-balance method and depreciation of property, plant and equipment of foreign subsidiaries, except for TPSC (India) Private Limited, is computed by the straight-line method based on the following useful lives:

Building and structures........................3-60 years
Machinery and equipment................3-17 years
Tools, furnitures and fixtures..........2-20 years

(h) Leased assets

Depreciation of leased assets is computed by the straight-line method with no residual value, using the term of contract as the useful life.

Change in accounting method

Finance lease transactions, which do not transfer ownership of leased assets to lessee, were accounted for as operating lease transactions. Effective April 1, 2008, the Company and its domestic subsidiaries adopted the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, June 17, 1993, First Committee of the Business Accounting Council; revised on March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, January 18, 1994, Japanese Institute of Certified Public Accountants, Accounting System Committee; revised on March 30, 2007). Accordingly, financial lease transactions are now accounted for as normal finance or sales transactions. Regarding finance lease transactions, which do not transfer ownership and commenced on a date prior to the effective date of new standard, future minimum lease payments as of March 31, 2008 are considered acquisition costs and recorded as leased on April 1, 2008.

The impact of this change in accounting method on profits and losses for the fiscal year ended March 31, 2009 was minimal.

(i) Allowance for doubtful accounts

An allowance for doubtful accounts is provided in an amount sufficient to cover possible losses on collection. The amount is computed by applying the rate of actual losses on collection experienced in the past with respect to general trade receivables and by individually reviewing their collectibles with respect to certain doubtful receivables.

(j) Compensation reserve for completed work

To ensure payment of expenses for completed work, the Company books an amount equivalent to projected compensation based on the prior history of completed work to a compensation reserve for completed work.

(k) Severance indemnities

The Company's and its domestic subsidiaries' employees are covered by an employee defined retirement benefit plan and an employee defined pension plan.

The Company's and its domestic subsidiaries' employees with more than one year of service are entitled to a lump-sum severance payment determined by reference to current rate of pay, length of service and the conditions under which the termination occurs.

Prior service costs are amortized, on a straight-line basis, over the set period (currently 10 years) within the average remaining service period of the employees at the time of occurrence.

Actuarial gain or loss is amortized, on a straight-line basis, over the set period (currently 10 years) within the average remaining service period of the employees from the fiscal year following the year in which such gains or losses incur.

Allowance for the Company's and its domestic subsidiaries' directors and corporate auditors retirement benefits is also provided at the estimated amounts payable to them at the balance sheets dates, determined based on their internal corporate policy, as if they retired at those dates.

Change in accounting method

Partial Amendments to Accounting Standard for Retirement Benefits (Part 3) (ASBJ Statement No. 19, July 31, 2008) were applied from the current fiscal year. Actuarial differentials will be amortized from the following fiscal year and therefore this change had no impact on profits or losses. The amount not yet treated regarding the difference of projected benefit obligations which arose in line with the adoption of this Standard in the fiscal year, is ¥3,725 million (US$40,033 thousand).

(l) Allowance for expected losses on construction contracts

The Companies make provisions for expected losses on construction contracts at the end of the fiscal year. After the commencement of construction, when substantial losses are expected and reasonably estimated by comparing estimated completion costs with the contract value for the following year or later, the Companies reserve for losses on construction contracts.

(m) Income taxes

The provision for income taxes is computed based on income before income taxes in the consolidated statements of income. The assets and liabilities approach is adopted to recognize the deferred tax assets and liabilities related to temporary differences between the carrying amounts, in financial reporting, and tax bases of assets and liabilities.

Valuation allowances are established to reduce deferred tax assets to their net realizable value if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

(n) Valuation of assets and liabilities of consolidated subsidiaries

In applying the purchase method to business combination or business acquisition, the Company evaluates the total assets acquired and liabilities assumed at their fair value, net of the fair value of minority interests.

(o) Matter concerning amortization of goodwill and negative goodwill

Until the fiscal year ended March 31, 2009, goodwill was amortized on a lump-sum basis.

(p) Cash and cash equivalents

In preparing the consolidated statements of cash flows, cash on hand, readily-available deposits and short-term highly liquid investments with maturities not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

(q) Derivatives

All derivatives are carried at fair value.

2. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for convenience, as a matter of arithmetical computation only, at the rate of ¥93.04 = U.S.$1.00, the rate prevailing on March 31, 2010. The translations should not be construed as representations that yen have been, could have been or could in the future be converted into U.S. dollars at the above or any other rate.

3. Inventories

Inventories at March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2010	2009	2010
Work in progress	¥16,156	¥20,823	$173,637
Materials and supplies	52	68	563
	¥16,208	¥20,891	$174,200

4. Investments in Affiliates

Investments in affiliated companies at March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2010	2009	2010
Investments in capital stock, at cost	¥ 5	¥ 5	$ 48
Equity in accumulated earnings and losses since acquisition, net	153	129	1,651
	¥158	¥134	$1,699

Transactions and balances with affiliated companies for the years ended and March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2010	2009	2010
Sales	¥119	¥149	$1,276
Trade accounts receivable	49	58	529

5. Income Taxes

The Companies are subject to a number of different taxes based on income which, in the aggregate, indicate a normal statutory tax rate in Japan of approximately 40.6% and 40.6% for the years ended March 31, 2010 and 2009, respectively.

Reconciliation between the statutory tax rate and the effective income tax rate for the year ended March 31, 2009 is as follows:

	2009
Statutory tax rate	40.6%
Non deductible expenses for tax	2.6
Prefectural and municipal inhabitant per capital tax	0.6
Other	(0.2)
Effective income tax rate	43.6%

Due to the difference between the statutory tax rate and the effective tax rate of less than 5%, the reconciliation between the two tax rates has been omitted for the year ended March 31, 2010.

The significant components of deferred tax assets and liabilities are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2010	2009	2010
Deferred tax assets:			
Severance indemnities	¥10,361	¥ 9,462	$111,366
Accrued bonuses	2,412	2,543	25,921
Accounts payable	476	467	5,112
Allowance for doubtful accounts	336	367	3,607
Depreciation	644	648	6,919
Completed work compensation reserve	408	530	4,389
Accrued enterprise tax	410	400	4,411
Allowance for expected losses on construction contracts	176	202	1,895
Other	1,299	1,322	13,960
	16,522	15,941	177,580
Valuation allowance for deferred tax assets	(783)	(901)	(8,420)
Deferred tax assets	15,739	15,040	169,160
Deferred tax liabilities:			
Retained earnings appropriated for tax allowable reserves	(654)	(654)	(7,031)
Unrealized gains on securities	(24)	(8)	(250)
Deferred tax liabilities	(678)	(662)	(7,281)
Net deferred tax assets	¥15,061	¥14,378	$161,879

6. Marketable Securities and Investment Securities

The aggregate cost, gross unrealized gains and losses, and fair value pertaining to available-for-sale securities are as follows:

	Millions of yen							
	2010				2009			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Equity securities	¥2,482	¥61	—	¥2,543	¥2,482	¥20	¥2	¥2,500
Debt securities	—	—	—	—	—	—	—	—
	¥2,482	¥61	—	¥2,543	¥2,482	¥20	¥2	¥2,500

	Thousands of U.S. dollars (Note 2)			
	2010			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Equity securities	$26,678	$654	—	$27,332
Debt securities	—	—	—	—
	$26,678	$654	—	$27,332

7. Severance Indemnities

The components of net pension and severance costs of employees' severance benefit plans for the years ended March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2010	2009	2010
Service cost	¥1,822	¥1,868	$19,586
Interest cost	1,491	1,469	16,028
Expected return on plan assets	(397)	(810)	(4,267)
Amortization of prior service cost	(529)	(529)	(5,684)
Amortization of unrecognized actual loss	2,171	1,499	23,335
Net periodic benefit cost	¥4,558	¥3,497	$48,998

The following table sets forth funded and actual status of the employees' defined benefit plans, and the amounts recognized in the consolidated balance sheets as of March 31, 2010 and 2009.

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2010	2009	2010
Projected benefit obligation	¥(65,424)	¥(60,552)	$(703,177)
Fair value of plan assets	29,770	26,027	319,973
Funded status	(35,654)	(34,525)	(383,204)
Unrecognized prior service cost	(343)	(739)	(3,689)
Unrecognized actual loss	10,469	11,953	112,520
Severance indemnities	(25,528)	(23,311)	(274,373)
Allowance for employee retirement benefits	¥(25,528)	¥(23,311)	$(274,373)

Assumptions used as of March 31, 2010 and 2009 were as follows:

	2010	2009
Discount rate	2.0%	2.5%
Expected return on plan assets	1.5%	2.5%

Among domestic consolidated subsidiaries, one company participates in a group employees pension fund; however, because of the impracticality of calculating the amount of pension assets contributed to the fund by the consolidated company, this amount is not included in the calculation of pension and severance payments obligations.

Funded status regarding the multi-employer plan under which the required contributory amounts are being processed as pension and severance expenses are as follows.

1) Status of overall reserves under the system (as of March 31, 2009 and 2008)

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2008	2009
(1) Total pension assets	¥235,665	¥299,283	$2,532,943
(2) Total obligations at fiscal year end	328,394	327,524	3,529,604
(3) Difference ((1)-(2))	¥ (92,729)	¥(28,241)	$ (996,661)

2) Total contributions of the Companies as a proportion of the total fund in the multi-employer plan (as of March 31, 2009 and 2008)

	2009	2008
	0.55%	0.54%

3) Supplemental information (as of March 31, 2009 and 2008)

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2008	2009
Difference ((3)) = (a + b - c - d)			
a. Insufficient amount	¥(36,810)	—	$(395,643)
b. Surplus	—	25,038	—
c. Adjustment for increase in asset valuation	35,809	31,351	384,877
d. Balance of unamortized prior year obligations	20,110	21,928	216,141

	2009	2008
Amortization method for prior year obligations	Straight-line over 20 years	
Remaining amortization years for prior year obligations	10 years	11 years

8. Research and Development Costs

Research and development costs were ¥426 million (U.S.$4,579 thousand) and ¥578 million for the years ended March 31, 2010 and 2009, respectively.

9. Commitment Line Contracts

For short-term funding purposes, commitment line contracts have been entered into with four financial institutions in the total amount of ¥2,800 million (U.S.$30,094 thousand) and ¥4,000 million as of March 31, 2010 and 2009, respectively.

No commitment lines were utilized as of March 31, 2010 and 2009.

10. Leases

As Lessee:

(a) Operating leases:

The minimum rental commitments under non-cancelable operating leases as of March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2010	2009	2010
Due within one year	¥ 34	¥37	$ 370
Due after one year	151	189	1,622
	¥185	¥226	$1,992

11. Contingent Liabilities

The Companies had the following contingent liabilities at March 31, 2010 and 2009.

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2010	2009	2010
As guarantor of employees' housing loans from banks	¥1,103	¥1,261	$11,857
Total of contingent liabilities	¥1,103	¥1,261	$11,857

12. Per Share Information

Net income and net assets per share for the years ended March 31, 2010 and 2009 were as follows:

	Yen		U.S. dollars (Note 2)
	2010	2009	2010
Net income (Basic)	¥ 80.45	¥ 74.92	$0.86
Net assets	829.00	762.69	8.91

The computations of net income per share are based on the weighted average number of shares outstanding during each year after giving retroactive effect to any free distributions of shares.

13. Segment Information

Business Segment Information

As sales, operating profit and assets of the construction business exceeded 90% of total segment sales, operating profit and assets, respectively, the disclosure of business segment information has been omitted.

Geographic Segment Information

As sales and assets of the domestic companies exceeded 90% of total segment sales and assets, respectively, the disclosure of geographic segment information has been omitted.

Overseas Sales

Export sales of the domestic companies and foreign subsidiaries' sales other than sales to Japan are summarized as follows.

	2010		2009		2010
	Millions of yen	Percentage of net sales	Millions of yen	Percentage of net sales	Thousands of U.S. dollars (Note 2)
Overseas sales:					
Southeastern Asia	¥ 6,979	4.5%	¥10,904	6.6%	$ 75,011
Asia	3,088	2.0	4,306	2.6	33,186
Other areas	9,201	5.9	9,897	6.0	98,899
Total	¥19,268	12.4%	¥25,107	15.2%	$207,096

14. Notes Concerning Financial Instruments

(a) Matters concerning financial instruments

1) Policy toward financial instruments

Regarding fund management, in principle, the Toshiba Plant Group carries out short-term fund management in accordance with the Toshiba Group Finance System. The Group's policy is to use derivatives in fund management to avoid currency risk and to not engage in speculative transactions.

2) Details of financial instruments and their risk and risk management structure

Trade notes and accounts receivable and accrued receivables on completed construction are operating receivables that are exposed to customer credit risk. For dealing with this risk, the Company has adopted a structure whereby the sales departments within each business division monitor the state of principal customers and ascertain the state of credit annually in accordance with the Toshiba Plant Group credit administration regulations. In carrying out business overseas, operating receivables are exposed to exchange rate risk. In principle, the Company uses forward exchange contracts to hedge this risk. Investment securities are exposed to market risk.

The Company mainly holds stocks of companies with which it has relations in carrying out business, and fair value of these stocks is ascertained and reported to the Board of Directors on a regular basis.

Trade notes and accounts payable, accrued payments for construction (advances received on uncompleted contracts) and accrued expenses are operating liabilities and most of these have payment due dates within one year.

Derivative transactions consist of the use of forward exchange contracts for the purpose of hedging exchange rate risk for foreign currency-denominated payments and income. Regarding derivatives transactions, the Company engages in transactions only with those financial institutions with high creditworthiness and therefore recognizes that it faces virtually no credit risk. The execution and management of derivative transactions is carried out in accordance with internal regulations that stipulate authority for transactions, and the General Manager of the Accounting Department ascertains the state of derivative transaction contracts every half-year period and reports on these to the Board of Directors.

(b) Matters concerning the fair value of financial instruments

The balance sheet amounts, fair values and differentials between these as of March 31, 2010 (the consolidated year-end date under review) are as follows. Financial instruments for which determining fair value is recognized to be extremely difficult are not included in the following table.

	Millions of yen	
	2010	
	Consolidated balance sheet amount	Fair value
1. Cash and cash equivalents	¥ 30,554	¥ 30,554
2. Time deposits	673	673
3. Trade notes and accounts receivable	76,167	76,167
4. Investment securities	2,543	2,543
Assets total	109,937	109,937
1.Trade notes and accounts payable	24,681	24,681
2. Accrued income taxes	5,106	5,106
Liabilities total	29,787	29,787
Derivatives	¥ (7)	¥ (7)

Notes:
(1) Method of calculation of fair value of financial instruments and matters concerning marketable securities and derivatives

Assets
1. Cash and cash equivalents, 2. Time deposits, 3. Trade notes and accounts receivable
These are listed at carrying value since fair value approximates their carrying value because of their short-term settlement.
4. Investment securities
Fair value is based on quoted market prices on stock exchanges.

Liabilities
1. Trade notes and accounts payable, 2. Accrued income taxes
These are listed at carrying value since fair value approximates their carrying value because of their short-term settlement.

Derivatives
For forward exchange contracts, fair value is based on forward exchange rates.

(2) Non-listed stocks (balance sheet amount of ¥223 million) have no quoted market prices and their future cash flows cannot be estimated, thus determining fair value is recognized to be extremely difficult. Therefore, these are not included in 4. Investment securities.

(3) Monetary claim of the payment of redemption after the consolidated balance sheet dates

	Less than one year Millions of yen	Over one year less than 5 years Millions of yen	Over 5 years less than 10 years Millions of yen	Over 10 years Millions of yen
1. Cash and cash equivalents	30,544	—	—	—
2. Time deposits	673	—	—	—
3. Trade notes and accounts receivable	76,181	—	—	—

Supplemental information

The "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10, March 10, 2008) and the "Guidance on Disclosures about the Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 10, 2008) are applied from the consolidated fiscal year under review.

15. Derivative Transactions

Effective in the fiscal year ended March 31, 2009

(a) Items related to transaction conditions

1) Description of transactions, purpose of usage and policy for entering into such transactions

The Company conducts derivative transactions as a way to mitigate risk due to fluctuations in foreign exchange rates or fluctuations in interest rates arising from normal business operations. Currency-related derivative transactions primarily consist of forward foreign exchange contracts, and interest-related derivative transactions primarily consist of interest rate swaps. Forward foreign exchange contracts are used to hedge against foreign exchange fluctuation risk of foreign currency-denominated assets and liabilities and future payables and receivables denominated in foreign currencies. Interest rate swaps are used to reduce risk due to fluctuations in interest rates applicable to financial assets and liabilities for the purpose of stabilizing revenues and costs. The Company limits its use of such transactions to the scope of actual requirements and does not use them for speculation purposes. In addition, consolidated subsidiaries do not engage in derivative transactions.

2) Description of transactions risks

Forward foreign exchange contracts carry the risk of exchange rate fluctuations, and interest rate swaps carry the risk of market interest rate fluctuations. Due to the fact that derivative transactions for foreign exchange as well as for interest rates are conducted only with financial institutions having high creditworthiness as the counterparties, the Company's judges credit risk to be immaterial.

3) Management of transaction risks

The Company's foreign currency and interest rate derivative transactions are executed and managed by the Finance Department of the Accounting Division under internal control procedures. Daily activities concerning derivative transactions are checked mutually within the Finance Department, and the general manager of the Finance Department is required to make semiannual reports on the contract status of derivative transactions to the Board of Directors.

(b) Matter regarding the current prices of transactions

Currency-related

	Millions of yen			
	2009			
	Contract amounts	Over one year	Market value	Unrealized gain (loss)
Off-market Transactions				
Forward foreign exchange contract				
Selling position				
U.S. dollars	¥4,163	—	¥4,335	¥ (171)
Euro	77	—	81	(4)
Buying position				
U.S. dollars	2,185	—	2,147	(38)
Euro	624	—	624	(1)
Singapore dollars	56	—	57	1
Thai baht	37	—	36	0
Total	¥7,142	—	¥7,280	¥ (213)

Note: Market value is calculated using the forward exchange rate.

Effective in the fiscal year ended March 31, 2009

Derivative transactions not be applied in hedge accounts

	Millions of yen			
	2010			
	Contract amounts	Over one year	Market value	Unrealized gain (loss)
Off-market Transactions				
Forward foreign exchange contract				
Selling position				
U.S. dollars	¥2,890	—	¥ (6)	¥ (6)
Euro	14	—	1	1
Buying position				
U.S. dollars	192	—	(2)	(2)
Euro	49	—	(1)	(1)
Singapore dollars	25	—	1	1
Total	¥3,170	—	¥ (7)	¥ (7)

Note: The above matter is caluculated based on prices shown by the client financial institutions.

16. Transactions with Related Parties

2010:

(a) Transactions with related parties

1) Transactions between related parties and the company preparing the consolidated financial statements

(1) The parent company of the company preparing the consolidated financial statements and principal shareholders (limited to companies)

Status	Name	Address	Capital (Millions of yen)	Business	Percentage of voting rights held by the parent company, etc. (%)
Parent company	Toshiba Corporation	Minato-ku, Tokyo	439,901	1. Manufacture of electric machines and equipment 2. Manufacture of measuring instruments, medical equipment and apparatus, and other machines and equipment 3. Software development and supply, electronic communication, broadcasting, information processing, information service 4. Chemical industry, metal industry, construction, ceramic industry, mining, soil and gravel mining 5. Business incidental to each of the above-mentioned businesses or industries 6. Investment in the company engaged in any of the above-mentioned businesses	Direct 59.97 Indirect 1.65

Notes:
1. The amounts stated above do not include consumption tax, except for the balance at fiscal year end, which includes the consumption tax amount.
2. Toshiba Insurance Service Corporation, Shibaura Mechatronics Corporation and Toshiba Finance Corporation own 1.65%, 0% and 0%, respectively, of the Company's voting shares.

(2) Companies with the same parent company as the company preparing the consolidated financial statements and subsidiaries of other affiliates of the company preparing the consolidated financial statements

Status	Name	Address	Capital (Millions of yen)	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba Capital Corporation	Minato-ku, Tokyo	100	1. Loans 2. Purchase of monetary credits and notes 3. Trade of marketable securities 4. Business incidental to any of the above-mentioned business	None

Note: Consumption tax is not included in above-mentioned amounts pertaining to either transaction amounts or the balance at fiscal year end.

2) Transactions between related parties and consolidated subsidiaries of the company preparing the consolidated financial statements

Status	Name	Address	Capital (Millions of yen)	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba Capital Corporation	Minato-ku, Tokyo	100	1. Loans 2. Purchase of monetary credits and notes 3. Trade of marketable securities 4. Business incidental to any of the above-mentioned business	None

Note: Consumption tax is not included in above-mentioned amounts pertaining to either transaction amounts or the balance at fiscal year end.

Relationship		Transactions		Transaction amounts (Millions of yen) (Thousands of U.S. dollars (Note 2))	Account item	Balance at fiscal year end (Millions of yen) (Thousands of U.S. dollars (Note 2))
Dispatch of executive officers, etc.	Business relationship					
None	Accepting orders from the parent, this company performs electric works, pipe works, machinery installation contracts, electric communication works, building construction, firefighting facility construction and steel structure building works. The company also purchases part of the materials necessary for these building or other works listed above.	Business transactions	Construction contracting	¥99,160 $1,065,782	Accounts receivable –completed work	¥51,160 $549,876
					Other current assets	¥97 $1,038
			Purchasing of materials	¥6,065 $65,190	Advances received – unfinished work	¥1,059 $11,383
					Accounts payable – construction work	¥3,675 $39,500
					Other current liabilities	¥21 $229

Policy for determining trade terms and other related matters
The general terms and conditions are applied to the contract for construction and purchasing of materials.

Relationship		Transactions		Transaction amounts (Millions of yen) (Thousands of U.S. dollars (Note 2))	Account item	Balance at fiscal year end (Millions of yen) (Thousands of U.S. dollars (Note 2))
Dispatch of executive officers, etc.	Business relationship					
None	Deposit of funds	Non-operating transaction	Deposit of funds	¥172,000 $1,848,667	Group deposits	¥26,500 $284,824

Policy for determining trade terms and other related matters
The Company is depositing funds with Toshiba Capital Corporation under a basic agreement entered into between the Company and Toshiba Capital concerning fund transactions.

Relationship		Transactions		Transaction amounts (Millions of yen) (Thousands of U.S. dollars (Note 2))	Account item	Balance at fiscal year end (Millions of yen) (Thousands of U.S. dollars (Note 2))
Dispatch of executive officers, etc.	Business relationship					
None	Deposit of funds	Non-operating transaction	Deposit of funds	¥22,644 $243,379	Group deposits	¥2,560 $27,515

Policy for determining trade terms and other related matters
The Company is depositing funds with Toshiba Capital Corporation under a basic agreement entered into between the Company and Toshiba Capital concerning fund transactions.

(b) Note concerning the parent company and important affiliates

1) Parent company information

Toshiba Corporation (listed on the Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange, and London Stock Exchange)

2009:

Supplemental information

From the fiscal year under review, the Company has adopted the "Accounting Standard for Related Party Disclosures" (ASBJ Statement No. 11, October 17, 2006) and "Guidance on Accounting Standard for Related Party Disclosures" (ASBJ Implementation Guidance No. 13, October 17, 2006). As a result, two consolidated subsidiaries of the company preparing the consolidated financial statements have been added to the scope of disclosure in addition to the previous scope of disclosure.

(a) Parent company and major shareholders

Status	Name	Address	Capital (Millions of yen)	Business	Percentage of voting rights held by the parent company, etc. (%)
Parent company	Toshiba Corporation	Minato-ku, Tokyo	280,281	1. Manufacture of electric machines and equipment 2. Manufacture of measuring instruments, medical equipment and apparatus, and other machines and equipment 3. Software development and supply, electronic communication, broadcasting, information processing, information service 4. Chemical industry, metal industry, construction, ceramic industry, mining, soil and gravel mining 5. Business incidental to each of the above-mentioned businesses or industries 6. Investment in the company engaged in any of the above-mentioned businesses	Direct 59.97 Indirect 1.65

Notes:

1. The amounts stated above do not include consumption tax, except for the balance at fiscal year end, which includes the consumption tax amount.
2. Toshiba Insurance Service Corporation, Shibaura Mechatronics Corporation and Toshiba Finance Corporation own 1.65%, 0% and 0%, respectively, of the Company's voting shares.

(b) Fellow subsidiaries, etc.

Status	Name	Address	Capital (Millions of yen)	Business	Percentage of voting rights held (%)
Subsidiary of the parent company	Toshiba Capital Corporation	Minato-ku, Tokyo	100	1. Loans 2. Purchase of monetary credits and notes 3. Trade of marketable securities 4. Business incidental to any of the above-mentioned business	None

Note: Consumption tax is not included in above-mentioned amounts pertaining to either transaction amounts or the balance at fiscal year end.

Relationship		Transactions		Transaction amounts (Millions of yen)	Account item	Balance at fiscal year end (Millions of yen)
Dispatch of executive officers, etc.	Business relationship					
None	Accepting orders from the parent, this company performs electric works, pipe works, machinery installation contracts, electric communication works, building construction, firefighting facility construction and steel structure building works. The company also purchases part of the materials necessary for these building or other works listed above.	Business transactions	Construction contracting	¥103,991	Accounts receivable –completed work	¥54,318
					Other current assets	¥126
			Purchasing of materials	¥6,507	Advances received – unfinished work	¥1,175
					Accounts payable – construction work	¥3,030
					Other current liabilities	¥39

Policy for determining trade terms and other related matters
The general terms and conditions are applied to the contract for construction and purchasing of materials.

Relationship		Transactions		Transaction amounts (Millions of yen)	Account item	Balance at fiscal year end (Millions of yen)
Dispatch of executive officers, etc.	Business relationship					
None	Deposit of funds	Non-operating transaction	Deposit of funds	¥178,300	Group deposits	¥18,500

Policy for determining trade terms and other related matters
The Company is depositing funds with Toshiba Capital Corporation under a basic agreement entered into between the Company and Toshiba Capital concerning fund transactions.

Report of Independent Auditors

The Board of Directors
Toshiba Plant Systems & Services Corporation

We have audited the accompanying consolidated balance sheets of Toshiba Plant Systems & Services Corporation and consolidated subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Toshiba Plant Systems & Services Corporation and consolidated subsidiaries at March 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2010 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.

Ernst & Young ShinNihon LLC

June 24, 2010

Stock Information As of March 31, 2010

Common Stock:
265,000,000 shares

Issued and Outstanding:
97,656,888 shares

Number of Shareholders:
4,130

Paid-in Capital:
¥11,876,021,006

Distribution of Shareholders:

Principal Shareholders:

Names of Shareholders	Number of Shares Held (Thousands)	Percentage of Total Shares Outstanding
Toshiba Corporation	58,242	59.64%
The Master Trust Bank of Japan Limited (Trust Account)	3,368	3.45
Japan Trustee Services Bank, Ltd. (Trust Account)	3,222	3.30
BBH (Lux) for Fidelity Active Strategy Europe Fund	1,963	2.01
Toshiba Insurance Service Corporation	1,600	1.64
Toshiba Plant Systems & Services Employees' Shareholding Association	1,134	1.16
Hayat	1,045	1.07
Toshiba Plant Systems & Services Subcontractors' Shareholding Association	839	0.86
Mellon Bank, N.A. Treaty Client Omnibus	799	0.82
The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	598	0.61
Total of 10 shareholders	72,813	74.56%

Corporate Data As of June 24, 2010

THE SENIOR MANAGEMENT AND CORPORATE AUDITORS

President and Chief Executive Officer, Representative Director
Tetsuo Ishii

Executive Vice Presidents and Directors
Kenji Sato
Masayoshi Fujimaki
Atsuhiko Izumi

Senior Vice Presidents and Directors
Koichi Hatano
Takahiro Toyozumi

Vice Presidents and Directors
Kazushige Takaku
Takatoshi Katoh
Takakuni Iijima
Yasuo Nakayama
Shunichi Haga

Executive Officers
Sumio Koriki
Yoshio Konno
Nobuyasu Kawai
Tetsuro Okutani
Ryuzo Takeshita
Tetsuya Kishi

Statutory Auditors
Fumio Kikuchi
Shuji Kusaka
Osamu Maekawa
Tatsuo Doko
Fumihiro Nagaya

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