TOSHIBA
Leading Innovation

2014 Annual Report

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 Ryo Matsukawa, the newly inaugurated President and Chief Executive Officer, and Representative Director.

I will make every effort to achieve the further development of the Group and meet shareholder expectations. As with former President Kenji Sato, in these endeavors I ask for your continued guidance and support.

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 2013, ended March 31, 2014.

Ryo Matsukawa

President and Chief Executive Officer,
Representative Director

Overview of Performance and Principal Initiatives Undertaken in Fiscal 2013

During the fiscal year under review, Japan's economy saw bullish public investment supported by monetary easing measures and fiscal policies. In addition to a weaker yen and rising stock prices, corporate earnings improved and production increased amid signs of an upturn in capital investment. Consumer spending remained steady due to an improvement in employment and income conditions. Business conditions appeared to be on track toward a mild recovery.

In these circumstances, the Toshiba Plant Systems & Services Group actively promoted a number of measures under its 2013 Medium-Term Management Plan, aiming to be an excellent company maintaining profitable and sustainable growth, guided by the three basic strategies of achieving profitable and sustainable growth, pursuing innovation through Toshiba's Balanced CTQ Management (BCM)* management system, and implementing corporate social responsibility (CSR)-oriented management.

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

To achieve profitable and sustainable growth under our basic strategy, we continued to enhance the engineering, procurement and construction (EPC) business, setting up thermal power plants in Japan and overseas, as well as new plants for the manufacturing industry. We also maintained a focus on the energy-related systems sector, mainly industrial mega solar and other solar power plant facilities. As a result, net orders during the fiscal year under review grew significantly. In addition, we drew on our longstanding expertise and other strengths to continue initiatives to enhance our smart community business—whose growth is anticipated in the years ahead—by making efficient use of energy in factory and building facilities. To enhance our cost-competitiveness, we pushed ahead with cost reductions such as expanding integrated and global procurement, cutting variable costs through improved construction methods, and shrinking fixed costs.

In pursuing innovation through Toshiba's BCM management system, we actively promoted Management Innovation (MI) and further bolstered Small Group Activities (SGA) incorporating established innovation activities, as we carried out activities on a Group-wide basis.

With regard to implementing CSR-oriented management, we strengthened efforts on compliance and risk management in terms of laws, social norms, ethics, and other aspects to become a corporate group that is trusted by society by placing the highest priority on life, safety and compliance in all of our business activities. At the same time, we sought to reduce environmental loads, continually improved our quality management systems and worked to enhance the quality of business management. In our social contribution activities, we supported the construction of primary schools in developing countries and projects related to the protection of Japanese cultural properties. We also took part in community volunteer activities at each of our offices and sites and continued to assist the social contribution activities of employees.

As a result, in the fiscal year under review, net orders increased 30.2% from the previous fiscal year to ¥251,247 million and net sales were up 5.4% year on year to ¥182,257 million. Of this, overseas net orders rose 29.3% to ¥73,617 million, while overseas net sales totaled ¥30,301 million, representing 16.6% of net sales.

At the profit level, operating income increased 1.4% to ¥16,278 million, ordinary income rose 1.5% to ¥16,740 million, and net income declined 4.4% to ¥9,832 million.

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

Future Approach and the 2014 Medium-Term Management Plan

Looking ahead, reflecting monetary easing policies and other government measures, Japan's economy is expected to continue on track toward recovery supported by growing exports and increased capital investment

Net Orders and Net Sales

Net Orders

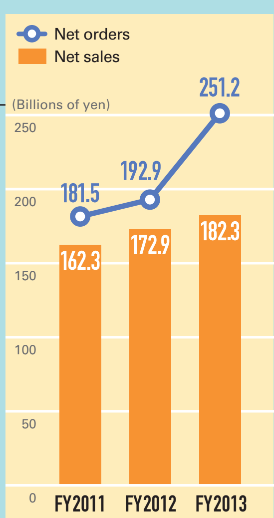
¥251.2 billion

Up 30.2% yoy

Net Sales

¥182.3 billion

Up 5.4% yoy



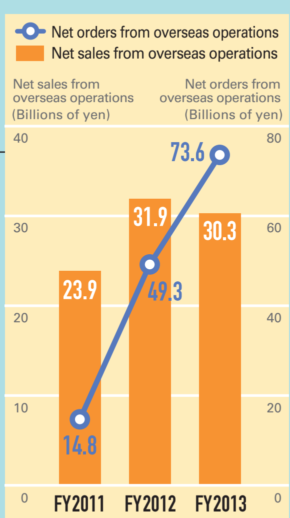
Net Orders and Net Sales from Overseas Operations

Net Orders from Overseas Operations

¥73.6 billion

Net Sales from Overseas Operations

¥30.3 billion



due to improved corporate earnings, as well as steady consumer spending led by improvements in employment conditions and income. In these circumstances, the Toshiba Plant Systems & Services Group will work actively to expand new markets and business domains while strengthening its global business structure, and thereby achieve the goal of profitable and sustainable growth set out in the 2014 Medium-Term Management Plan. Specifically, using the healthy earnings structure we have cultivated up to now as our foundation, we will respond flexibly to changes in the market environment and continue to focus on energy-related systems such as renewable energy. In overseas business, we will aim to strengthen the EPC business execution structure to respond to growing demand for power plant and factory facilities mainly in Southeast Asia. Concurrently, we will continue to cultivate global human resources and accelerate overseas business development. To enhance cost-competitiveness, we will keep promoting integrated and global procurement, cutting costs through improved manufacturing methods and other technological enhancements, and we will strengthen initiatives to boost operational efficiency and productivity to improve performance.

The Group will work to achieve sound, high-quality management through activities in a range of areas such as compliance with laws and regulations, respect for human rights, social contributions and environmental protection. Together with the above initiatives, as a company involved in the establishment of infrastructure systems, we will continue to support communities' recovery from the earthquake disaster, providing security and safety and contributing to the development of society. In this way, we will earn even greater trust from our customers.

Our consolidated targets for fiscal 2016, ending March 31, 2017, the final year of our management plan, are net sales of ¥225 billion and ordinary income of ¥19 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. Moreover, we will contribute to social progress and development through the creation of a foundation that supports industry and society as a whole. In fulfilling our role as a company that supports entire social infrastructure systems, we will respond quickly to market changes and work to ensure the world-class quality and safety of our operations. Concurrently, in undertaking our business activities we will promote CSR-oriented management, seek to build strong relationships of trust with shareholders and stakeholders and enhance our corporate value.

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

June 2014

Ryo Matsukawa

President and Chief Executive Officer,
Representative Director

Profitability

Operating Income

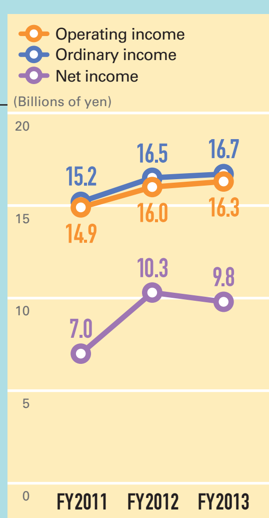
¥16.3 billion

Ordinary Income

¥16.7 billion

Net Income

¥ 9.8 billion



2014 Medium-Term Management Plan

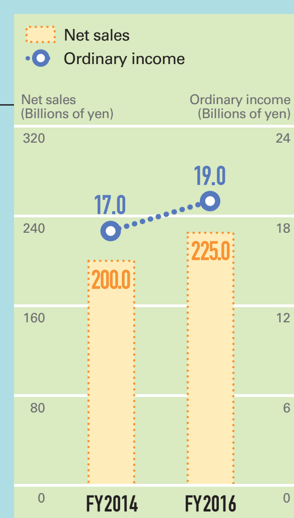
FY2016

Target for Net Sales

¥225.0 billion

Target for Ordinary Income

¥19.0 billion



Aiming to Become an Excellent Company That Maintains Profitable and Sustainable Growth

To be an excellent company maintaining profitable and sustainable growth, the Toshiba Plant Systems & Services Group created the 2014 Medium-Term Management Plan, which was initiated in fiscal 2014, ending March 31, 2015. Under this plan, we will 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.

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

2014 Medium-Term Management Plan

Initiatives Aimed at Achieving Profitable and Sustainable Growth

Responding to Market Environment Changes, Expanding Business Domains

- **Expanding overseas business focused on Southeast Asia**

  We will expand orders for small and medium-scale thermal power EPC* projects and large-scale thermal power peripheral device facilities in the Power Systems Division. In the Infrastructure and Industrial Systems Division, we will aggressively develop cogeneration and gas engine dispersed power source facilities sales activities and factory construction EPC projects associated with the overseas expansion of Japanese companies.

- **Expanding business domains in Japan**

  We aim to further expand business domains by strengthening initiatives in the smart community business, including solar, small and medium-scale hydroelectric power, geothermal, biomass and other renewable energy fields and dispersed power source facilities. We will also focus on automobile-related and food company factory construction EPC projects.

Promoting Strategic Allocation of Resources

- **Maintain human resources for growth businesses**
- **Create a flexible business structure responsive to changing workloads**

Strengthening Competitiveness through Cost Structure Reforms

- **Continue cost reduction activities**
- **Strengthen integrated and global procurement**
- **Optimize fixed and variable costs**

Reinforcing Technological Capabilities

- **Strengthen EPC project management**
- **Enhance competitiveness through advanced construction techniques and promotion of IT-integrated sites**

*EPC: Packaged orders that encompass engineering, procurement, and construction.

FY2016

Net sales
¥225.0 billion

Ordinary income
¥19.0 billion

As a company contributing to the creation of foundations that support industry and society, we consider promotion of CSR management to be a basic strategy together with the provision of quality infrastructure facilities and services. By working to become a sound, high-quality community-based company, we aim to be a company trusted by society.

In terms of social contribution activities, we established a system supporting Company-wide activities as well as individual employees' volunteer activities. We will continue to promote activities at the individual level, together with other Company-wide initiatives.

Solar Lantern Project

Support for overseas development assistance programs

Support for the protection of cultural properties

In January and February 2014, the *Tofukumonin jūnihitoe* (12-layer robe) repaired with our support were displayed as part of the Living National Treasure Exhibit at the Tokyo National Museum.

Company-Wide Initiatives

In fiscal 2013, we promoted three Company-wide initiatives: ongoing support for the Solar Lantern Project in India, support for overseas development assistance programs (construction of a kindergarten in Nonchan Village, Laos) and support for the protection of Japanese cultural properties (restoration of the *Hongakuin no miya* image at Shinnyoji temple in Kyoto). Company departments took part in contribution activities, supported events in their communities and organized various charitable activities.

Departmental and Employee Initiatives

Social Contribution Activity of TPSC (India) Private Limited

The Company's overseas affiliate TPSC (India) Private Limited conducts ongoing annual social contribution activities. In fiscal 2013, clothing, writing materials and other items were donated to children at a social welfare facility near the Delhi office.

Regional Contribution Activities

Our Atsugi Technology Development Center (located in Atsugi, Kanagawa Prefecture) invites newly hired employees from nearby companies to attend hands-on safety training held each year, as part of our coordinated activities with regional companies.

Supporting Employee Volunteer Activities

The Company actively supports the social contribution activities of individual employees to foster greater understanding and awareness of the Company's efforts to make a difference in society.

Science experiment lecture for elementary school students

Amata City Power Plant, Thailand

Keramasan Power Plant, Indonesia

Power Systems Division

This division handles engineering, construction, field services and such maintenance services as inspections and renovations for thermal, hydroelectric and nuclear power plants.

Operations	The division handles businesses operated for the Toshiba Group in field sectors and in heavy-electric-related operations for Toshiba Corporation, as well as in commercial power plant facilities for electric power companies. It is also involved in such non-Toshiba Group business as industrial power plants. This division consists of the Power Plant Systems Division, which handles thermal and hydroelectric power plants, and the Nuclear Power Systems Division, which handles nuclear power plants and related facilities.

Business Review and Outlook

In the fiscal year under review, growth in thermal power plants overseas and other projects resulted in a 22.9% increase year on year in net orders to ¥141,060 million. Net sales declined 5.8% to ¥94,308 million due to fewer domestic and overseas power plant and other projects. Looking at future market trends affecting this division, in Japan we anticipate an increase in high-efficiency combined-cycle thermal power plants and large coal-fired thermal power plants and ongoing large-scale repairs to hydroelectric power plants. In overseas markets, demand for electricity in ASEAN nations will remain robust, and so we expect demand for the construction of large-scale projects to continue. The Company will leverage its technological strengths supported by an extensive track record to respond to social needs and contribute to the stable supply of electricity. Overseas, we will focus on expanding orders for thermal power plants in Southeast Asia.

Power Systems Division

Net Orders and Net Sales

Net Orders

¥141.0 billion

Year on year: 22.9% increase

Percentage of orders: 56.1%

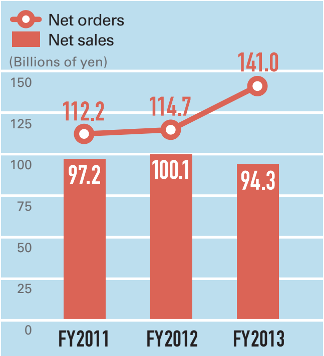
Net Sales

¥ 94.3 billion

Year on year: 5.8% decrease

Percentage of net sales: 51.7%

Net Orders and Net Sales by Segment



Kanto Regional Agricultural Administration Office Makinohara Irrigation Pumping Station

Conceptual image of TS TECH (Kabinburi) 's completed factory

Infrastructure and Industrial Systems Division

This division performs engineering, construction, test operations, adjustments and field services for infrastructure facilities and plant and equipment for general industry.

Infrastructure and Industrial Systems Division

Net Orders and Net Sales

Net Orders

¥110.2 billion

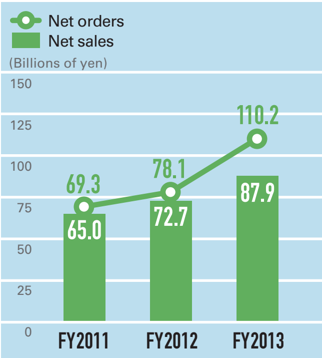
Year on year	Percentage of orders
41.0% increase	43.9%

Net Sales

¥ 87.9 billion

Year on year	Percentage of net sales
20.9% increase	48.3%

Net Orders and Net Sales by Segment



Operations	In businesses operated for the Toshiba Group, the division is mainly involved in Toshiba Corporation's social infrastructure systems business in such areas as water and sewage treatment, transportation systems, substation facilities, electric power systems and transmission and distribution facilities. It is also involved in such non-Toshiba Group business as plant and building facilities. The division consists of the Infrastructure System Division, which handles public-sector fields, and the Industrial Systems Division, which is involved in general industrial fields as well as a portion of the substation business handled by the Power Plant Systems Division.

Business Review and Outlook

During the fiscal year under review, net orders increased 41.0% to ¥110,186 million buoyed by growth in solar power plant facilities and other energy-related systems sector projects. Net sales also rose 20.9% to ¥87,949 million due to growth in general industry projects overseas as well as growth in solar power plant facilities and other energy-related systems sector projects. Looking at future market trends affecting this division, we expect an increase in private-sector capital investment due to recoveries in public investment and business conditions. We also anticipate ongoing capital investment stemming from the construction of factories by Japanese companies expanding overseas in addition to continued steady demand for solar power plant facilities.

The Company will leverage its accumulated technologies and track record in an attempt to expand orders for plant facilities in Japan and overseas, as well as solar power plant and other facilities in the energy-related systems sector through the strengthening of public facility and EPC technologies.

Order Received for a Coal-Fired Thermal Power Plant Project in the Philippines

Contract signing ceremony for generator units 1 and 2 in Balingasag, Philippines

The Company received an order from Mitsubishi Corporation, the general contractor on a project to construct a new coal-fired thermal power plant in Balingasag, Misamis Oriental Province on Mindanao Island in the Philippines.

This project involves the construction of a coal-fired thermal power plant that will adopt environmentally friendly circulating fluidized bed boilers (CFB*1) with a total output of 165 MW (three units of 55 MW each) to meet the growing demand for electricity in the Philippines. As the EPC contractor, we are responsible for the installation of major equipment, testing and trial operation adjustments, including design, civil engineering and construction and procurement of major and BOP*2 equipment. Construction began in January 2014, with the first generator unit scheduled for completion in January 2017, the second generator unit in March, and the third generator unit in May 2017.

Going forward, we will make a concerted effort to work with overseas affiliates and local companies to further strengthen initiatives aimed at expanding orders to meet the robust demand for electric power in Southeast Asia and surrounding countries.

*1. Circulating fluidized bed boiler (CFB): A boiler with reduced CO_2 emissions, a CFB can burn low-grade coal and also co-fire coal with biomass and waste plastic, contributing to the efficient use of resources.

*2. Balance of plant (BOP): The electrical and mechanical facilities for a power plant's turbines and boilers.

Order Received for the Tahara Solar Project

Artist's rendering of Tahara solar generator units 1 and 2

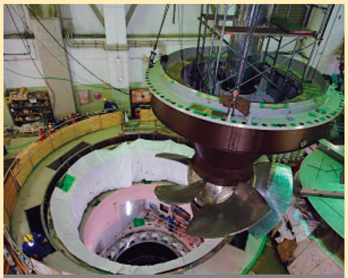
The Company received an order from Tahara Solar LLC* for the Tahara Solar construction project, the nation's largest solar power generation facility.

This project involves the construction of a mega solar electricity generation facility with a total output of 80.9 MW (40.2 MW from generator unit 1 and 40.7 MW from generator unit 2) on an industrial site in Tahara, Aichi Prefecture. We are responsible for engineering, civil engineering and construction, equipment procurement and trial operations. Construction began in August 2013, and operations are scheduled to commence in April 2015.

Having taken part in a large number of construction projects over the years, the Company takes pride in its stellar record in the domestic mega solar business. We will strengthen renewable energy initiatives with the aim of receiving orders on an ongoing basis for mega solar and other projects in the energy-related systems sector.

* Tahara Solar LLC: Comprised of Diamond Solar Japan (a wholly owned subsidiary of Mitsubishi Corporation), C-Tech Corporation and Mitsubishi UFJ Lease & Finance Company Limited.

Completion of Water Damage Restoration and Repairs at the Tohoku Electric Power Miyashita Power Plant



Generator unit 5 at the Tohoku Electric Power Miyashita Power Plant (39 MW)

The Company completed water damage restoration and large-scale repairs at the Tohoku Electric Power Miyashita Power Plant, which was damaged by flooding in July 2011 during torrential rainstorms in Niigata and Fukushima prefectures.

This project, which began in September 2011, attempted to forge an alliance with and cooperation among power companies and equipment manufacturers. The repairs and testing lasted approximately two years and were concluded without incident when generator unit 5 recommenced operations in December 2013.

As a member of the Toshiba Group, the Company will continue to work to ensure a stable supply of electricity and engage proactively in improvements and repairs of new and existing hydroelectric power generation facilities, which are attracting attention as a source of renewable energy. We will do our utmost to promote environmental conservation and contribute to the adoption of clean energy.

Consolidated Six-Year Summary

Years ended March 31,	Millions of yen						Thousands of U.S. dollars (Note)
	2014	2013	2012	2011	2010	2009	2014
Net Sales	¥182,257	¥172,882	¥162,315	¥151,135	¥155,182	¥165,421	$1,770,861
Cost of Sales	155,045	146,034	136,897	127,703	132,170	142,317	1,506,457
Operating Income	16,278	16,046	14,930	13,154	12,903	12,696	158,166
Interest and Dividend Income	222	168	189	270	165	321	2,151
Income before Income Taxes and Minority Interests	16,740	16,497	14,962	11,363	13,268	12,898	162,649
Net Income	9,832	10,284	6,975	5,742	7,841	7,304	95,529
Per Share of Common Stock (in yen and dollars):							
Net Income	¥ 100.92	¥ 105.56	¥71.58	¥58.92	¥80.45	¥74.92	0.98
Cash Dividends	15.00	15.00	15.00	15.00	15.00	15.00	0.15
Total Assets	¥221,135	¥188,081	¥176,483	¥167,336	¥150,963	¥151,090	$2,148,614
Net Assets	104,664	99,862	90,600	85,048	80,826	74,381	1,016,953
Number of Employees	4,055	4,024	4,012	3,990	3,934	3,970	

Note: The U.S. dollar amounts represent translation of Japanese yen at the exchange rate on March 31, 2014 of ¥102.92 to $1.

Financial Review

Operating Income

Operating income for the fiscal year ended March 31, 2014 climbed by 1.4% to ¥16,278 million (US$158,166 thousand). The ratio of operating income to net sales decreased by 0.4 percentage point to 8.9%. The increase in operating income was due to ongoing efforts to revamp our business structure and transform to a highly efficient corporate structure that enables 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, 2014 decreased by 4.4% to ¥9,832 million (US$95,529 thousand).

Selling, General and Administrative (SG&A) Expenses

During the fiscal year ended March 31, 2014, SG&A expenses increased by ¥132 million to ¥10,934 million (US$106,238 thousand). This was mainly due to increasing miscellaneous expenses. The ratio of SG&A expenses to net sales was 6.0%, an improvement of 0.2 percentage point.

Total Assets and Net Assets

Total consolidated assets at March 31, 2014 climbed by ¥33,054 million from the previous fiscal year-end to ¥221,135 million (US$2,148,614 thousand). Among total assets, time deposit increased by ¥15,949 million to ¥27,073 million (US$263,050 thousand). Trade notes and accounts receivable increased by ¥11,917 million to ¥99,368 million (US$965,492 thousand). Net assets rose ¥4,802 million to ¥104,664 million (US$1,016,953 thousand) due to an increase of ¥8,370 million in retained earnings and a decrease of ¥3,750 million in retirement benefit liability adjustment. The equity ratio at March 31, 2014 was 47.2%.

Consolidated Balance Sheet

March 31, 2014 and 2013	Millions of yen		Thousands of U.S. dollars (Note 3)
	2014	2013	2014
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 50,370	¥ 49,106	$ 489,404
Time deposits	27,073	11,124	263,050
Trade notes and accounts receivable	99,368	87,451	965,492
Less: allowance for doubtful accounts	(133)	(393)	(1,295)
Inventories (Note 4)	14,297	16,746	138,916
Deferred tax assets (Note 6)	3,479	3,703	33,803
Other current assets	5,962	2,364	57,928
Total current assets	200,416	170,101	1,947,298
Property, plant and equipment, at cost:			
Land	3,431	3,431	33,338
Buildings and structures	8,891	8,878	86,386
Machinery and equipment	2,685	2,691	26,086
Tools, furniture and fixtures	4,582	4,487	44,519
Leased assets	109	98	1,067
	19,698	19,585	191,396
Less: accumulated depreciation	(13,307)	(13,414)	(129,293)
Property, plant and equipment, net	6,391	6,171	62,103
Intangible assets	319	149	3,098
Investments and other assets:			
Investment securities (Note 7)	498	332	4,839
Investments in affiliates (Note 5)	168	166	1,631
Deferred tax assets (Note 6)	12,653	10,466	122,938
Other	690	696	6,707
Total investments and other assets	14,009	11,660	136,115
Total assets	¥221,135	¥188,081	$2,148,614

See the accompanying Notes to Consolidated Financial Statements.

March 31, 2014 and 2013	Millions of yen		Thousands of U.S. dollars (Note 3)
	2014	2013	2014
LIABILITIES AND NET ASSETS			
Current liabilities:			
Trade notes and accounts payable	¥ 46,086	¥ 34,239	$ 447,786
Advances received on uncompleted construction contracts	17,955	9,355	174,451
Allowance for bonuses to directors and statutory auditors	52	72	509
Accrued expenses	7,946	8,072	77,209
Completed work compensation reserve	571	565	5,542
Accrued income taxes (Note 6)	6,210	3,997	60,342
Other current liabilities (Note 8)	2,094	2,804	20,346
Total current liabilities	80,914	59,104	786,185
Long-term liabilities:			
Accrued severance indemnities (Note 9)	—	28,770	—
Liability for retirement benefit (Note 9)	35,258	—	342,575
Accrued directors' retirement benefits	23	34	223
Other long-term liabilities (Note 8)	276	311	2,678
Total long-term liabilities	35,557	29,115	345,476
Total liabilities	116,471	88,219	1,131,661
Contingent liabilities: (Note 14)			
Net assets: (Note 15)			
Shareholders' equity:			
Common stock			
Authorized — 265,000,000 shares			
Issued 2014 — 97,656,888 shares	11,876	—	115,391
2013 — 97,656,888 shares	—	11,876	—
Capital surplus	20,911	20,911	203,173
Retained earnings	75,157	66,787	730,246
Treasury stock, at cost	(162)	(149)	(1,570)
Total shareholders' equity	107,782	99,425	1,047,240
Accumulated other comprehensive income:			
Unrealized gains or losses on securities	158	51	1,537
Deferred gains or losses on hedges	138	129	1,340
Currency translation adjustments	71	76	688
Retirement benefits liability adjustments	(3,750)	—	(36,433)
Total accumulated other comprehensive income	(3,383)	256	(32,868)
Minority interests in consolidated subsidiaries	265	181	2,581
Total net assets	104,664	99,862	1,016,953
Total liabilities and net assets	¥221,135	¥188,081	$2,148,614

Consolidated Statement of Income

Years ended March 31, 2014 and 2013	Millions of yen		Thousands of U.S. dollars (Note 3)
	2014	2013	2014
Net sales	¥182,257	¥172,882	$1,770,861
Cost of sales	155,045	146,034	1,506,457
Gross profit	27,212	26,848	264,404
Selling, general and administrative expenses (Note 10)	10,934	10,802	106,238
Operating income	16,278	16,046	158,166
Other income:			
Interest income	199	142	1,933
Dividends income	23	26	218
Equity in income of affiliates	16	22	159
Other	305	287	2,962
	543	477	5,272
Other expenses:			
Foreign exchange losses	43	—	420
Other	38	26	369
	81	26	789
Ordinary income	16,740	16,497	162,649
Income before income taxes and minority interests	16,740	16,497	162,649
Income taxes: (Note 6)			
Current	6,807	6,243	66,138
Deferred	11	(124)	101
	6,818	6,119	66,239
Income before minority interests	9,922	10,378	96,410
Minority interests	90	94	881
Net income (Note 15)	¥ 9,832	¥ 10,284	$ 95,529

See the accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

Years ended March 31, 2014 and 2013	Millions of yen		Thousands of U.S. dollars (Note 3)
	2014	2013	2014
Income before minority interests	¥ 9,922	¥10,378	$96,410
Other comprehensive income			
Unrealized gains or losses on securities	107	48	1,042
Deferred gains or losses on hedges	9	56	85
Currency translation adjustment	(9)	281	(89)
Other comprehensive income (Note 11)	107	385	1,038
Total comprehensive income	¥10,029	¥10,763	$97,448
Comprehensive income attribute to			
Owners of the parent	9,942	10,651	96,600
Minority interests	87	112	848

See the accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Change in Net Assets

		Millions of yen									
Years ended March 31, 2014 and 2013	Number of shares issued	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized gains or losses on securities	Deferred gains or losses on hedges	Currency translation adjustments	Retirement benefits liability adjustments	Minority interests in consolidated subsidiaries	Total net assets
Balance at April 1, 2012	97,656,888	¥11,876	¥20,911	¥57,964	¥(141)	¥ 3	¥ 73	¥(187)	—	¥101	¥ 90,600
Net income				10,284							10,284
Cash dividends				(1,461)							(1,461)
Purchase of treasury stock					(8)						(8)
Other changes						48	56	263	—	80	447
Balance at April 1, 2013	97,656,888	¥11,876	¥20,911	¥66,787	¥(149)	¥ 51	¥129	¥ 76	—	¥181	¥ 99,862
Net income				9,832							9,832
Cash dividends (Note 12)				(1,462)							(1,462)
Purchase of treasury stock					(13)						(13)
Other changes						107	9	(5)	(3,750)	84	(3,555)
Balance at March 31, 2014	97,656,888	¥11,876	¥20,911	¥75,157	¥(162)	¥158	¥138	¥ 71	¥(3,750)	¥265	¥104,664

	Thousands of U.S. dollars (Note 3)									
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized gains or losses on securities	Deferred gains or losses on hedges	Currency translation adjustments	Retirement benefits liability adjustments	Minority interests in consolidated subsidiaries	Total net assets
Balance at April 1, 2013	$115,391	$203,173	$616,308	$(1,497)	$ 33	$ 774	$(1,981)	—	$1,073	$ 933,274
Net income			95,529							95,529
Cash dividends (Note 12)			18,409							18,409
Purchase of treasury stock				(73)						(73)
Other changes					1,504	566	2,669	(36,433)	1,508	(30,186)
Balance at March 31, 2014	$115,391	$203,173	$730,246	$(1,570)	$1,537	$1,340	$ 688	$(36,433)	$2,581	$1,016,953

See the accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Cash Flows

Years ended March 31, 2014 and 2013	Millions of yen		Thousands of U.S. dollars (Note 3)
	2014	2013	2014
Cash flows from operating activities:			
Income before income taxes and minority interests	¥16,740	¥16,497	$162,649
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	521	772	5,062
Increase in severance indemnities	—	631	—
Increase in liability for retirement benefit	661	—	6,423
(Decrease) in allowance for doubtful accounts	(260)	(12)	(2,530)
Equity in (income) of affiliates	(16)	(22)	(159)
Loss (gain) on sales of property, plant and equipment	2	(3)	18
Loss on disposal of property, plant and equipment	—	10	—
(Increase) decrease in trade notes and accounts receivable	(11,947)	571	(116,077)
Decrease in inventories	2,463	2,351	23,931
(Increase) decrease in other current assets	(3,605)	311	(35,031)
Increase in trade notes and accounts payable	11,865	672	115,283
Increase in advance received on uncompleted construction contracts	8,534	1,414	82,919
(Decrease) increase in accrued expenses	(127)	206	(1,229)
(Decrease) in other current liabilities	(716)	(159)	(6,955)
Other	(263)	(323)	(2,549)
	23,852	22,916	231,755
Interest and dividends received	236	168	2,292
Income taxes paid	(4,565)	(7,374)	(44,353)
Net cash provided by operating activities	19,523	15,710	189,694
Cash flows from investing activities:			
Increase in time deposits	(15,957)	(10,247)	(155,043)
Proceeds from sales of property, plant and equipment	29	36	286
Payments for acquisition of property, plant and equipment	(719)	(578)	(6,986)
Payments for acquisition of intangible assets	(200)	(6)	(1,945)
Payments for purchase of investment securities	(1)	(1)	(10)
Other	(1)	29	(8)
Net cash used in investing activities	(16,849)	(10,767)	(163,706)
Cash flows from financing activities:			
Repayments of lease liabilities	(18)	(17)	(169)
Dividends paid	(1,461)	(1,461)	(14,199)
Purchase of treasury stock	(13)	(8)	(126)
Dividends paid to minority shareholders	(2)	(38)	(23)
Other	0	6	0
Net cash used in financing activities	(1,494)	(1,518)	(14,517)
Effect of exchange rate changes on cash and cash equivalents	84	722	806
Net increase in cash and cash equivalents	1,264	4,147	12,277
Cash and cash equivalents at beginning of year	49,106	44,959	477,127
Cash and cash equivalents at end of year	¥50,370	¥49,106	$489,404

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 its 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 Act 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 year's financial statements have been reclassified to conform with the current year's presentation.

(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 company to be accounted for by the equity method.

(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 balance sheet accounts of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet dates, except for the components of net assets excluding minority interests which are translated at their historical exchange rates. Revenue and expense accounts of the foreign consolidated subsidiaries are translated at the average rate of exchange in effect during the respective fiscal year. Differences arising from the translation are presented as "Currency translation adjustments" and "Minority interests in consolidated subsidiaries" in the consolidated financial statements.

(d) Accounting for net sales and related costs

Construction contracts 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.

(e) Investment securities

All the investment securities are classified as "Other securities". Investment 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. Investment securities, whose fair value is not determinable, are stated at cost, determined by the moving average method.

(f) Inventories

Work in progress is stated at the lower of accumulated cost, determined on a specific project basis, or net realizable value.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Companies are principally computed by the straight-line method based on the following useful lives:

Buildings and structures .... 3–60 years
Machinery and equipment .... 3–17 years
Tools, furniture and fixtures .... 2–20 years

(h) Intangible assets (excluding leased assets)

Intangible assets are amortized by the straight-line method.

(i) 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.

(j) Allowance for doubtful accounts

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 collectibility with respect to certain doubtful receivables.

(k) Completed work compensation reserve

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

(l) Accrued 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.

To prepare for payment of retirement benefits to employees, an amount deemed accrued at the end of the fiscal year, based on the retirement benefit obligations and fair value of plan assets at the end of the fiscal year, is provided.

The retirement benefit obligations for employees are attributed to each period by the straight-line method over the estimated years of services of the eligible employees.

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 gains or losses are 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 are incurred.

(m) Accrued directors' retirement benefits

Retirement benefits for directors and corporate auditors are recorded based on the estimated amount payable at the end of the fiscal year as stipulated by internal regulations.

(n) Income taxes

The provision for income taxes is computed based on income before income taxes and minority interests in the consolidated statement 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 allowance is established to reduce deferred tax assets to their net realizable value if it is more likely that some portion or all of the deferred tax assets will not be realized.

(o) Derivative financial instruments

Derivative financial instruments are carried at fair value, except for those which meet the criteria for deferral hedge accounting.

(p) Principal hedge accounting method

(1) Hedge accounting method
In principle, deferral hedge accounting is applied.

(2) Hedging instruments and hedged items
Hedging instruments: Forward exchange contracts
Hedged items: Forecast foreign currency-denominated transactions

(3) Hedging policies
The Company adheres to its regulations concerning the handling of derivative transactions, and individual forward exchange contracts are executed for hedging with the aim of mitigating currency risk for foreign currency-denominated transactions.

(4) Method for assessment of hedge effectiveness
Assessment of hedge effectiveness is omitted for forward exchange contracts because the notional principals of the hedging instruments and the major conditions of the hedged items are deemed identical and can be assumed to completely offset fluctuations of foreign exchange rates from the start of the hedge and thereafter.

(q) Cash and cash equivalents

In preparing the consolidated statement 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.

(r) Consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(s) Standards issued but not yet effective

Accounting standards for retirement benefits
On May 17, 2012, the Accounting Standards Board of Japan (the ASBJ) issued “Accounting Standard for Retirement Benefits” (ASBJ Statement No.26) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No.25).

(1) Overview
The standard provides guidance for the accounting for unrecognized actuarial differences and unrecognized prior service costs, the calculation methods for retirement benefit obligation and service costs, and enhancement of disclosures taking into consideration improvements to financial reporting and international trends.

(2) Effective date
The revised accounting standard and guidance became effective at the end of the fiscal year ended March 31, 2014. However, revisions to the calculation methods for the retirement benefit obligation and service costs are effective at the beginning of the fiscal year ending March 31, 2015.

(3) Impact of revised accounting standard and guidance

The Companies are currently evaluating the effect of adopting these revised standard on its consolidated financial statements, regarding revisions to the calculation methods.

2. Accounting Changes

(a) Depreciation method for property, plant and equipment

Previously, the Companies had primarily adopted the declining-balance method as the depreciation method for property, plant and equipment (excluding leased assets). However, effective April 1, 2013, the depreciation method was changed to the straight-line method.

According to the "2013 Medium-Term Management Plan," which was initiated in the fiscal year ended March 31, 2014, capital investments are expected to be stable as they will be more focused on repair and replacement. For this reason, the Companies decided to change the depreciation method for property, plant and equipment to the straight-line method to allocate the depreciation expenses more appropriately.

The impact of this change on income, however, is immaterial.

(b) Application of the Accounting Standard for Retirement Benefits and related Guidance

The Companies adopted "Accounting Standard for Retirement Benefits" (ASBJ Statement No.26 of May 17, 2012) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25 of May 17, 2012) (except for certain provisions described in the main clause of Section 35 of the standard and in the main clause of Section 67 of the guidance) effective at the end of the fiscal year ended March 31, 2014. This accounting standard and the related guidance require entities to apply a revised method for recording the retirement benefit obligation, after deducting plan assets, as a liability for retirement benefit. In addition, unrecognized actuarial differences and unrecognized prior service costs are recorded as a liability for retirement benefits. Concerning the application of the Accounting Standard for Retirement Benefits, based on the provisional treatment set out in Clause 37 of the standard, the effects of this change in accounting policy in the current fiscal year have been recorded in retirement benefits liability adjustments through accumulated other comprehensive income. As a result of this change, a liability for retirement benefits was recognized in the amount of ¥35,258 million (US$ 342,575 thousand) and accumulated other comprehensive income decreased by ¥ 3,750 million (US$ 36,443 thousand) as of March 31, 2014. In addition, net assets per share decreased by ¥38.49 (US$ 0.37).

3. 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 ¥102.92 = US$1.00, the rate prevailing on March 31, 2014. 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.

4. Inventories

Inventories at March 31, 2014 and 2013 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
Work in progress	¥14,257	¥16,704	$138,522
Materials and supplies	40	42	394
Total	¥14,297	¥16,746	$138,916

5. Investments in Affiliates

Investments in affiliates at March 31, 2014 and 2013 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
Investments in capital stock, at cost	¥ 5	¥ 5	$ 44
Equity in accumulated earnings and losses since acquisition, net	¥163	161	1,587
Total	¥168	¥166	$1,631

6. 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 38.0% for the years ended March 31, 2014 and 2013, respectively.

Due to the difference between the statutory tax rate and the effective income tax rate of 5% or less, the reconciliation between the two tax rates has been omitted for the year ended March 31, 2013.

Reconciliation between the statutory tax rate and the effective income tax rate for the year ended March 31, 2014 was as follows:

	2014
Statutory tax rate	38.0%
Non deductible expenses	0.8
Prefectural and municipal inhabitant per capita tax	0.6
Change in valuation allowance	(0.7)
Effect of change in corporate tax rate	1.8
Other	0.2
Effective income tax rate	40.7%

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

	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
Deferred tax assets			
Accrued severance indemnities	¥ —	¥10,364	$ —
Liability for retirement benefits	12,544	—	121,881
Accrued bonuses	2,337	2,501	22,708
Accounts payable	351	449	3,410
Allowance for doubtful accounts	84	166	817
Depreciation	669	617	6,501
Completed work compensation reserve	203	203	1,972
Accrued enterprise tax	429	306	4,165
Other	910	1,015	8,839
	17,527	15,621	170,293
Valuation allowance for deferred tax assets	(665)	(776)	(6,459)
Deferred tax assets	16,862	14,845	163,834
Deferred tax liabilities			
Retained earnings appropriated for tax allowance reserves	(573)	(573)	(5,567)
Deferred gains or losses on hedges	(77)	(79)	(748)
Unrealized gains on securities	(58)	—	(564)
Other	(22)	(24)	(214)
Deferred tax liabilities	(730)	(676)	(7,093)
Net deferred tax assets	¥16,132	¥14,169	$156,741

Adjustment of deferred tax assets and liabilities due to change in corporate tax rate

The "Act for Partial Amendment of the Income Tax Act, etc." was promulgated on March 31, 2014 and as a result, the Companies are no longer subject to the Special Reconstruction Corporate Tax effective for the fiscal years beginning on or after April 1, 2014.

As a result, the effective statutory tax rate used to measure the Companies' deferred tax assets and liabilities was changed from 38.0% to 35.6% for the temporary differences expected to be realized or settled from the fiscal year beginning on April 1, 2014. The effect of the announced reduction of the effective statutory tax rate was to decrease deferred tax assets after offsetting deferred tax liabilities by ¥296 million (US$ 2,876 thousand) as of March 31, 2014, and to increase deferred income taxes by ¥301 million (US$ 2,925 thousand) and increase deferred gains or losses on hedges by ¥4 million (US$ 39 thousand) for the year ended March 31, 2014.

7. Investment Securities

(1) Information regarding securities classified as other securities
The aggregate cost, gross unrealized gains or losses and fair value pertaining to other securities are as follows:

	Millions of yen							
	2014				2013			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Equity securities	¥228	¥216	—	¥444	¥228	¥51	—	¥279
Total	¥228	¥216	—	¥444	¥228	¥51	—	¥279

Since unlisted stocks (¥54 million and ¥53 million at March 31, 2014 and 2013, respectively) have no market value and their fair value is not determinable, they are not included in other securities above.

	Thousands of U.S. dollars			
	2014			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Equity securities	$2,213	$2,101	—	$4,314
Total	$2,213	$2,101	—	$4,314

Since unlisted stocks (US$525 thousand at March 31, 2014) have no market value and their fair value is quite difficult to determine, they are not included in other securities above.

(2) Investment securities for which impairment losses were recorded
In the fiscal years ended March 31, 2014 and 2013, no impairment loss was recorded on other investment securities.

8. Short-Term Borrowings and Long-Term Debt

At March 31, 2014 and 2013, short-term borrowings and current portion of long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
Current portion of lease obligations	¥21	¥15	$203

At March 31, 2014 and 2013, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
Lease obligations	¥71	¥54	$690
Less current portion	21	15	203
	¥50	¥39	$487

The maturities of lease obligations are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
	2014	2014
2015	¥19	$182
2016	14	132
2017	10	97
2018 and thereafter	7	76

9. Retirement Benefits

For the year ended March 31, 2014

The changes in retirement benefit obligation during the year ended March 31, 2014 are as follows:

	Millions of yen	Thousands of U.S. dollars
	2014	2014
Retirement benefit obligation at April 1, 2013	¥71,605	$695,737
Service cost	2,159	20,975
Interest cost	1,058	10,280
Actuarial loss	(397)	(3,861)
Retirement benefit paid	(2,599)	(25,250)
Other	132	1,280
Retirement benefit obligation at March 31, 2014	¥71,958	$699,161

The changes in plan assets during the year ended March 31, 2014 are as follows:

	Millions of yen	Thousands of U.S. dollars
	2014	2014
Plan assets at April 1, 2013	¥33,791	$328,325
Expected return on plan assets	845	8,208
Actuarial loss	1,638	15,911
Contributions by the Company	1,695	16,470
Retirement benefits paid	(1,400)	(13,608)
Other	131	1,280
Plan assets at March 31, 2014	¥36,700	$356,586

The following table sets forth the funded status of the plan and the amounts recognized in the consolidated balance sheet as of March 31, 2014 for the Companies' defined benefit plans:

	Millions of yen	Thousands of U.S. dollars
	2014	2014
Contributory retirement benefit obligation	¥46,841	$455,113
Plan assets at fair value	(36,700)	(356,586)
	10,141	98,527
Noncontributory retirement benefit obligation	25,117	244,048
Net liability for retirement benefit in the balance sheet	35,258	342,575
Liability for retirement benefits	35,258	342,575
Net liability for retirement benefits in the balance sheet	¥35,258	$342,575

The components of retirements benefit expense for the year ended March 31, 2014 are as follows:

	Millions of yen	Thousands of U.S. dollars
	2014	2014
Service cost	¥2,159	$20,975
Interest cost	1,058	10,280
Expected return on plan assets	(845)	(8,208)
Amortization of actuarial loss	1,099	10,682
Amortization of prior service cost	82	796
Retirement benefit expense	¥3,553	$34,525

Unrecognized prior service cost and unrecognized actuarial loss included in accumulated other comprehensive income (before tax effect) as of March 31, 2014 are as follows:

	Millions of yen	Thousands of U.S. dollars
	2014	2014
Unrecognized prior service cost	¥ (204)	$ (1,980)
Unrecognized actuarial loss	6,032	58,604
Total	¥5,828	$56,624

The details of plan assets, by major category, as a percentage of total plan assets as of March 31, 2014 are as follows:

	2014
Bonds	40%
Stocks	25%
Alternative	24%
General accounts	10%
Other	1%
Total	100%

The expected rates of return on plan assets has been estimated based on the anticipated allocation to each assets class, the expected long-term returns on assets held in each category, and past performance.

The assumptions used in accounting for the above plans were as follows:

	2014
Discount rates	1.5%
Expected rates of return on plan assets	2.5%

Among domestic consolidated subsidiaries, one subsidiary participates in a group employees pension fund; however, because the amount of pension assets corresponding to the contributions made by that subsidiary is not practically determinable, it accounts for this pension plan as if it's a defined contribution plan.

Contributions to be made to the multi-employer's retirement benefit plan which would be accounted for similar to a defined contribution plan were ¥53 million (US$511 thousand).

1) Funded status of the multi-employer plan

	Millions of yen	Thousands of U.S. dollars
	2013	2013
(1) Total pension assets	¥281,339	$2,733,571
(2) Total obligations	290,987	2,827,318
(3) Difference ((1)-(2))	¥ (9,648)	$ (93,747)

2) Total contributions of the Companies as a proportion of the total fund in the multi-employer plan (as of March 31, 2013)

	2013
	0.55%

3) Supplemental information (as of March 31, 2013)
The difference is analyzed as follows:

	Millions of yen	Thousands of U.S. dollars
	2013	2013
Difference ((3)) = (a + b - c - d)		
a. Insufficient amount	¥—	$—
b. Surplus	12,320	119,708
c. Adjustment for increase in assets valuation	—	—
d. Balance of unamortized prior year obligations	21,968	213,455

	2013
Amortization method for prior year obligations	Straight-line over 20 years

For the year ended March 31, 2013

The components of retirement benefit expenses for the year ended March 31, 2013 were as follows:

	Millions of yen
	2013
Service cost	¥2,089
Interest cost	1,038
Expected return on plan assets	(782)
Amortization of prior service cost	(283)
Amortization of unrecognized actuarial loss	1,457
Retirement benefit expenses	¥3,519

The following table sets forth the unfunded retirement benefit obligation of the employees' defined benefit plans, and the amounts recognized as of March 31, 2013.

	Millions of yen
	2013
Projected benefit obligation	¥ (71,605)
Fair value of plan assets	33,791
Unfunded retirement benefit obligation	(37,814)
Unrecognized prior service cost	(122)
Unrecognized actuarial loss	9,166
Accrued severance indemnities	¥ (28,770)

Assumptions used as of March 31, 2013 were as follows:

	Millions of yen
	2013
Discount rate	1.5%
Expected rate of return on plan assets	2.5%

Among domestic consolidated subsidiaries, one subsidiary 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 subsidiary, this amount is not included in the calculation of retirement benefit obligation.

Funded status regarding the multi-employer plan under which the required contributory amounts are being processed as retirement benefit expenses are as follows:

1) Status of overall reserves under the system (as of March 31, 2012)

	Millions of yen
	2012
(1) Total pension assets	¥254,797
(2) Total obligation at fiscal year-end	299,366
(3) Difference ((1)-(2))	¥ (44,569)

2) Total contributions of the Companies as a proportion of the total fund in the multi-employer plan (as of March 31, 2012)

	2012
	0.56%

3) Supplemental information (as of March 31, 2012)

	Millions of yen
	2012
Difference ((3)) = (a+b-c-d)	
a. Insufficient amount	¥ (42,914)
b. Surplus	—
c. Adjustment for increase in assets valuation	¥ (11,538)
d. Balance of unamortized prior year obligations	¥ 13,193

	2012
Amortization method for prior year obligations	Straight-line over 20 years
Remaining amortization years for prior year obligations	7 years

10. Selling, General and Administrative Expenses

	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
Salaries and wages	¥ 5,429	¥ 5,388	$ 52,749
Retirement benefit expenses	534	521	5,192
Director's retirement benefit expenses	7	10	65
Bonuses to directors and corporate auditors	35	69	337
Rental expenses	380	381	3,697
Other	4,549	4,433	44,198
Total	¥10,934	¥10,802	$106,238

Research and development costs were ¥503 million (US$4,886 thousand) and ¥430 million for the years ended March 31, 2014 and 2013, respectively.

11. Other Comprehensive Income

Recycling and tax effects relating to other comprehensive income for the years ended March 31, 2014 and 2013 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
Unrealized gains or losses on securities			
Amount arising during the year	¥165	¥ 48	$1,606
Recycling	—	(2)	—
Before tax effect adjustment	165	46	1,606
Tax effect	(58)	2	(564)
Unrealized gains or losses on securities	107	48	1,042
Deferred gains or losses on hedges:			
Amount arising during the year	332	71	3,227
Recycling	93	19	906
Asset acquisition cost adjustments	(418)	0	(4,067)
Before tax effect adjustment	7	90	66
Tax effect	2	(34)	19
Deferred gains or losses on hedges	9	56	85
Currency translation adjustments:			
Amount arising during the year	(9)	281	(89)
Recycling	—	—	—
Before tax effect adjustment	(9)	281	(89)
Currency translation adjustments	(9)	281	(89)
Other comprehensive income	¥107	¥385	$1,038

12. Dividends

1) Dividends paid

For the year ended March 31, 2014

Resolution	Meeting of the Board of Directors on April 26, 2013
Class of shares	Common stock
Total dividends (millions of yen)	¥731
Total dividends (thousands of U.S. dollars)	$7,099
Source of dividends	Retained earnings
Dividends per share (yen)	¥7.5
Dividends per share (U.S. dollars)	$0.07
Cut-off date	March 31, 2013
Effective date	June 4, 2013

Resolution	Meeting of the Board of Directors on October 31, 2013
Class of shares	Common stock
Total dividends (millions of yen)	¥731
Total dividends (thousands of U.S. dollars)	$7,099
Source of dividends	Retained earnings
Dividends per share (yen)	¥7.5
Dividends per share (U.S. dollars)	$0.07
Cut-off date	September 30, 2013
Effective date	December 2, 2013

For the year ended March 31, 2013

Resolution	Meeting of the Board of Directors on April 27, 2012
Class of shares	Common stock
Total dividends (millions of yen)	¥731
Source of dividends	Retained earnings
Dividends per share (yen)	¥7.5
Cut-off date	March 31, 2012
Effective date	June 5, 2012

Resolution	Meeting of the Board of Directors on October 31, 2012
Class of shares	Common stock
Total dividends (millions of yen)	¥731
Source of dividends	Retained earnings
Dividends per share (yen)	¥7.5
Cut-off date	September 30, 2012
Effective date	December 3, 2012

2) Dividends with the cut-off date in the year ended March 31, 2014 and the effective date in the year ending March 31, 2015

Resolution	Meeting of the Board of Directors on April 25, 2014
Class of shares	Common stock
Total dividends (millions of yen)	¥731
Total dividends (thousands of U.S. dollars)	$7,099
Source of dividends	Retained earnings
Dividends per share (yen)	¥7.5
Dividends per share (U.S. dollars)	$0.07
Cut-off date	March 31, 2014
Effective date	June 3, 2014

Dividends with the cut-off date in the year ended March 31, 2013 and the effective date in the year ended March 31, 2014

Resolution	Meeting of the Board of Directors on April 26, 2013
Class of shares	Common stock
Total dividends (millions of yen)	¥731
Source of dividends	Retained earnings
Dividends per share (yen)	¥7.5
Cut-off date	March 31, 2013
Effective date	June 4, 2013

13. Leases

As Lessee:

Future minimum lease payments subsequent to March 31, 2014 and 2013 for noncancelable operating leases are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
Due within one year	¥24	¥24	$231
Due after one year	17	41	164
Total	¥41	¥65	$395

14. Contingent Liabilities

The Companies had the following contingent liabilities at March 31, 2014 and 2013.

	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
As gurantor of empoloyees' housing loans from banks	¥487	¥629	$4,734
Total of contingent liabilities	¥487	¥629	$4,734

15. Per Share Information

Net income and net assets per share for the years ended March 31, 2014 and 2013 were as follows:

	Yen		U.S. dollars
	2014	2013	2014
Net income (basic)	¥ 100.92	¥ 105.56	$ 0.98
Net assets	1,071.69	1,023.17	10.41

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.

16. Segment Information

(a) Overview of reporting segments

The Company's reporting segments are business units for which separate financial information can be obtained and which are subject to periodic reviews for deciding the allocation of management resources and evaluating business performance. The Company has established business divisions according to the fields in which it undertakes its business and carries out integrated business activities spanning engineering, procurement, construction, test operation, adjustments and services. The Company has aggregated its businesses according to common technologies and facilities into two reporting segments: the Power Systems Division and the Infrastructure and Industrial Systems Division.

The Power Systems Division undertakes business operations that include planning, design, supervised construction, test operation and maintenance of thermal, hydroelectric and nuclear power generating facilities.

The Infrastructure and Industrial Systems Division carries out business operations that include planning, design, supervised construction, test operation and maintenance of substation facilities, public facilities, equipment for general industry, equipment for buildings and for information-related businesses.

(b) Method of computing sales, profit/loss, assets and other items by reporting segment

The accounting policies of the segments are substantially the same as those described in the significant accounting policies in Note 1. The figures for segment profits are on the basis of ordinary income. Intersegment sales or transfers are based on current market prices.

(c) Reporting segment information

Year ended March 31, 2014	Millions of yen		
	2014		
	Power Systems Division	Infrastructure and Industrial Systems Division	Total
Net sales:			
Sales to customers	¥94,308	¥87,949	¥182,257
Intersegment sales or transfers	30	69	99
Total	94,338	88,018	182,356
Segment profits	9,485	7,255	16,740
Other items:			
Depreciation	394	127	521
Interest income	133	66	199
Equity in income of affiliates	16	—	16

Note: Because no assets were allocated to the business segments, information on segment assets has been omitted.

	Thousands of U.S. dollars		
	2014		
	Power Systems Division	Infrastructure and Industrial Systems Division	Total
Net sales:			
Sales to customers	$916,328	$854,533	$1,770,861
Intersegment sales or transfers	291	667	958
Total	916,619	855,200	1,771,819
Segment profits	92,157	70,492	162,649
Other items:			
Depreciation	3,832	1,230	5,062
Interest income	1,287	646	1,933
Equity in income of affiliates	159	—	159

Note: Because no assets were allocated to the business segments, information on segment assets has been omitted.

Year ended March 31, 2013	Millions of yen		
	2013		
	Power Systems Division	Infrastructure and Industrial Systems Division	Total
Net sales:			
Sales to customers	¥100,122	¥72,760	¥172,882
Intersegment sales or transfers	222	105	327
Total	100,344	72,865	173,209
Segment profits	10,539	5,958	16,497
Other items:			
Depreciation	558	214	772
Interest income	94	48	142
Equity in income of affiliates	22	—	22

Note: Because no assets were allocated to the business segments, information on segment assets has been omitted.

(d) Difference between total amount for reporting segments and amount recorded on the consolidated financial statements and principal components of this difference (items concerning difference adjustment)

	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
Net sales:			
Total of reporting segments	¥182,356	¥173,209	$1,771,819
Eliminations	(99)	(327)	(958)
Net sales in consolidated statement of income	¥182,257	¥172,882	$1,770,861
Segment profits:			
Total of reporting segments	¥ 16,740	¥ 16,497	$ 162,649
Ordinary income	16,740	16,497	162,649

	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
Others:			
Depreciation			
Total of reporting segments	¥521	¥772	$5,062
Adjustment	—	—	—
Consolidated	521	772	5,062
Interest income			
Total of reporting segments	199	142	1,933
Adjustment	—	—	—
Consolidated	199	142	1,933
Equity in income of affiliates			
Total of reporting segments	16	22	159
Adjustment	—	—	—
Consolidated	16	22	159

(e) Related information

(i) Information on products and services

Because the same information is included in Business segment information, this information has been omitted.

(ii) Geographical information

(1) Net sales

	Millions of yen		Thousands of U.S. dollars
	2014	2013	2014
Net sales			
Japan	¥152,043	¥140,950	$1,477,293
Southeast Asia	23,887	26,211	232,094
Other Asia	4,197	4,107	40,774
Other areas	2,130	1,614	20,700
Total	¥182,257	¥172,882	$1,770,861

Notes:
1. Sales, based on the location of customers, are classified by country or region.
2. Major countries or regions included in such geographical areas are as follows:
   (1) Southeast Asia: Thailand, Indonesia, Malaysia, Vietnam, Philippines, etc.
   (2) Other Asia: India, China, Taiwan, South Korea, etc.
   (3) Other areas: America, Palau, etc.

(2) Property, plant and equipment

Because the amount of property, plant and equipment in Japan exceeds 90% of property, plant and equipment recorded in the consolidated balance sheet, information on property, plant and equipment has been omitted.

(iii) Information of main customer

	2014	
Customer	Net sales	Segment concerned
Toshiba Corporation	¥96,011 million $932,871 thousand	Power Systems Division Infrastructure and Industrial Systems Division

	2013	
Customer	Net sales	Segment concerned
Toshiba Corporation	¥103,722 million	Power Systems Division Infrastructure and Industrial Systems Division

17. Financial Instruments

(a) Matters concerning financial instruments

1) Policy toward financial instruments

Regarding fund management, in principle, the Companies carry out short-term fund management under the Toshiba Group Finance System. The Companies' policy is to use derivatives in fund management to avoid currency risk, and not to engage in speculative transactions.

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

Trade notes and accounts receivable 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 currency risk. In principle, the Companies use forward exchange contracts to hedge this risk.

Investment securities are exposed to market risk. The Companies mainly hold stocks of companies with which they have 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 are operating liabilities and most of these have payment due dates within one year.

Derivative transactions consist of forward exchange contracts for the purpose of hedging currency risk for foreign currency-denominated payments and income. Regarding derivatives transactions, the Companies engage in transactions only with financial institutions with high creditworthiness and therefore recognize that they face virtually no credit risk. The execution and management of derivative transactions are 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.

Refer to the previous "1. Summary of Significant Accounting Policies, (o) Principal hedge accounting method" regarding hedging instruments and hedged items, hedging policies and method for assessment of hedge effectiveness pertaining to hedge accounting.

(b) Matters concerning the fair value of financial instruments

2014:

The consolidated balance sheet amounts and fair values as of March 31, 2014 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		Thousands of U.S. dollars	
	2014		2014	
	Consolidated balance sheet amount	Fair value	Consolidated balance sheet amount	Fair value
1. Cash and cash equivalents	¥50,370	¥50,370	$ 489,404	$ 489,404
2. Time deposits	27,073	27,073	263,050	263,050
3. Trade notes and accounts receivable	99,235	99,235	964,197	964,197
4. Investment securities	444	444	4,314	4,314
Asset total	177,122	177,122	$1,720,965	$1,720,965
1. Trade notes and accounts payable	¥46,086	¥46,086	447,786	447,786
2. Accounts payable non-trade	1,474	1,474	14,318	14,318
3. Accrued income taxes	6,210	6,210	60,342	60,342
Liability total	53,770	53,770	522,446	522,446
Derivatives	¥ 327	¥ 327	$ 3,176	$ 3,176

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. Accounts payable non-trade, 3. Accrued income taxes

These are listed at carrying value since fair value approximates their carrying value because of their short-term settlement.

Derivatives

Refer to Note 18.

(2) Non-listed stocks (consolidated balance sheet amount of ¥54 million (US$525 thousand)) 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

	Millions of yen			
	2014			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
1. Cash and cash equivalents	¥50,361	—	—	—
2. Time deposits	27,073	—	—	—
3. Trade notes and accounts receivable	99,235	—	—	—

	Thousands of U.S. dollars			
	2014			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
1. Cash and cash equivalents	$489,320	—	—	—
2. Time deposits	263,050	—	—	—
3. Trade notes and accounts receivable	964,197	—	—	—

2013:

The consolidated balance sheet amounts and fair values as of March 31, 2013 were 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	
	2013	
	Consolidated balance sheet amount	Fair value
1. Cash and cash equivalents	¥49,106	¥49,106
2. Time deposits	11,124	11,124
3. Trade notes and accounts receivable	87,058	87,058
4. Investment securities	279	279
Asset total	147,567	147,567
1. Trade notes and accounts payable	¥34,239	¥34,239
2. Accrued income taxes	3,997	3,997
Liability total	38,236	38,236
Derivatives	¥ 92	¥ 92

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

Refer to Note 18.

(2) Non-listed stocks (consolidated balance sheet amount of ¥53 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

	Millions of yen			
	2013			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
1. Cash and cash equivalents	¥49,106	—	—	—
2. Time deposits	11,124	—	—	—
3. Trade notes and accounts receivable	87,058	—	—	—

18. Derivative Transactions

Matters regarding the current prices of transactions

2014:

1) Currency-related transactions to which hedge accounting is not applied

	Millions of yen			
	2014			
	Contract amounts	Over one year	Fair value	Unrealized gain (loss)
Forward foreign exchange contract				
Selling position				
U.S. dollars	¥1,310	¥—	¥ (47)	¥ (47)
Buying position				
Swedish krona	448	—	7	7
U.S. dollars	5,147	—	148	148
Euros	176	—	4	4
Total	¥7,081	¥—	¥112	¥112

Note: The fair value is calculated based on prices shown by the correspondent financial institutions.

	Thousands of U.S. dollars			
	2014			
	Contract amounts	Over one year	Fair value	Unrealized gain (loss)
Forward foreign exchange contract				
Selling position				
U.S. dollars	$12,728	$—	$ (461)	$ (461)
Buying position				
Swedish krona	4,356	—	68	68
U.S. dollars	50,011	—	1,439	1,439
Euros	1,708	—	42	42
Total	$68,803	$—	$1,088	$1,088

Note: The fair value is calculated based on prices shown by the correspondent financial institutions.

2) Currency-related transactions to which hedge accounting is applied

	Millions of yen		
	2014		
	Contract amounts	Over one year	Fair value
Forward foreign exchange contract			
Selling position			
U.S. dollars	¥ 593	¥ 40	¥ (12)
Euros	190	—	(1)
Swedish krona	2,172	—	(31)
Buying position			
Euros	436	—	91
U.S. dollars	4,804	1,340	168
Swedish krona	26	—	(0)
Total	¥8,221	¥1,380	¥215

Note: The fair value is calculated based on prices shown by the correspondent financial institutions.

	Thousands of U.S. dollars		
	2014		
	Contract amounts	Over one year	Fair value
Forward foreign exchange contract			
Selling position			
U.S. dollars	$ 5,766	$ 391	$ (115)
Euros	1,842	—	(13)
Swedish krona	21,103	—	(305)
Buying position			
Euros	4,240	—	887
U.S. dollars	46,672	13,020	1,638
Swedish krona	252	—	(4)
Total	$79,875	$13,411	$2,088

Note: The fair value is calculated based on prices shown by the correspondent financial institutions.

2013:

1) Currency-related transactions to which hedge accounting is not applied

	Millions of yen			
	2013			
	Contract amounts	Over one year	Fair value	Unrealized gain (loss)
Forward foreign exchange contract				
Selling position				
U.S. dollars	¥2,735	¥2	¥ (90)	¥ (90)
Euros	220	—	(20)	(20)
Buying position				
Swedish krona	23	—	(0)	(0)
U.S. dollars	79	—	0	0
Euros	264	—	(6)	(6)
Japanese yen	56	—	0	0
Total	¥3,377	¥2	¥(116)	¥(116)

Note: The fair value is calculated based on prices shown by the correspondent financial institutions.

2) Currency-related transactions to which hedge accounting is applied

	Millions of yen		
	2013		
	Contract amounts	Over one year	Fair value
Forward foreign exchange contract			
Selling position			
U.S. dollars	¥ 797	¥ —	¥(102)
Euros	121	—	(10)
Swedish krona	164	—	1
Buying position			
Euros	1,265	64	231
U.S. dollars	500	51	89
Swedish krona	162	—	(1)
Total	¥3,009	¥115	¥ 208

Note: The fair value is calculated based on prices shown by the correspondent financial institutions.

19. Transactions with Related Parties

2014:

Ⅰ) Transactions between related parties and the Company

(1) The parent company of the Company and principal shareholders (limited to companies)

Status	Name	Address	Capital (Millions of yen)	Business
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 or related to each of the above-mentioned businesses or industries 6. Investment in the company engaged in any of the above-mentioned businesses

Notes:
1. The amounts stated above do not include consumption taxes, except for the balance at fiscal year-end, which includes the consumption taxes amount for business transaction.
2. Toshiba Insurance Service Corporation owns 1.64% of the Company's voting rights.

Ⅱ) Transactions between related parties and the Company's consolidated subsidiaries

(1) The parent company of the Company and principal shareholders (limited to companies)

Status	Name	Address	Capital (Millions of yen)	Business
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 or related to each of the above-mentioned businesses or industries 6. Investment in the company engaged in any of the above-mentioned businesses

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

Percentage of voting rights held by the parent company, etc. (%)	Relationship		Transactions		Transaction amounts (Millions of yen) (Thousands of U.S. dollars)	Account item	Balance at fiscal year-end (Millions of yen) (Thousands of U.S. dollars)
	Dispatch of executive officers, etc.	Business relationship					
Direct 59.81 Indirect 1.64	None	Accepting orders from the parent, the 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	¥95,499 $927,897	Accounts receivable — completed work	¥65,940 $640,693
						Other current assets	¥100 $973
				Purchasing of materials	¥8,457 $82,168	Advances received on uncompleted construction contracts	¥367 $3,567
						Accounts paylable — construction work	¥9,004 $87,490
						Other current liabilities	¥51 $494
			Non-business transaction	Deposit of funds	¥248,290 $2,412,456	Group deposits	¥69,740 $677,614

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.
The Company is depositing funds with Toshiba Corporation under a basic agreement entered into between the Company and Toshiba Corporation concerning fund transactions.

Percentage of voting rights held by the parent company, etc. (%)	Relationship		Transactions		Transaction amounts (Millions of yen) (Thousands of U.S. dollars)	Account item	Balance at fiscal year-end (Millions of yen) (Thousands of U.S. dollars)
	Dispatch of executive officers, etc.	Business relationship					
Direct 59.81 Indirect 1.64	None	Deposit of funds	Non-business transaction	Deposit of funds	¥13,185 $128,109	Group deposits	¥2,482 $24,116

Policy for determining trade terms and other related matters
The Company's consolidated subsidiaries are depositing funds with Toshiba Corporation under a basic agreement entered into between those subsidiaries and Toshiba Corporation concerning fund transactions.

2013

Ⅰ) Transactions between related parties and the Company

(1) The parent company of the Company and principal shareholders (limited to companies)

Status	Name	Address	Capital (Millions of yen)	Business
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 or related to each of the above-mentioned businesses or industries 6. Investment in the company engaged in any of the above-mentioned businesses

Notes:
1. The amounts stated above do not include consumption taxes, except for the balance at fiscal year-end, which includes the consumption taxes amount for business transaction.
2. Toshiba Insurance Service Corporation owns 1.65% of the Company's voting rights.

Ⅱ) Transactions between related parties and the Company's consolidated subsidiaries

(1) The parent company of the Company and principal shareholders (limited to companies)

Status	Name	Address	Capital (Millions of yen)	Business
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 or related to each of the above-mentioned businesses or industries 6. Investment in the company engaged in any of the above-mentioned businesses

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

Percentage of voting rights held by the parent company, etc. (%)	Relationship		Transactions		Transaction amounts (Millions of yen)	Account item	Balance at fiscal year-end (Millions of yen)
	Dispatch of executive officers, etc.	Business relationship					
Direct 59.97 Indirect 1.65	None	Accepting orders from the parent, the 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	¥103,206	Accounts receivable — completed work	¥61,115
						Other current assets	¥ 134
				Purchasing of materials	¥ 7,674	Advances received on uncompleted construction contracts	¥ 63
						Accounts paylable — construction work	¥ 3,609
						Other current liabilities	¥ 47
			Non-business transaction	Deposit of funds	¥227,580	Group deposits	¥51,990

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.
The Company is depositing funds with Toshiba Corporation under a basic agreement entered into between the Company and Toshiba Corporation concerning fund transactions.

Percentage of voting rights held by the parent company, etc. (%)	Relationship		Transactions		Transaction amounts (Millions of yen)	Account item	Balance at fiscal year-end (Millions of yen)
	Dispatch of executive officers, etc.	Business relationship					
Direct 59.97 Indirect 1.65	None	Deposit of funds	Non-business transaction	Deposit of funds	¥33,260	Group deposits	¥3,152

Policy for determining trade terms and other related matters
The Company's consolidated subsidiaries are depositing funds with Toshiba Corporation under a basic agreement entered into between those subsidiaries and Toshiba Corporation concerning fund transactions.

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Independent Auditor's Report

The Board of Directors
Toshiba Plant Systems & Services Corporation

We have audited the accompanying consolidated financial statements of Toshiba Plant Systems & Services Corporation and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2014, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Toshiba Plant Systems & Services Corporation and its consolidated subsidiaries as at March 31, 2014, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 3.

Ernst & Young ShinNihon LLC

June 26, 2014
Tokyo, Japan

Stock Information As of March 31, 2014

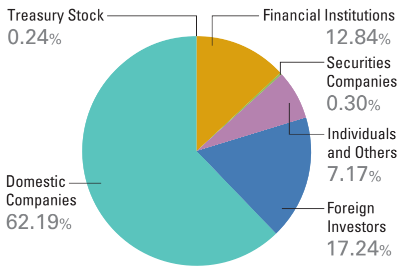
Common Stock:
265,000,000 shares

Issued and Outstanding:
97,656,888 shares

Total Number of Shareholders:
3,635

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)	4,714	4.83
Northern Trust Company (AVFC) Re Fidelity Funds	2,835	2.90
Japan Trustee Services Bank, Ltd. (Trust Account)	2,497	2.56
Toshiba Insurance Service Corporation	1,600	1.64
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,457	1.49
Toshiba Plant Systems & Services Employees' Shareholding Association	1,427	1.46
The Chase Manhattan Bank 385036	1,092	1.12
BNYML-Non Treaty Account	1,063	1.09
State Street Bank and Trust Company 505041	700	0.72
Total of 10 shareholders	75,631	77.45%

Corporate Data As of June 26, 2014

THE SENIOR MANAGEMENT AND CORPORATE AUDITORS

President and Chief Executive Officer, Representative Director
Ryo Matsukawa

Executive Vice Presidents and Directors
Shunichi Haga
Junji Ishii

Senior Vice Presidents and Directors
Yasuyuki Saito
Masahiko Teshigawara

Vice Presidents and Directors
Yoshikatsu Tanaka
Masaharu Yoshida
Kenji Usui
Munashi Nagai
Hideyo Tamura
Takeshi Suemoto

Executive Officers
Katsuhiko Torigoe
Koichi Kamei
Yasuo Yamazaki
Masahiro Sakatoh
Yoichi Satoh
Takashi Tokunaga
Hideo Mikami

Statutory Auditors
Shunichi Tanabe
Nobuyuki Matsuo
Osamu Maekawa
Atsushi Masuda
Fumihiro Nagaya

DOMESTIC OFFICES

Tsurumi Office (Head Office)
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SUBSIDIARIES AND AFFILIATES

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ES Toshiba Engineering Corp.
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Toshiba Engineering Service Corp.
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Overseas

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