TOSHIBA

Leading Innovation

2015 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 would like to take this opportunity to provide an overview of our operations during fiscal 2014, ended March 31, 2015, which coincides with our 109th business period.

I also offer my sincerest apologies for the substantial inconvenience and worry we caused our shareholders in fiscal 2014.

2015

Ryo Matsukawa

President and Chief Executive Officer,
Representative Director

Overview of Performance and Principal Initiatives Undertaken in Fiscal 2014

In fiscal 2014, the Japanese economy experienced a modest recovery, marked by increases in capital investment, a rebound in production, ongoing yen depreciation and falling crude oil prices. Furthermore, favorable corporate earnings led to steady improvements in employment and income conditions.

In these circumstances, the Toshiba Plant Systems & Services Group actively promoted a number of measures under its 2014 Medium-Term Management Plan, aiming to be an excellent company maintaining profitable and sustainable growth. This was 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.

As one of our initiatives to achieve profitable and sustainable growth based on this core strategy, we expanded our Asian operations in the fields of thermal and hydroelectric power generation. In April 2014, TPSC (India) Private Limited commenced operation of a plant for assembling compact water wheels, and we established TPSC (Vietnam) Co., Ltd. in May. In September, we opened a thermal power plant engineering center at TPSC Engineering (Malaysia) Sdn. Bhd. to reinforce our global business structure. We continued our efforts to build up our engineering, procurement and construction (EPC) business targeting the construction of new plants in the manufacturing sector, as well as our business for increasing the energy efficiency and effective utilization of plant and building facilities. In the field of solar power plant facilities, to respond flexibly to changing market needs by improving construction technologies and developing next-generation products, in October we constructed an R&D base in Shizuoka Prefecture as part of a proactive effort to expand orders. 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 overseas 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, net orders amounted to ¥250,528 million, down 0.3% year on year. Of these, net orders from overseas operations were ¥81,444 million, accounting for 32.5% of the total. Net sales were ¥218,652 million, up 20.0%, with net sales from overseas operations accounting for ¥46,595 million, or 21.3%.

At the profit level, operating income increased 4.1% to ¥16,942 million, ordinary income rose 5.7% to ¥17,688 million, and net income increased 2.2% to ¥10,045 million.

During the year, we awarded dividends of ¥7.50 per share, comprising an interim dividend of ¥7.50 and no year-end dividend. Our dividend forecast for the upcoming fiscal year is for ¥37.50 per share, comprising an interim dividend of ¥25.00, including a bonus dividend of ¥12.50, and a year-end dividend of ¥12.50.

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

Future Approach

Corporate earnings are expected to remain favorable going forward, leading to increased capital investment and exports. These factors, combined with the impacts of yen depreciation and lower crude oil prices, should sustain the economy's modest recovery phase.

In these conditions, the Group aims to make steady progress on achieving profitable and sustainable growth under the 2015 Medium-Term Management Plan. We will expand our business domains and activities in new markets and work aggressively to enhance our global business structure. 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 addition, we will augment our EPC execution structure and overseas companies to meet anticipated increases in demand for generation facilities and plant facilities centered on Southeast Asia and strive to cultivate global human resources. We will also promote efforts to enhance competitiveness and augment integrated and global procurement, upgrade construction methods and further increase operational efficiencies to maintain and improve operating 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 2017, ending March 31, 2018, the final year of our management plan, are net sales of ¥240 billion and ordinary income of ¥20 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.

August 2015

Ryo Matsukawa

President and Chief Executive Officer,
Representative Director

Net Orders and Net Sales

Net Orders

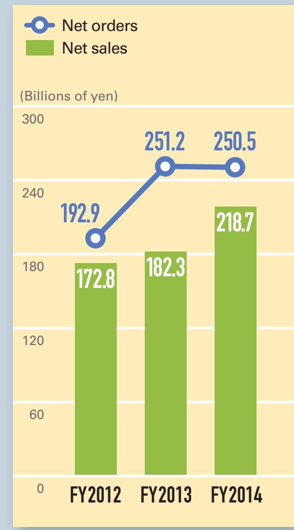
¥250.5 billion

Down 0.3% yoy

Net Sales

¥218.7 billion

Up 20.0% yoy



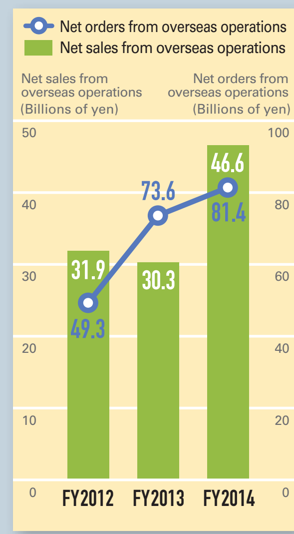
Net Orders and Net Sales from Overseas Operations

Net Orders from Overseas Operations

¥81.4 billion

Net Sales from Overseas Operations

¥46.6 billion



Profitability

Operating Income

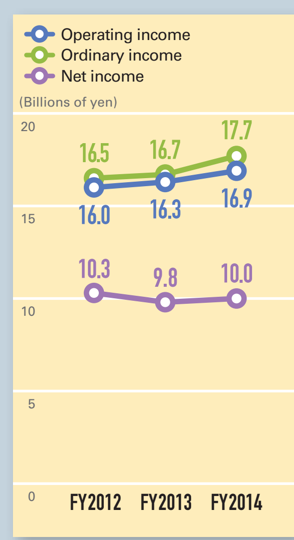
¥16.9 billion

Ordinary Income

¥17.7 billion

Net Income

¥10.0 billion



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

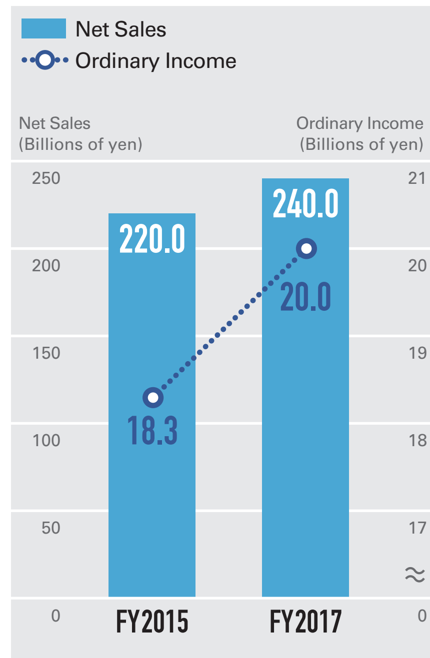
To be an excellent company maintaining profitable and sustainable growth, the Toshiba Plant Systems & Services Group created the 2015 Medium-Term Management Plan, which was initiated in fiscal 2015, ending March 31, 2016. Under this plan, we will implement specific measures based on the three basic initiatives of the plan, specifically, creating a business model to achieve steady earnings and 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.

FY2017

Net sales ¥240.0 billion

Ordinary income ¥20.0 billion



Initiatives for Achieving Our Fiscal 2017 Targets

Expanding Business Domains and Markets

Overseas

- Provide thermal power plant EPC* and peripheral device facilities
- Offer EPC* and dispersed power sources for Japanese companies' overseas factories

Japan

- Construct new thermal power plants and replace aging thermal power plants
- Respond flexibly to electric power deregulation through hydroelectric, geothermal, biomass and solar power plant facilities
- Offer EPC* and dispersed power sources for food product and automotive factories

Bolstering Technological Capabilities

- Enhance and expand core technologies
- Achieve differentiation by developing construction methods and equipment
- Increase the on-site use of IT

Strengthening Competitiveness through Cost Structure Reforms

- Continue cost reduction activities
- Reinforce procurement capabilities through integrated and global procurement activities
- Optimize fixed and variable costs

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

CSR

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.

In fiscal 2014, we continued to promote three Company-wide initiatives: support for the Solar Lantern Project in India, overseas development assistance programs and activities related to the protection of Japanese cultural properties. We also took part in regional volunteer activities at our offices and worksites, and individual employees supported social contribution activities.

Company-Wide Initiatives

Solar Lantern Project

Through this project, we support efforts to erect solar panels in parts of India with poor electric power and lend lanterns that can be charged during the daytime and used at night.

Support for Overseas Development Assistance Programs

We support a project that aims to create and enhance educational environments by constructing an elementary school building in Tanzania, where classrooms are in short supply.

Support for the Protection of Japanese Cultural Properties

We supported efforts to restore the *Hongakuin no miya* statue at Shinnyoji Temple in Kyoto.

Office, Worksite and Employee Volunteer Activities

Conducting blood drives at offices

Regional volunteer activities (clean-ups) at worksites

Individual employee participation in social contribution activities

Power Systems Division


EGAT North Bangkok Block 2 CC in Thailand

Operations

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

We conduct a broad range of business involving thermal and hydroelectric power plants in Japan and overseas. In particular, we have built up a track record through numerous projects centered in Southeast Asia. In addition to commercial power plants, we apply our nuclear power technologies at 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 9.2% increase year on year in net orders to ¥154,083 million as well as a 21.5% rise in net sales to ¥114,540 million.

Looking at future market trends affecting this division, in Japan we anticipate an increase in demand to reduce the environmental impact through the expansion of high-efficiency combined-cycle and large-scale coal-fired thermal power plants, as well as an increase in small-scale hydroelectric power projects, including micro hydroelectric power. Overseas, we expect demand to continue expanding for large, high-efficiency thermal and coal-fired power plants in response to steady growth in Southeast Asian countries.

We will continue to meet society's needs by leveraging our technological strengths, backed by solid experience, as we contribute to the stable supply of electricity. We will also concentrate on expanding orders for thermal power plants overseas, where demand for electric power is high.

Power Systems Division

Net Orders and Net Sales

Net Orders

¥154.1 billion

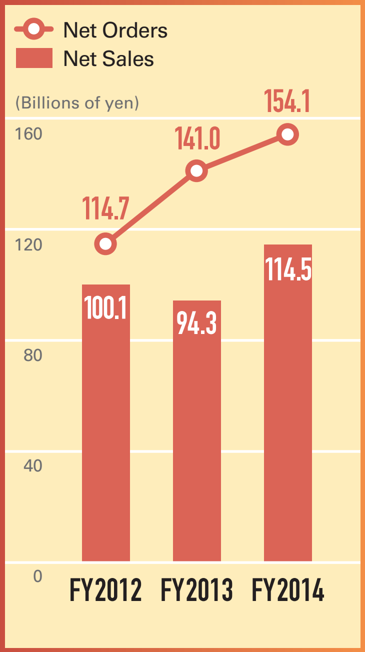
Year on year: 9.2% increase | Percentage of orders: 61.5%

Net Sales

¥114.5 billion

Year on year: 21.5% increase | Percentage of orders: 52.4%

Net Orders and Net Sales by Segment



Infrastructure and Industrial Systems Division

New plant of Mizkan J plus Holdings Co., Ltd.

Benten Water Reclamation Center (Oita City)

Operations

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

The division handles business in a broad range of fields, including water and sewerage treatment, transportation systems and other public-sector facilities; solar power plants, gas engines, diesel generation and other dispersed power sources facilities; substations, transmission and distribution facilities, and other energy-related businesses; and plant facility and building construction.

Business Review and Outlook

During the fiscal year under review, net orders for this division totaled ¥96,445 million, down 12.5% year on year, due to a drop in orders for solar power plant facilities, although orders for domestic general industry projects increased. Net sales rose 18.4%, to ¥104,112 million, due to growth in solar power plant facilities and domestic general industry projects.

Looking at future market trends affecting this division, we anticipate the reinvigoration of public-sector investment, as well as a rise in private-sector capital investment due to economic recovery and the impact of yen depreciation, among other factors. Furthermore, in anticipation of electric power deregulation in fiscal 2016, we expect a rise in demand for gas engines and biomass power plants. We also look forward to increased investment by Japanese companies overseas.

By applying the technologies we have accumulated and the track record we have established, we aim to expand orders for public facilities and in the field of energy-related systems, as well as for plant facilities both in Japan and overseas. At the same time, we will contribute to the development of society and industry.

Infrastructure and Industrial Systems Division

Net Orders and Net Sales

Net Orders

¥ 96.4 billion

Year on year: 12.5% decrease

Percentage of orders: 38.5%

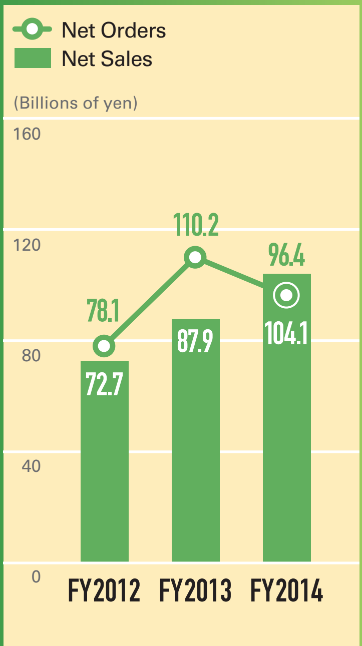
Net Sales

¥104.1 billion

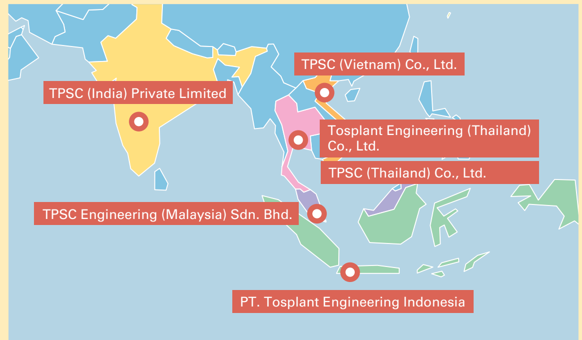
Year on year: 18.4% increase

Percentage of orders: 47.6%

Net Orders and Net Sales by Segment



Accelerating Initiatives to Expand Overseas Business



To date, the Company has concentrated on building its overseas business, focusing on Southeast Asia, with a track record that includes numerous thermal and hydroelectric power generation and plant facilities.

Economic expansion and industrial development is pushing up the need for electric power in Southeast Asian and neighboring countries. The expansion of Japanese companies into this region also continues to foster demand for plant and facility construction. Customers give high marks to the total engineering system that integrates the Company's comprehensive strengths. In particular, recent years have seen an increase in orders for combined-cycle coal-fired thermal power plants and factory construction projects via EPC agreements, under which we handle everything from planning and design through to procurement, construction, testing and trial operation.

To strengthen our overseas business functions, we have established subsidiaries in the Southeast Asian countries of Thailand, Indonesia and Malaysia, as well as in India. We have cultivated local human resources, reinforced technological capabilities and worked to localize our operations.

To help develop the markets in Vietnam and surrounding countries, which are seeing an increased influx of business by Japanese corporations, we established TPSC (Vietnam) Co., Ltd., in May 2014. Other companies include TPSC (India) Private Limited (established in 1998) and TPSC Engineering (Malaysia) Sdn. Bhd. (established in 2001). Through these companies, we are enhancing local project engineering and construction planning capabilities where these companies are located and in the surrounding countries, and we are undertaking initiatives to strengthen these overseas entities.

The Group will continue in its efforts to reinforce the foundations for its overseas business, centered on Southeast Asia. Going forward, we will aggressively strive to acquire orders for EPC projects, which are slated to rise, while accelerating initiatives to put management structures in place. In this way, we aim to further expand our operations and make a leap forward as a globally competitive group.

Simultaneous Order for Four Combined-Cycle Power Plants in Thailand

Signing ceremony in Thailand (June 18, 2014)

The Company and its local subsidiary, TPSC (Thailand) Co., Ltd., received a simultaneous order for the construction of four combined-cycle power plants in Thailand.

This order includes the new construction of a 130-MW generation facility in the Hemaraj Chonburi Industrial Estate for Bowin Clean Energy Limited and the expansion of three power plants with 120 MW of output in the Amata City Industrial Estate for Amata B.Grimm Power Limited (Amata City Power Plants 3–5). Operating under an EPC agreement, we will provide power plants and conduct civil engineering and construction, installation, testing and trial operation.

We are also involved in industrial generation facility projects on industrial estates, such as a 230-MW generation facility being planned by The Electricity Generating Public Company Limited (EGCO), a joint venture by the Electricity Generating Authority of Thailand. These projects have increased our cumulative number of EPC project orders in Thailand to 11.

The Group is also working to further expand orders in Southeast Asia and neighboring countries.

Initiatives in the Mega Solar Generation Facility Business

We are taking part in a number of projects in the mega solar generation facility business. As of fiscal 2014, our track record in this sector included orders for a cumulative 370 MW of output.

In addition to the track record and technical expertise we have accumulated through generation facility and plant construction projects, as well as the installation of various types of equipment, we employ the patented "KiTy System" we have developed as a proprietary mounting system for mega solar power plants. We are actively promoting construction using this system, which greatly reduces construction times and can be erected on inclined terrain and areas with weak foundations, according to customers' needs.

Toshiba Plant Systems & Services intends to continue stepping up its activities in the renewable energy sector to help reduce the environmental impact and contribute a stable supply of electricity. These activities are also expected to meet demand by local communities to develop businesses that address global warming and other environmental issues.

NIPPON HUME CORPORATION's NH Okayama solar power plant

Consolidated Six-Year Summary

Years ended March 31,	Millions of yen						Thousands of U.S. dollars (Note)
	2015	2014	2013	2012	2011	2010	2015
Net Sales	¥218,652	¥182,257	¥172,882	¥162,315	¥151,135	¥155,182	$1,819,525
Cost of Sales	189,544	155,045	146,034	136,897	127,703	132,170	1,577,304
Operating Income	16,942	16,278	16,046	14,930	13,154	12,903	140,981
Interest and Dividend Income	257	222	168	189	270	165	2,138
Income before Income Taxes and Minority Interests	17,805	16,740	16,497	14,962	11,363	13,268	148,162
Net Income	10,045	9,832	10,284	6,975	5,742	7,841	83,590
Per Share of Common Stock (in yen and dollars):							
Net Income	¥ 103.11	¥ 100.92	¥ 105.56	¥ 71.58	¥ 58.92	¥ 80.45	$ 0.86
Cash Dividends	7.50	15.00	15.00	15.00	15.00	15.00	0.06
Total Assets	¥229,436	¥221,135	¥188,081	¥176,483	¥167,336	¥150,963	$1,909,265
Net Assets	116,059	104,664	99,862	90,600	85,048	80,826	965,794
Number of Employees	4,225	4,055	4,024	4,012	3,990	3,934	

Note: The U.S. dollar amounts represent translation of Japanese yen at the exchange rate on March 31, 2015 of ¥120.17 to $1.

Financial Review

Operating Income

Operating income for the fiscal year ended March 31, 2015 climbed by 4.1% to ¥16,942 million (US$140,981 thousand). The ratio of operating income to net sales decreased by 1.2 percentage point to 7.7%. 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, 2015 climbed by 2.2% to ¥10,045 million (US$83,590 thousand).

Selling, General and Administrative (SG&A) Expenses

During the fiscal year ended March 31, 2015, SG&A expenses increased by ¥1,232 million to ¥12,166 million (US$101,240 thousand). This was mainly due to increasing miscellaneous expenses. The ratio of SG&A expenses to net sales was 5.6%, an improvement of 0.4 percentage point.

Total Assets and Net Assets

Total consolidated assets at March 31, 2015 climbed by ¥8,301 million from the previous fiscal year-end to ¥229,436 million (US$1,909,265 thousand). Among total assets, time deposits decreased by ¥9,472 million to ¥17,601 million (US$146,467 thousand). Trade notes and accounts receivable increased by ¥12,016 million to ¥111,384 million (US$926,889 thousand). Net assets rose ¥11,395 million to ¥116,059 million (US$965,794 thousand) due to an increase of ¥10,762 million in retained earnings. The equity ratio at March 31, 2015 was 50.4%.

March 31, 2015 and 2014	Millions of yen		Thousands of U.S. dollars (Note 3)
	2015	2014	2015
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 53,127	¥ 50,370	$ 442,103
Time deposits	17,601	27,073	146,467
Trade notes and accounts receivable	111,384	99,368	926,889
Less: allowance for doubtful accounts	(210)	(133)	(1,751)
Inventories (Note 4)	19,737	14,297	164,239
Deferred tax assets (Note 6)	4,060	3,479	33,788
Other current assets	4,715	5,962	39,238
Total current assets	210,414	200,416	1,750,973
Property, plant and equipment, at cost:			
Land	3,420	3,431	28,456
Buildings and structures	8,996	8,891	74,862
Machinery and equipment	2,980	2,685	24,794
Tools, furniture and fixtures	4,655	4,582	38,740
Leased assets	136	109	1,131
	20,187	19,698	167,983
Less: accumulated depreciation	(13,367)	(13,307)	(111,234)
Property, plant and equipment, net	6,820	6,391	56,749
Intangible assets	275	319	2,290
Investments and other assets:			
Investment securities (Note 7)	536	498	4,458
Investments in affiliates (Note 5)	131	168	1,087
Deferred tax assets (Note 6)	10,539	12,653	87,702
Other	721	690	6,006
Total investments and other assets	11,927	14,009	99,253
Total assets	¥229,436	¥221,135	$1,909,265

See the accompanying Notes to Consolidated Financial Statements.

March 31, 2015 and 2014	Millions of yen		Thousands of U.S. dollars (Note 3)
	2015	2014	2015
LIABILITIES AND NET ASSETS			
Current liabilities:			
Trade notes and accounts payable	¥ 50,782	¥ 46,086	$ 422,588
Advances received on uncompleted construction contracts	11,025	17,955	91,745
Allowance for bonuses to directors and statutory auditors	79	52	659
Accrued expenses	8,893	7,946	73,999
Completed work compensation reserve	501	571	4,164
Accrued income taxes (Note 6)	5,659	6,210	47,093
Other current liabilities (Note 8)	4,027	2,094	33,511
Total current liabilities	80,966	80,914	673,759
Long-term liabilities:			
Liability for retirement benefit (Note 9)	32,071	35,258	266,882
Accrued directors' retirement benefits	23	23	191
Other long-term liabilities (Note 8)	317	276	2,639
Total long-term liabilities	32,411	35,557	269,712
Total liabilities	113,377	116,471	943,471
Contingent liabilities: (Note 14)			
Net assets: (Note 15)			
Shareholders' equity:			
Common stock			
Authorized — 265,000,000 shares			
Issued 2015 — 97,656,888 shares	11,876	—	98,827
2014 — 97,656,888 shares	—	11,876	—
Capital surplus	20,911	20,911	174,009
Retained earnings	85,919	75,157	714,986
Treasury stock, at cost	(163)	(162)	(1,360)
Total shareholders' equity	118,543	107,782	986,462
Accumulated other comprehensive income:			
Unrealized gains or losses on securities	189	158	1,572
Deferred gains or losses on hedges	(220)	138	(1,833)
Currency translation adjustments	733	71	6,101
Retirement benefits liability adjustments	(3,516)	(3,750)	(29,260)
Total accumulated other comprehensive income	(2,814)	(3,383)	(23,420)
Minority interests in consolidated subsidiaries	330	265	2,752
Total net assets	116,059	104,664	965,794
Total liabilities and net assets	¥229,436	¥221,135	$1,909,265

Consolidated Statement of Income

Years ended March 31, 2015 and 2014	Millions of yen		Thousands of U.S. dollars (Note 3)
	2015	2014	2015
Net sales	¥218,652	¥182,257	$1,819,525
Cost of sales	189,544	155,045	1,577,304
Gross profit	29,108	27,212	242,221
Selling, general and administrative expenses (Note 10)	12,166	10,934	101,240
Operating income	16,942	16,278	140,981
Other income:			
Interest income	226	199	1,877
Dividends income	31	23	261
Foreign exchange gains	341	—	2,841
Equity in income of affiliates	24	16	198
Insurance dividend	106	72	879
Other	112	233	931
	840	543	6,987
Other expenses:			
Disposal of fixed assets loss	68	5	569
Foreign exchange losses	—	43	—
Other	26	33	214
	94	81	783
Ordinary income	17,688	16,740	147,185
Extraordinary items:			
Gain on sale of tangible fixed assets	117	—	977
Income before income taxes and minority interests	17,805	16,740	148,162
Income taxes: (Note 6)			
Current	7,627	6,807	63,464
Deferred	111	11	926
	7,738	6,818	64,390
Income before minority interests	10,067	9,922	83,772
Minority interests	22	90	182
Net income (Note 15)	¥ 10,045	¥ 9,832	$ 83,590

See the accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

Years ended March 31, 2015 and 2014	Millions of yen		Thousands of U.S. dollars (Note 3)
	2015	2014	2015
Income before minority interests	¥10,067	¥ 9,922	$83,772
Other comprehensive income			
Unrealized gains or losses on securities	31	107	256
Deferred gains or losses on hedges	(358)	9	(2,980)
Retirement benefits liability adjustments	233	—	1,941
Currency translation adjustments	708	(9)	5,893
Other comprehensive income (Note 11)	614	107	5,110
Total comprehensive income	¥10,681	¥10,029	$88,882
Comprehensive income attributable to			
Owners of the parent	¥10,613	¥ 9,942	$88,319
Minority interests	68	87	563

See the accompanying Notes to Consolidated Financial Statements.

		Millions of yen									
Years ended March 31, 2015 and 2014	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, 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				(1,462)							(1,462)
Purchase of treasury stock					(13)						(13)
Other changes						107	9	(5)	(3,750)	84	(3,555)
Balance at April 1, 2014	97,656,888	¥11,876	¥20,911	¥75,157	¥(162)	¥158	¥ 138	¥ 71	¥(3,750)	¥265	¥104,664
Cumulative effects of changes in accounting policies				2,179							2,179
Balance reflecting changes in accounting policies		11,876	20,911	77,336	(162)	158	138	71	(3,750)	265	106,843
Net income				10,045							10,045
Cash dividends (Note 12)				(1,462)							(1,462)
Purchase of treasury stock					(1)						(1)
Other changes						31	(358)	662	234	65	634
Balance at March 31, 2015	97,656,888	¥11,876	¥20,911	¥85,919	¥(163)	¥189	¥(220)	¥733	¥(3,516)	¥330	¥116,059

	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, 2014	$98,827	$174,009	$625,421	$(1,345)	$1,316	$ 1,148	$ 589	$(31,203)	$2,210	$870,972
Cumulative effects of changes in accounting policies			18,135							18,135
Balance reflecting changes in accounting policies	98,827	174,009	643,556	(1,345)	1,316	1,148	589	(31,203)	2,210	889,107
Net income			83,590							83,590
Cash dividends (Note 12)			(12,160)							(12,160)
Purchase of treasury stock				(15)						(15)
Other changes					256	(2,981)	5,512	1,943	542	5,272
Balance at March 31, 2015	$98,827	$174,009	$714,986	$(1,360)	$1,572	$(1,833)	$6,101	$(29,260)	$2,752	$965,794

See the accompanying Notes to Consolidated Financial Statements.

Consolidated Statement of Cash Flows

Years ended March 31, 2015 and 2014	Millions of yen		Thousands of U.S. dollars (Note 3)
	2015	2014	2015
Cash flows from operating activities:			
Income before income taxes and minority interests	¥17,805	¥16,740	$148,162
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation	554	521	4,613
Increase in liability for retirement benefit	812	661	6,757
Increase (decrease) in allowance for doubtful accounts	70	(260)	581
Interest and dividends	(257)	(221)	(2,138)
Equity in (income) of affiliates	(24)	(16)	(198)
(Gain) loss on sales of property, plant and equipment	(119)	2	(994)
(Increase) in trade notes and accounts receivable	(10,972)	(11,947)	(91,306)
(Increase) decrease in inventories	(5,320)	2,463	(44,272)
(Increase) decrease in other current assets	864	(3,605)	7,188
Increase in trade notes and accounts payable	4,098	11,865	34,103
Increase (decrease) in advance received on uncompleted construction contracts	(7,463)	8,534	(62,101)
Increase (decrease) in accrued expenses	915	(127)	7,618
Increase (decrease) in other current liabilities	1,905	(716)	15,850
Other	(61)	(42)	(502)
	2,807	23,852	23,361
Interest and dividends received	318	236	2,646
Income taxes paid	(8,195)	(4,565)	(68,198)
Net cash provided by (used in) operating activities	(5,070)	19,523	(42,191)
Cash flows from investing activities:			
Decrease (increase) in time deposits	9,515	(15,957)	79,180
Proceeds from sales of property, plant and equipment	171	29	1,421
Payments for acquisition of property, plant and equipment	(921)	(719)	(7 ,665)
Payments for acquisition of intangible assets	(30)	(200)	(246)
Payments for purchase of investment securities	—	(1)	—
Other	(38)	(1)	(321)
Net cash provided by (used in) investing activities	8,697	(16,849)	72,369
Cash flows from financing activities:			
Repayments of lease liabilities	(26)	(18)	(210)
Dividends paid	(1,462)	(1,461)	(12,160)
Purchase of treasury stock	(1)	(13)	(15)
Dividends paid to minority shareholders	(2)	(2)	(20)
Net cash used in financing activities	(1,491)	(1,494)	(12,405)
Effect of exchange rate changes on cash and cash equivalents	621	84	5,178
Net increase in cash and cash equivalents	2,757	1,264	22,951
Cash and cash equivalents at beginning of year	50,370	49,106	419,152
Cash and cash equivalents at end of year	¥53,127	¥50,370	$442,103

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 .... 2–20 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) Allowance for bonuses to directors and statutory auditors

To prepare for the payment of bonuses to directors and statutory auditors, the estimated amount to be paid is provided as an allowance.

(l) 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.

(m) 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 benefit formula basis 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.

(n) Accrued directors' retirement benefits

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

(o) 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.

(p) Derivative financial instruments

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

(q) 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 Companies adhere to their 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.

(r) 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.

(s) Consumption taxes

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

2. Accounting Changes

(Application of the Accounting Standard for Retirement Benefits and related Guidance)
Regarding the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan ("ASBJ") Statement No. 26 of May 17, 2012) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of March 26, 2015), effective from the fiscal year ended March 31, 2015, the Companies adopted the provisions of the main clauses of Section 35 of the Accounting Standard for Retirement Benefits and Section 67 of the Guidance on Accounting Standard for Retirement Benefits. Under the new accounting policy, the Companies

revised methods of calculating retirement benefit obligation and service costs, and changed the method of attributing estimated retirement benefits to periods from the straight-line method to the benefit formula basis. Additionally, the Companies changed the method of determining the discount rate from the discount rate based on the number of years approximate to the average remaining service period of employees to a single weighted average discount rate reflecting the estimated timing and amount of benefit payment in each period.

The application of the Accounting Standard for Retirement Benefits and related Guidance by the Companies is subject to the tentative treatment provided for in Section 37 of the Accounting Standard for Retirement Benefits, and the effects of the changes in the calculation methods of retirement benefit obligation and service costs were added to or deducted from retained earnings brought forward as of April 1, 2014.

As a result, as of April 1, 2014, liability for retirement benefit decreased by ¥3,392 million (US$28,225 thousand), and retained earnings increased by ¥2,179 million (US$18,135 thousand). In addition, operating income, ordinary income and income before income taxes and minority interests for the fiscal year ended March 31, 2015 each decreased by ¥307 million (US$2,553 thousand), respectively.

Net assets per share as of March 31, 2015 increased by ¥22.37 (US$0.19) and net income per share for the year ended March 31, 2015 decreased by ¥3.14 (US$0.03).

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 ¥120.17 = US$1.00, the rate prevailing on March 31, 2015. 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, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Work in progress	¥19,696	¥14,257	$163,903
Materials and supplies	41	40	336
Total	¥19,737	¥14,297	$164,239

5. Investments in Affiliates

Investments in affiliates at March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Investments in capital stock, at cost	¥ 5	¥ 5	$ 37
Equity in accumulated earnings and losses since acquisition, net	126	163	1,050
Total	¥131	¥168	$1,087

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 35.5% and 38.0% for the years ended March 31, 2015 and 2014, respectively.

Reconciliation between the statutory tax rate and the effective income tax rate for the years ended March 31, 2015 and 2014 was as follows:

	2015	2014
Statutory tax rate	35.5%	38.0%
Non deductible expenses	0.6	0.8
Prefectural and municipal inhabitant per capita tax	0.5	0.6
Change in valuation allowance	(1.3)	(0.7)
Effect of change in corporate tax rate	6.5	1.8
Other	1.6	0.2
Effective income tax rate	43.4%	40.7%

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

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Deferred tax assets			
Liability for retirement benefit	¥10,381	¥12,544	$ 86,382
Accrued bonuses	2,409	2,337	20,047
Accounts payable	391	351	3,251
Allowance for doubtful accounts	101	84	838
Depreciation	695	669	5,787
Completed work compensation reserve	165	203	1,373
Accrued enterprise tax	386	429	3,213
Deferred gains or losses on hedges	108	—	899
Other	1,068	910	8,894
	15,704	17,527	130,684
Valuation allowance for deferred tax assets	(476)	(665)	(3,960)
Deferred tax assets	15,228	16,862	126,724
Deferred tax liabilities			
Retained earnings appropriated for tax allowance reserves	(519)	(573)	(4,319)
Deferred gains or losses on hedges	—	(77)	—
Unrealized gains on securities	(60)	(58)	(499)
Other	(50)	(22)	(416)
Deferred tax liabilities	(629)	(730)	(5,234)
Net deferred tax assets	¥14,599	¥16,132	$121,490

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

Following the promulgation of "Act for Partial Revision of the Income Tax Act, etc." and "Act for Partial Revision of the Local Tax Act" on March 31, 2015, the statutory income tax rate to calculate deferred tax assets and liabilities for the fiscal year ended March 31, 2015 that are reversed on and after April 1, 2015 was changed from 35.5% to 33.0% for temporary differences expected to be reversed during the fiscal year beginning on April 1, 2015, and to 32.2% for temporary differences expected to be reversed during the fiscal years beginning on or after April 1, 2016.

As a result of these changes, deferred tax assets (net of deferred tax liabilities) and deferred gains or losses on hedges decreased by ¥1,329 million (US$11,060 thousand) and ¥9 million (US$73 thousand), respectively, and income taxes deferred increased by ¥1,165 million (US$9,695 thousand), unrealized gains or losses on securities increased by ¥7 million (US$62 thousand) and retirement benefits liability adjustments decreased by ¥163 million (US$1,354 thousand).

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							
	2015				2014			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Equity securities	¥228	¥254	—	¥482	¥228	¥216	—	¥444
Total	¥228	¥254	—	¥482	¥228	¥216	—	¥444

Since unlisted stocks (¥54 million at March 31, 2015 and 2014, 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			
	2015			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Equity securities	$1,896	$2,112	—	$4,008
Total	$1,896	$2,112	—	$4,008

Since unlisted stocks (US$450 thousand at March 31, 2015) have no market value and their fair value is not determinable, they are not included in other securities above.

(2) Investment securities for which impairment losses were recorded

In the fiscal years ended March 31, 2015 and 2014, no impairment loss was recorded on other investment securities.

8. Short-Term Borrowings and Long-Term Debt

At March 31, 2015 and 2014, short-term borrowings and current portion of long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Current portion of lease obligations	¥25	¥21	$208

At March 31, 2015 and 2014, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Lease obligations	¥76	¥71	$630
Less current portion	25	21	208
	¥51	¥50	$422

The maturities of lease obligations as of March 31, 2015 are summarized as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
	2015	2015
2016	¥20	$164
2017	16	134
2018	10	83
2019 and thereafter	5	41

9. Retirement Benefits

The changes in the retirement benefit obligation during the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Retirement benefit obligation at April 1	¥71,958	¥71,605	$598,799
Cumulative effects of changes in accounting policies	(3,392)	—	(28,225)
Restated balance reflecting changes in accounting policies at April 1	68,566	71,605	570,574
Service cost	2,592	2,090	21,573
Interest cost	812	1,058	6,760
Actuarial gains or losses	2,801	(397)	23,310
Retirement benefit expenses applying the simplified method	213	69	1,772
Retirement benefit paid	(2,600)	(2,599)	(21,639)
Other	146	132	1,213
Retirement benefit obligation at March 31	¥72,530	¥71,958	$603,563

The changes in plan assets during the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Plan assets at April 1	¥36,700	¥33,791	$305,399
Expected return on plan assets	917	845	7,635
Actuarial gains or losses	2,293	1,638	19,081
Contributions by the Company	1,712	1,695	14,248
Retirement benefits paid	(1,297)	(1,400)	(10,790)
Other	134	131	1,108
Plan assets at March 31	¥40,459	¥36,700	$336,681

The following table sets forth the funded status of the plan and the amounts recognized in the consolidated balance sheet as of March 31, 2015 and 2014 for the Companies' defined benefit plans:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Contributory retirement benefit obligation	¥50,344	¥46,841	$418,938
Plan assets at fair value	(40,459)	(36,700)	(336,681)
	9,885	10,141	82,257
Noncontributory retirement benefit obligation	22,186	25,117	184,625
Net liability for retirement benefit in the balance sheet	32,071	35,258	266,882
Liability for retirement benefit	32,071	35,258	266,882
Net liability for retirement benefit in the balance sheet	¥32,071	¥35,258	$266,882

The components of retirement benefit expenses for the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Service cost	¥2,592	¥2,090	$21,573
Interest cost	812	1,058	6,760
Expected return on plan assets	(917)	(845)	(7,635)
Amortization of actuarial gains or losses	1,046	1,099	8,702
Amortization of prior service cost	82	82	681
Retirement benefit expenses applying the simplified method	213	69	1,772
Retirement benefit expenses	¥3,828	¥3,553	$31,853

The breakdown of the amount recognized in retirement benefits liability adjustments in other comprehensive income (before tax effect) is as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Prior service cost	¥ 82	—	$ 681
Actuarial gains or losses	537	—	4,474
Total	¥619	—	$5,155

Unrecognized prior service cost and unrecognized actuarial gains or losses included in accumulated other comprehensive income (before tax effect) as of March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Unrecognized prior service cost	¥ (286)	¥ (204)	$ (2,377)
Unrecognized actuarial gains or losses	5,494	6,032	45,717
Total	¥5,208	¥5,828	$43,340

The details of plan assets, by major category, as a percentage of total plan assets as of March 31, 2015 and 2014 are as follows:

	2015	2014
Bonds	37%	40%
Alternative (※)	26%	24%
Stocks	25%	25%
General accounts	9%	10%
Other	3%	1%
Total	100%	100%

(※) The main plan assets in "Alternative" are hedge funds and real estate.

The expected rates of return on plan assets have 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 main actuarial assumptions for the years ended March 31, 2015 and 2014 were as follows (weighted averages):

	2015	2014
Discount rates	0.9%	1.5%
Expected rates of return on plan assets	2.5%	2.5%
Expected rates of salary increase	4.4%	4.6%

For the lump-sum retirement benefit plans of some consolidated subsidiaries, liability for retirement benefit and retirement benefit expenses are calculated using the simplified method.

Among domestic consolidated subsidiaries, one subsidiary participates in a multi-employer's retirement benefit plan; 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 similarly to a defined contribution plan were ¥41 million (US$345 thousand) and ¥53 million for the years ended March 31, 2015 and 2014, respectively.

1) Funded status of the multi-employer plan

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2014	As of March 31, 2013	As of March 31, 2014
(1) Total pension assets	¥303,722	¥281,339	$2,527,433
(2) Total obligations	299,822	290,987	2,494,978
(3) Difference ((1)-(2))	¥ 3,900	¥ (9,648)	$ 32,455

2) Total contributions of the Companies as a proportion of the total fund in the multi-employer plan (as of March 31, 2014 and 2013)

	As of March 31, 2014	As of March 31, 2013
	0.53%	0.55%

3) Supplemental information (as of March 31, 2014 and 2013)
The difference in Table 1) above is analyzed as follows:

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2014	As of March 31, 2013	As of March 31, 2014
Difference ((3)) = (a + b + c - d)			
a. Insufficient amount	¥ —	¥ —	$ —
b. Surplus	12,011	12,320	99,945
c. General reserve	12,320	—	102,525
d. Balance of unamortized prior year obligations	20,431	21,968	170,015

	As of March 31, 2014	As of March 31, 2013
Amortization method for prior year obligations	Straight-line over 20 years	Straight-line over 20 years

10. Selling, General and Administrative Expenses

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Salaries and wages	¥ 5,729	¥ 5,429	$ 47,673
Retirement benefit expenses	553	534	4,603
Director’s retirement benefit expenses	8	7	66
Bonuses to directors and statutory auditors	87	35	722
Rental expenses	384	380	3,193
Other	5,405	4,549	44,983
Total	¥12,166	¥10,934	$101,240

Research and development costs were ¥773 million (US$6,436 thousand) and ¥503 million for the years ended March 31, 2015 and 2014, respectively.

11. Other Comprehensive Income

Recycling and tax effects relating to other comprehensive income for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Unrealized gains or losses on securities:			
Amount arising during the year	¥ 38	¥165	$ 314
Before tax effect adjustment	38	165	314
Tax effect	(7)	(58)	(58)
Unrealized gains or losses on securities	31	107	256
Deferred gains or losses on hedges:			
Amount arising during the year	89	332	737
Recycling	(1)	93	(6)
Asset acquisition cost adjustments	(631)	(418)	(5,251)
Before tax effect adjustment	(543)	7	(4,520)
Tax effect	185	2	1,540
Deferred gains or losses on hedges	(358)	9	(2,980)
Retirement benefits liability adjustments:			
Amount arising during the year	(508)	—	(4,228)
Recycling	1,127	—	9,383
Before tax effect adjustment	619	—	5,155
Tax effect	(386)	—	(3,213)
Retirement benefits liability adjustments	233	—	1,942
Currency translation adjustments:			
Amount arising during the year	708	(9)	5,893
Other comprehensive income	¥ 614	¥107	$5,111

12. Dividends

1) Dividends paid

For the year ended 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)	$6,080
Source of dividends	Retained earnings
Dividends per share (yen)	¥7.5
Dividends per share (U.S. dollars)	$0.06
Cut-off date	March 31, 2014
Effective date	June 3, 2014

Resolution	Meeting of the Board of Directors on October 31, 2014
Class of shares	Common stock
Total dividends (millions of yen)	¥731
Total dividends (thousands of U.S. dollars)	$6,080
Source of dividends	Retained earnings
Dividends per share (yen)	¥7.5
Dividends per share (U.S. dollars)	$0.06
Cut-off date	September 30, 2014
Effective date	December 1, 2014

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
Source of dividends	Retained earnings
Dividends per share (yen)	¥7.5
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
Source of dividends	Retained earnings
Dividends per share (yen)	¥7.5
Cut-off date	September 30, 2013
Effective date	December 2, 2013

2) Dividends with the cut-off date in the year ended March 31, 2015 and the effective date in the year ending March 31, 2016

Not applicable

Dividends with the cut-off date in the year ended March 31, 2014 and the effective date in the year ended 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
Source of dividends	Retained earnings
Dividends per share (yen)	¥7.5
Cut-off date	March 31, 2014
Effective date	June 3, 2014

13. Leases

As Lessee:

Future minimum lease payments subsequent to March 31, 2015 and 2014 for noncancelable operating leases are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Due within one year	¥16	¥24	$136
Due after one year	6	17	45
Total	¥22	¥41	$181

14. Contingent Liabilities

The Companies had the following contingent liabilities at March 31, 2015 and 2014.

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
As guarantor of employees' housing loans from banks	¥366	¥487	$3,045
Total of contingent liabilities	¥366	¥487	$3,045

15. Per Share Information

Net income and net assets per share for the years ended March 31, 2015 and 2014 were as follows:

	Yen		U.S. dollars
	2015	2014	2015
Net income (basic)	¥ 103.11	¥ 100.92	$0.86
Net assets	1,188.00	1,071.69	9.89

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, 2015	Millions of yen		
	2015		
	Power Systems Division	Infrastructure and Industrial Systems Division	Total
Net sales:			
Sales to customers	¥114,540	¥104,112	¥218,652
Intersegment sales or transfers	1,335	145	1,480
Total	115,875	104,257	220,132
Segment profits	8,745	8,943	17,688
Other items:			
Depreciation	457	97	554
Interest income	184	42	226
Equity in income of affiliates	24	—	24

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

	Thousands of U.S. dollars		
	2015		
	Power Systems Division	Infrastructure and Industrial Systems Division	Total
Net sales:			
Sales to customers	$953,150	$866,375	$1,819,525
Intersegment sales or transfers	11,112	1,206	12,318
Total	964,262	867,581	1,831,843
Segment profits	72,770	74,415	147,185
Other items:			
Depreciation	3,805	808	4,613
Interest income	1,527	350	1,877
Equity in income of affiliates	198	—	198

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

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.

(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
	2015	2014	2015
Net sales:			
Total of reporting segments	¥220,132	¥182,356	$1,831,843
Eliminations	(1,480)	(99)	(12,318)
Net sales in consolidated statement of income	¥218,652	¥182,257	$1,819,525
Segment profits:			
Total of reporting segments	¥ 17,688	¥ 16,740	$ 147,185
Ordinary income	17,688	16,740	147,185

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Others:			
Depreciation			
Total of reporting segments	¥554	¥521	$4,613
Adjustment	—	—	—
Consolidated	554	521	4,613
Interest income			
Total of reporting segments	226	199	1,877
Adjustment	—	—	—
Consolidated	226	199	1,877
Equity in income of affiliates			
Total of reporting segments	24	16	198
Adjustment	—	—	—
Consolidated	24	16	198

(e) Related information

(i) Information on products and services

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

(ii) Geographical information

(1) Net sales

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Net sales			
Japan	¥172,057	¥152,043	$1,431,777
Southeast Asia	37,797	23,887	314,527
Other Asia	7,407	4,197	61,642
Other areas	1,391	2,130	11,579
Total	¥218,652	¥182,257	$1,819,525

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, Philippines, Vietnam, Indonesia, etc.
(2) Other Asia: Taiwan, China, India, Kuwait, United Arab Emirates, South Korea, etc.
(3) Other areas: America, Italy, Republic of Kenya, 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

	2015	
Customer	Net sales	Segment concerned
Toshiba Corporation	¥103,010 million $857,204 thousand	Power Systems Division Infrastructure and Industrial Systems Division

	2014	
Customer	Net sales	Segment concerned
Toshiba Corporation	¥96,011 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 Systems & Services 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 derivative 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, (q) 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

2015:

The consolidated balance sheet amounts and fair values as of March 31, 2015 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	
	2015		2015	
	Consolidated balance sheet amount	Fair value	Consolidated balance sheet amount	Fair value
1. Cash and cash equivalents	¥ 53,127	¥ 53,127	$ 442,103	$ 442,103
2. Time deposits	17,601	17,601	146,467	146,467
3. Trade notes and accounts receivable	111,244	111,244	925,720	925,720
4. Investment securities	482	482	4,008	4,008
Asset total	182,454	182,454	1,518,298	1,518,298
1. Trade notes and accounts payable	¥ 50,782	¥ 50,782	$ 422,588	$ 422,588
2. Accounts payable non-trade	3,088	3,088	25,699	25,699
3. Accrued income taxes	5,659	5,659	47,093	47,093
Liability total	59,529	59,529	495,380	495,380
Derivatives	¥ (123)	¥ (123)	$ (1,022)	$ (1,022)

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$450 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			
	2015			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
1. Cash and cash equivalents	¥ 53,116	—	—	—
2. Time deposits	17,601	—	—	—
3. Trade notes and accounts receivable	111,244	—	—	—

	Thousands of U.S. dollars			
	2015			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
1. Cash and cash equivalents	$442,004	—	—	—
2. Time deposits	146,467	—	—	—
3. Trade notes and accounts receivable	925,720	—	—	—

2014:

The consolidated balance sheet amounts and fair values as of March 31, 2014 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	
	2014	
	Consolidated balance sheet amount	Fair value
1. Cash and cash equivalents	¥ 50,370	¥ 50,370
2. Time deposits	27,073	27,073
3. Trade notes and accounts receivable	99,235	99,235
4. Investment securities	444	444
Asset total	177,122	177,122
1. Trade notes and accounts payable	¥ 46,086	¥ 46,086
2. Accounts payable non-trade	1,474	1,474
3. Accrued income taxes	6,210	6,210
Liability total	53,770	53,770
Derivatives	¥ 327	¥ 327

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) 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	—	—	—

18. Derivative Transactions

Matters regarding the current prices of transactions

2015:

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

	Millions of yen			
	2015			
	Contract amounts	Over one year	Fair value	Unrealized gain (loss)
Forward foreign exchange contract				
Selling position				
U.S. dollars	¥ 705	¥—	¥ (93)	¥ (93)
Buying position				
Swedish krona	1,439	—	7	7
U.S. dollars	2,397	—	292	292
Euros	31	—	(1)	(1)
Total	¥4,572	¥—	¥205	¥205

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

	Thousands of U.S. dollars			
	2015			
	Contract amounts	Over one year	Fair value	Unrealized gain (loss)
Forward foreign exchange contract				
Selling position				
U.S. dollars	$ 5,867	$—	$ (777)	$ (777)
Buying position				
Swedish krona	11,976	—	62	62
U.S. dollars	19,947	—	2,430	2,430
Euros	254	—	(5)	(5)
Total	$38,044	$—	$1,710	$1,710

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			
	2015			
	Hedged items	Contract amounts	Over one year	Fair value
Forward foreign exchange contract				
Selling position				
U.S. dollars	Trade notes and accounts receivable	¥ 9,470	¥3,767	¥(804)
Euros	Trade notes and accounts receivable	31	—	0
Swedish krona	Trade notes and accounts receivable	4,272	1,435	209
Buying position				
Euros	Trade notes and accounts payable	259	108	(14)
U.S. dollars	Trade notes and accounts payable	5,013	2,199	280
Swedish krona	Trade notes and accounts payable	45	—	(2)
Chinese yuan	Trade notes and accounts payable	31	—	3
Total		¥19,121	¥7,509	¥(328)

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

	Thousands of U.S. dollars			
	2015			
	Hedged items	Contract amounts	Over one year	Fair value
Forward foreign exchange contract				
Selling position				
U.S. dollars	Trade notes and accounts receivable	$ 78,805	$31,349	$(6,695)
Euros	Trade notes and accounts receivable	260	—	0
Swedish krona	Trade notes and accounts receivable	35,550	11,945	1,741
Buying position				
Euros	Trade notes and accounts payable	2,153	896	(117)
U.S. dollars	Trade notes and accounts payable	41,715	18,301	2,330
Swedish krona	Trade notes and accounts payable	374	—	(14)
Chinese yuan	Trade notes and accounts payable	262	—	23
Total		$159,119	$62,491	$(2,732)

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

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.

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

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

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

19. Transactions with Related Parties

2015:

I) Transactions between related parties and the Company

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

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	¥101,528 $844,868	Accounts receivable — completed work	¥71,422 $594,339
							Other current assets	¥121 $1,008
					Purchasing of materials	¥17,581 $146,303	Advances received on uncompleted construction contracts	¥1,173 $9,758
							Accounts payable — construction work	¥7,411 $61,670
							Other current liabilities	¥104 $862
				Non-business transaction	Deposit of funds	¥244,610 $2,035,533	Group deposits	¥61,480 $511,609

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	¥12,098 $100,674	Group deposits	¥2,885 $24,008

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.

2014:

Ⅰ) Transactions between related parties and the Company

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

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 59.81 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	Accounts receivable — completed work	¥65,940
						Other current assets	¥ 100
				Purchasing of materials	¥ 8,457	Advances received on uncompleted construction contracts	¥ 367
						Accounts payable — construction work	¥ 9,004
						Other current liabilities	¥ 51
			Non-business transaction	Deposit of funds	¥248,290	Group deposits	¥69,740

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 59.81 Indirect 1.64	None	Deposit of funds	Non-business transaction	Deposit of funds	¥13,185	Group deposits	¥2,482

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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Building a better working world

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, 2015, 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, 2015, 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

July 28, 2015
Tokyo, Japan

Stock Information As of March 31, 2015

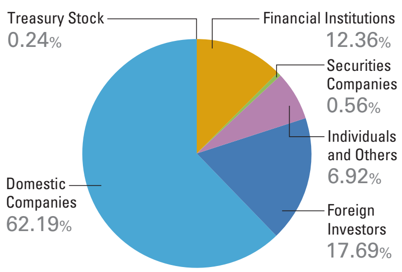
Common Stock:
265,000,000 shares

Issued and Outstanding:
97,656,888 shares

Total Number of Shareholders:
3,965

Paid-in Capital:
¥11,876,021,006

Distribution of Shareholders:



Principal Shareholders:

Names of Shareholders	Number of Shares Held (Thousands)	Percentage of Total Shares Outstanding
Toshiba Corporation	58,242	59.64%
The Master Trust Bank of Japan Limited (Trust Account)	3,535	3.62
Japan Trustee Services Bank, Ltd. (Trust Account)	2,842	2.91
Northern Trust Company (AVFC) Re Fidelity Funds	2,056	2.11
Toshiba Insurance Service Corporation	1,600	1.64
Japan Trustee Services Bank, Ltd. (Trust account 9)	1,508	1.54
BNYML-Non Treaty Account	1,484	1.52
Toshiba Plant Systems & Services Employees' Shareholding Association	1,444	1.48
State Street Bank and Trust Company 505041	1,250	1.28
Goldman Sachs International	853	0.87
Total of 10 shareholders	74,817	76.61%

Corporate Data As of August 7, 2015

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
Masaharu Yoshida

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

Outside Director
Kishiko Wada

Executive Officers
Koichi Kamei
Yasuo Yamazaki
Masahiro Sakatoh
Yoichi Satoh
Takashi Tokunaga
Hideo Mikami
Kazunori Tsuruhara

Statutory Auditors
Takatsugu Yamane
Ryoji Sotoike
Shinichi Morooka
Takashi Ishii

DOMESTIC OFFICES

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SUBSIDIARIES AND AFFILIATES

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SKS Co., Ltd.
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