



2019

Annual Report

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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 services."

My name is Koichi Harazono, and I recently assumed the office of president and chief executive officer (CEO). While serving in this capacity, I intend to do my best to help the Toshiba Plant Systems Group develop further and meet shareholders' expectations. As the previous president and CEO, Masataka Hayashi, did before me, I humbly ask for your input and support as we move forward.

I would like to take this opportunity to provide an overview of our operations during our 113th business period, fiscal 2018, ended March 31, 2019.



Overview of Performance and Principal Initiatives Undertaken in Fiscal 2018

In fiscal 2018, the Japanese economy continued a modest recovery with increases in production and capital investment, as well as improvements in corporate earnings and employment. However, the business outlook remains uncertain due to factors such as the global economic slowdown that began during the second half of fiscal 2018, causing previously buoyant production and corporate earnings to stagnate.

Under these conditions, the Toshiba Plant Systems Group promoted initiatives based on the core strategies of our 2018 medium-term management plan: “creating a business model to achieve steady earnings and growth,” “pursuing innovation through Toshiba’s BCM¹ management system,” and “implementing CSR-oriented management.”

Aiming to create a business model for achieving steady earnings and growth—a core strategy of our 2018 medium-term management plan—we worked to build a range of plants and facilities, including

thermal and hydroelectric power plants in Japan and overseas, as well as new manufacturing plants, buildings, and water and sewage treatment plants. In addition, we strove to introduce clean energy systems that consider the environment, including in hydrogen solar, and biofuel power generation plants. Further, we reached a basic technical cooperation agreement with Siempelkamp NIS Ingenieurgesellschaft mbH, a German engineering company with an extensive track record in decommissioning and demolitions. This agreement was one of our initiatives to strengthen our business, something that will contribute to safety while decommissioning nuclear power plants in Japan. In addition, this agreement will help reduce labor requirements, raise efficiency, and shorten lead times. We also reached an agreement with plant owner B.Grimm Power Public Company Limited and Siemens Limited Thailand/Siemens Industrial Turbomachinery AB, a supplier and manufacturer of gas turbine generators. This agreement covers the combined-cycle cogeneration power plants for industrial parks that were constructed in Thailand. Through this agreement, the three companies will discuss, collaborate on, and implement initiatives to increase reliability and operating rates at

1. Balanced CTQ Management (BCM) is a methodology for achieving our management vision through a balanced management approach, including financial and other business conditions and management quality.

existing plants, and for digitalizing plant operations. Looking for better cost competitiveness, we expanded integrated global procurement while improving construction methods and operational processes to further raise quality. We simultaneously worked to shorten construction times, reduce variable costs, and lower fixed costs.

In August 2018, we established the Power Project Promotion Office to support our entry into the power generation business and to advance our broader goal of cultivating new markets and businesses. In January 2019, we opened the Plant Digitalization Strategy Office to boost competitiveness through the digitalization of power plants and general industrial plants. On April 1, we acquired ES Toshiba Engineering Corporation to increase the operational efficiency of Japanese affiliates, while Toshiba Engineering Service Corporation absorbed SKS Corp.

In pursuing innovation through Toshiba's BCM management system, we actively promoted Management Innovation (MI) and continued to make improvements through Small Group Activities (SGA), carrying out these activities on a Group-wide basis.

When implementing CSR-oriented management, to be a corporate group trusted by society by placing the highest priority on life, safety, and compliance in all of our business activities, we strengthened efforts on compliance and risk management in terms of laws and regulations, social norms, ethics, and other aspects. At the same time, we continued to reduce our environmental impact and improve our quality management systems, and worked to maintain and enhance the quality of business management. In our social contribution activities, we supported the building of primary schools overseas and projects related to the protection of Japanese cultural properties. We also took part in community volunteer activities at all of our offices and sites and continued to support the social contribution activities of individual employees.

As a result, net orders came to ¥233,153 million, down 13.4% year on year. Net orders from overseas operations were ¥40,414 million, accounting for 17.3% of the total. Net sales were ¥244,239 million, up 5.0%, with net sales from overseas operations accounting for ¥43,067 million, or 17.6%.

Operating income was ¥20,359 million, (up 0.6% year on year), ordinary income was ¥22,324 million (up 10.3% year on year) and profit attributable of owners of parent was ¥14,354 million (up 5.9% year on year).

We awarded dividends for the year of ¥42 per share, including an interim dividend of ¥21 and a year-end dividend of ¥21.

Additionally, we revised our management commitment² and management vision³ during the fiscal year under review as Toshiba Corporation established the new The Essence of Toshiba and updated the Toshiba Group Management Philosophy.

2. For humanity, the earth, and a better tomorrow. Based on a fundamental respect for humanity, the Toshiba Plant Systems Group aims to create abundant value and contribute to the lifestyles and cultures of people around the world through electric power as well as industrial and social infrastructure businesses.

3. Excellent Company capable of flexibly responding in the Market Environment.

Future Approach

We expect the moderate rate of economic recovery to continue, thanks in part to the current higher levels of corporate earnings, strong capital investment, and steady improvement in employment. However, uncertainty concerning future prospects is rising due to concerns of a global economic slowdown caused by trade friction between the US and China.

Under these conditions, the Toshiba Plant Systems Group is pursuing a "target vision" within the 2019 Medium-Term management plan of "becoming an excellent company that responds flexibly to changing market environments."

Our operating environment is changing: the decarbonization trend is picking up speed and the coal-fired thermal power market is shrinking, while renewable energy is expected to continue growing. Supported by healthy earnings to date, we will strengthen our response to new markets opened up by electric power deregulation while continuing to focus on environmentally friendly clean energy plants, including those for solar power, small hydro, and biofuel power generation. In addition, we will harness the strength and technological capabilities of our engineering, procurement, and construction (EPC) business, which deals mainly in power plants and plant equipment. These promotion initiatives will focus on Southeast Asia, where we have enjoyed numerous achievements, as well as Africa and other new markets. We will also work to strengthen overseas affiliates and train human resources while accelerating improvements to our global business framework.

We will respond swiftly to changes in the business environment and cultivate new markets and businesses. To grow these new businesses, we will push for entry into the power generation business and promote the digitalization of power plants and general industrial plants. Furthermore, we intend to maintain and improve operational performance by enhancing our competitiveness through improvements in construction methods and operating processes and by further refining our strengths in integrated and global procurement, as well as quality and technology.

Moving forward, the Toshiba Plant Systems Group will work to realize sound, effective management through continual compliance with laws and regulations, respect for human rights, and other initiatives that cover a variety of fields, including social contribution and environmental conservation. We will strive to offer electric power, industrial, and social infrastructure systems that are safe and offer peace of mind, while contributing to the development of society.

Our consolidated targets for fiscal 2021, ending March 31, 2022, are net sales of ¥250 billion and ordinary income of ¥21 billion.

Building on a wide range of technologies in fields such as plant engineering and information systems underpinned by the trust we have earned over the years, we will pursue even more advanced technological development and contribute to progress and development by providing a foundation that supports individuals, industry, and society.

In fulfilling our role of supporting entire social infrastructure systems, we will respond quickly to market changes and work to ensure the world-class quality and safety of our business operations. In addition, we will promote CSR-oriented management, seek to build strong relationships based on trust with our customers, shareholders, and other stakeholders, and enhance our corporate value.

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

June 2019

Koichi Harazono

President and Chief Executive Officer,
Representative Director

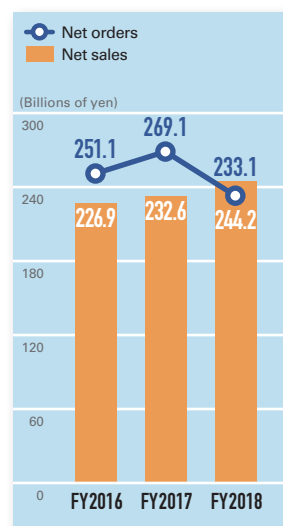
Net Orders and Net Sales

Net Orders

¥233.1 billion
Down 13.4% yoy

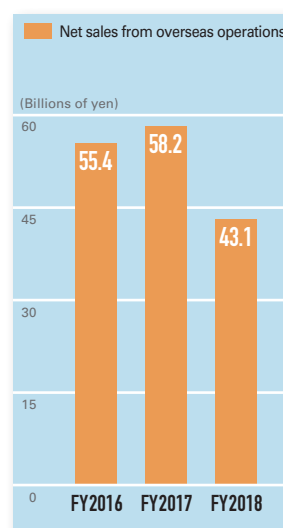
Net Sales

¥244.2 billion
Up 5.0% yoy



Net Sales from Overseas Operations

¥43.1 billion
Down 26.0% yoy



Profitability

Operating Income

¥20.4 billion
Up 0.6% yoy

Ordinary Income

¥22.3 billion
Up 10.3% yoy

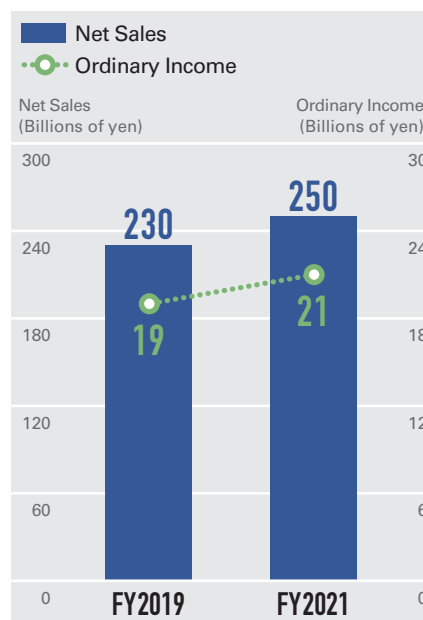
Profit Attributable to Owners of Parent

¥14.4 billion
Up 5.9% yoy



2019 Medium-Term Management Plan

Realization of an “Excellent Company capable of flexibly responding in the Market Environment”



Aspiring to be "Excellent Company capable of flexibly responding in the Market Environment," Toshiba Plant Systems & Services Corporation Group has mapped out a mid-term management plan, with 2019 as the first year. We will implement concrete measures to accomplish the following three basic strategies adopted in conjunction with the management plan: 1) Business promotion to steadily achieve high profitability, 2) Pursuit of innovation by BCM* management, and 3) Accomplishment of CSR (corporate social responsibility) management.

* BCM (Balanced CTQ Management) is a management execution methodology designed to achieve a balance between financial and other business conditions as well as the management quality necessary to accomplish the company's management vision.

Measures for Achieving Medium-Term Management Plan Objectives

Expand the markets for the existing businesses

Power Systems

- **Nuclear power generation** | Reactor decommissioning, new regulatory standards for resuming operations
- **Thermal power generation plants in Japan** | LNG thermal power generation, biomass mixed combustion power generation facilities, gas-fired combined cycle power generation facilities
- **Power generation facilities overseas** | Combined cycle power generation facilities, renewable energy power generation facilities

Infrastructure and Industrial Systems

- **EPC*¹ business for manufacturing plants** | Semiconductor, chemical, life science-related, etc.
- **Clean energy power generation facilities** | Biofuel power generation facilities, solar photovoltaic power generation facilities, etc.
- **Water supply and sewage systems, buildings and data centers**
- **Transportation systems** | Airports, railways, roads

Expanding business domains and markets

- **Creating new businesses** | Entering the power generation business and the vegetable factory business
- **Deploying CPS*² technology for the existing businesses** | Supplying energy management services to industrial parks, etc.

Enhance EPC business competitiveness

- **Quality** | Implementing steadily a quality management system, eliminating quality nonconformities through COPQ*³ reduction activities, reinforcing risk management
- **Process improvement** | Improving work efficiency using IT, optimizing business processes
- **Enhancing competitiveness through cost reduction** | Integrated and global procurement, standardizing design, improving construction methods and test efficiency
- **Technological capabilities** | Expanding the applications of engineering tools, raising licensed technical supervisors, chief engineers, and project managers according to the plan

*1 EPC: Packaged orders that include engineering, procurement, and construction and commissioning.

*2 Cyber-physical system (CPS): A mechanism for collecting physical data, analyzing the collected data in cyberspace using digital technology to convert it into easy-to-use information and knowledge, and providing feedback to the physical world to create added value.

*3 COPQ: "Cost of poor quality" or needless cost resulting from low or defective quality.

CSR

As a company contributing to the creation of the foundations that support industry and society, we consider the promotion of CSR management to be a core strategy, together with the provision of quality infrastructure facilities and services. We aim to be a global company trusted by society.

As a company helping to build the infrastructure, we provide ongoing support, mainly in countries and territories where we operate, with activities related to improving the social infrastructure and educating future generations (such as building schools). As a good corporate citizen, we value communication with local communities and are promoting social contribution activities at all of our overseas and domestic offices and worksites.

Social Contribution Activity Report

Supporting Activities to Improve the Social Infrastructure

Infrastructure Projects in Emerging Countries

We supported a project that built a drinking water supply system in Cambodia to provide safe drinking water to elementary schools and other locations that were using unhygienic water, such as rainwater, for daily use.



Solar Lantern Project

We continue to support a project for setting up solar panels in parts of India with poor electric power by lending lanterns that can be charged during the day and then used at night.



Supporting Activities to Educate Future Generations

We supported a reconstruction project for the Redang Elementary School building in the Republic of Indonesia to ensure safer, cleaner conditions for the students.



Promoting of Activities Rooted in Local Communities



Community social contribution activities at each of our offices and worksites (Cleanup projects, etc.)



Volunteers managing forests, including thinning out trees



Selling candy and other items within the Company made by people with disabilities, in this way supporting their independence

Power Systems Division

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 the ASEAN region. In addition to commercial power plants, we apply our nuclear power technologies at nuclear power plants and related facilities.



Kinyerezi Thermal Power Station in Tanzania

Business Review and Outlook

During the fiscal year under review, net orders for this division came to ¥116,309 million down 27.3% year on year. The decline was mostly due to a drop in the number of overseas thermal power projects. This drop was also primarily responsible for the decrease in net sales, which were ¥127,341 million down 11.6% year on year.

Looking at future market trends that are affecting this division, domestic demand from industry in general for the conversion of private power generation facilities to combined cycle and demand for services for older plants will likely increase. However, demand for maintenance and setting up power generation for business use is expected to decline. Overseas, we anticipate ongoing demand for electric power in response to steady growth in Southeast Asia.

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 increasing orders for power generating plants overseas, where demand for electric power is high.

Power Systems Division Net Orders and Net Sales

Net Orders

¥116.3 billion

Year on year

Percentage of orders

27.3% decrease

49.9%

Net Sales

¥127.3 billion

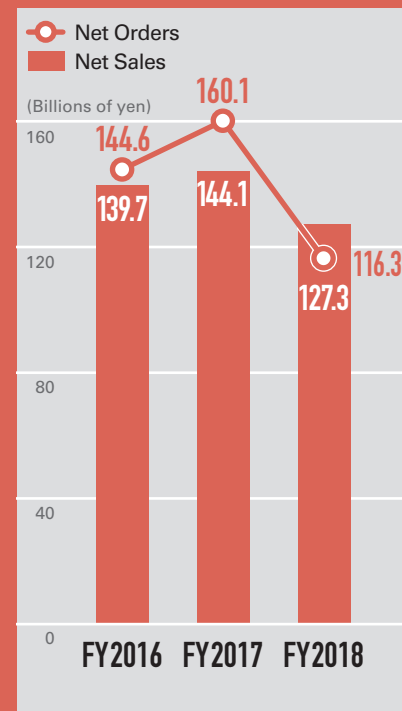
Year on year

Percentage of sales

11.6% decrease

52.1%

Net Orders and Net Sales by Segment



Infrastructure and Industrial Systems Division

Operations

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

The division handles business in the public and private sector in a broad range of fields, including electric plants and equipment, dispersed power source systems, substations, transmission and distribution systems, and other energy-related business, as well as production and related facilities.



Central Nippon Expressway Company Limited's Fujiyoshida Nishikatsura Smart Interchange

Annaka Solar LLC's Annaka Solar Power Plant in Gunma Prefecture

Business Review and Outlook

During the fiscal year under review, net orders for this division came to at ¥116,844 million up 7.2% year on year. This increase was due to a rise in the number of general industry projects. Net sales were ¥116,898 million up 32.1% year on year, thanks to more general industry projects in Japan and an increase in the number of solar power plants.

For the future market trends for this division, private-sector capital investment is expected to continue, primarily because of increasingly spirited public investment. Also expected are increased demand for gas engines and biofuel generation plants due to environmental considerations and electricity market deregulation, as well as increased investment in Japanese-owned companies overseas.

By applying the technologies we have accumulated and with the track record we have established, we aim to increase orders for public facilities and for clean energy-related systems, as well as for plants 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

¥116.8 billion

Year on year

Percentage of orders

7.2% increase

50.1%

Net Sales

¥116.9 billion

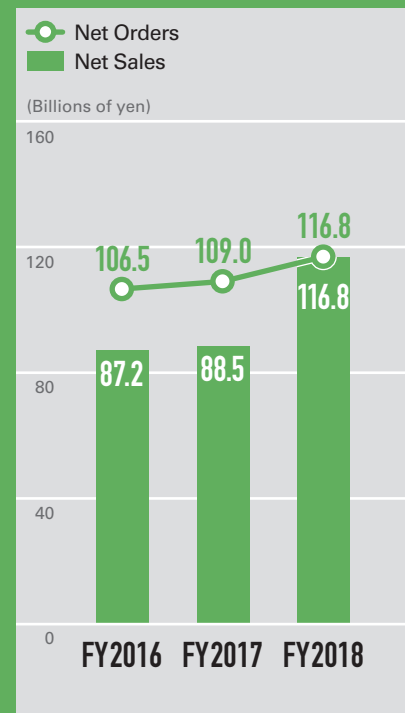
Year on year

Percentage of sales

32.1% increase

47.9%

Net Orders and Net Sales by Segment



Conclusion of a Memorandum of Understanding with B.Grimm Power Public Company Limited and Siemens Limited Thailand/Siemens Industrial Turbomachinery AB in Pursuit of Higher Plant Efficiency, etc.

The Company concluded a memorandum of understanding on combined-cycle cogeneration power plants for industrial parks built in Thailand. This memorandum was concluded with two companies: B.Grimm Power Public Company Limited, a plant owner, and Siemens Limited Thailand/Siemens Industrial Turbomachinery AB, a supplier and manufacturer of gas turbine generators. The three companies will promote initiatives, such as the digitalization of existing plants to improve their performance.

As an EPC*¹ contractor, we have accepted and completed orders for building nine power plants in Thailand for B.Grimm Power PCL. These plants were built at industrial parks: Amata Nakorn in Chonburi Province; Amata City Rayong in Rayong Province; and Hemaraj Chonburi in Bowin, Chonburi Province. A portion of the electricity generated at these plants is sold to the Electricity Generating Authority of Thailand (EGAT) and surplus power and gas produced through power generation are supplied to companies within the industrial parks. Together with the two other parties in this memorandum, we have agreed to discuss, collaborate on, and subsequently implement measures aimed at digitalizing these plants and raising their operational efficiency and reliability. Signing the memorandum is ground breaking: a power generation company, a manufacturer of primary turbine machinery, and an EPC contractor will use their accumulated knowledge to jointly promote development from three unique viewpoints. This will, in turn, enable the construction of

systems that are both highly convenient and useful for power generation providers.

Since 2015, we have been promoting the digitalization of engineering through our EPC Project, and have developed and introduced a variety of solutions, including the TIET integrated engineering tool and our plant digital twin simulator. Moving forward, we intend to ensure more efficient and stable plant operations, as well as a steady supply of electric power and generated gas within industrial parks, by using IoT*² technology to keep plant operation data in the cloud and to spread the application of CPS*³ technology.



Memorandum signing ceremony at IEEE PES GTD ASIA (Bangkok International Trade and Exhibition Centre) in March 2019

*1 EPC: Packaged orders that include engineering, procurement, and construction and commissioning.

*2 Internet of things (IoT): Connecting devices to the Internet and using them to acquire data remotely, run operations remotely, etc.

*3 Cyber-physical system (CPS): A mechanism for collecting physical data, analyzing the collected data in cyberspace using digital technology to convert it into easy-to-use information and knowledge, and providing feedback to the physical world to create added value.

Basic Agreement on Technical Cooperation for Nuclear Power Plant Decommissioning

The Company has reached a basic technological cooperation agreement with Siempelkamp NIS Ingenieurgesellschaft (engineering company) mbH (NIS) to support decommissioning work at nuclear power plants in Japan. NIS is based in Germany and has participated in the decommissioning of many reactors in both Europe and the US.

This agreement was made to introduce technologies used in the disassembly of reactor pressure vessels and core internals, which are phases of decommissioning work. Combining the technologies we have developed for construction and maintenance of nuclear power plants in Japan with NIS's reactor disassembly technologies will make it possible for us to ensure safe decommissioning work while saving on labor, improving efficiency, and shortening completion times.

As a member of the Toshiba Group, we participate in many projects related to decommissioning work on Tokyo Electric Power Company Holdings, Inc.'s Fukushima Daiichi Nuclear Power Plant. In addition to

these projects, which range from design to onsite response, we are conducting operations using remotely controlled devices (site investigations, decontamination, disassembly, etc.). We believe that, in addition to existing plant construction technology, we will be able to use advanced technologies and construction methods developed through decommissioning work at the Fukushima Daiichi Nuclear Power Plant to dismantle other reactors at nuclear power plants in Japan.

Through this technical cooperation agreement, we will further strengthen collaboration between Toshiba Energy Systems & Solutions Corporation and electric power companies, as well as conduct research and develop technologies and construction methods. Further, we will cooperate within Japan and internationally with other companies and organizations that possess sophisticated and applicable professional technologies to grow our business activities that contribute to improved reliability within the nuclear power industry.

Consolidated Six-Year Summary

Years ended March 31	Millions of yen						Thousands of U.S. dollars (Note 2)
	2019	2018	2017	2016	2015	2014	2019
Net Sales	¥ 244,239	¥ 232,571	¥ 226,867	¥ 219,354	¥ 218,652	¥ 182,257	\$ 2,200,554
Cost of Sales	210,639	200,160	195,270	188,377	189,544	155,045	1,897,828
Operating Income	20,359	20,246	17,583	18,648	16,942	16,278	183,431
Interest and Dividend Income	1,581	397	1,111	244	257	222	14,252
Profit Before Income Taxes	22,097	20,239	19,093	18,558	17,805	16,740	199,093
Profit Attributable to Owners of Parent	14,354	13,552	12,797	11,243	10,045	9,832	129,332
Per Share of Common Stock (in yen and dollars):							
Profit Attributable to Owners of Parent	¥ 147.35	¥ 139.12	¥ 131.36	¥ 115.40	¥ 103.11	¥ 100.92	\$ 1.33
Cash Dividends	42.00	40.00	38.00	37.50	7.50	15.00	0.38
Total Assets	¥ 274,290	¥ 256,003	¥ 244,407	¥ 238,254	¥ 229,436	¥ 221,135	\$ 2,471,306
Net Assets	156,852	145,380	133,289	121,282	116,059	104,664	1,413,213
Number of Employees	4,319	4,318	4,353	4,283	4,225	4,055	

Note: The U.S. dollar amounts represent translation of Japanese yen at the exchange rate on March 31, 2019 of ¥110.99 to \$1.

Financial Review

Operating Income

Operating income for the fiscal year ended March 31, 2019 climbed by 0.6% to ¥20,359 million (US\$183,431 thousand). The ratio of operating income to net sales decreased by 0.4% to 8.3%.

Profit Attributable to Owners of Parent

Profit attributable to owners of parent for the fiscal year ended March 31, 2019 climbed by 5.9% to ¥14,354 million (US\$129,332 thousand).

Total Assets and Net Assets

Total consolidated assets at March 31, 2019 climbed by ¥18,287 million from the previous fiscal year-end to ¥274,290 million (US\$2,471,306 thousand). Among total assets, time deposits increased by ¥73,782 million to ¥74,987 million (US\$675,615 thousand). Trade notes and accounts receivable increased by ¥12,015 million to ¥112,551 million (US\$1,014,066 thousand). Cash and cash equivalents decreased by ¥69,845 million to ¥29,445 million (US\$265,295 thousand). Net assets rose ¥11,472 million to ¥156,852 million (US\$1,413,213 thousand) due to an increase of ¥10,360 million in retained earnings. The equity ratio at March 31, 2019 was 57.1%.

As of March 31, 2019 and 2018	Millions of yen		Thousands of U.S. dollars (Note 2)
	2019	2018	2019
ASSETS			
Current assets:			
Cash and cash equivalents (Note 5)	¥ 29,445	¥ 99,290	\$ 265,295
Time deposits	74,987	1,205	675,615
Trade notes and accounts receivable	112,551	100,536	1,014,066
Electronically recorded monetary claims-operating	1,784	1,080	16,072
Less: allowance for doubtful accounts	(251)	(474)	(2,265)
Inventories (Note 3)	26,645	24,900	240,068
Other current assets	7,126	7,621	64,210
Total current assets	252,287	234,158	2,273,061
Property, plant and equipment, at cost:			
Land	2,941	3,044	26,498
Buildings and structures	8,835	8,739	79,605
Machinery and equipment	2,841	2,758	25,594
Tools, furniture and fixtures	3,897	4,421	35,113
Leased assets	26	50	231
Construction in progress	48	11	431
	18,588	19,023	167,472
Less: accumulated depreciation	(11,672)	(12,106)	(105,161)
Total property, plant and equipment, net	6,916	6,917	62,311
Intangible assets	197	229	1,777
Investments and other assets:			
Investment securities (Note 11)	2,710	1,161	24,414
Investments in affiliates (Note 4)	149	164	1,345
Deferred tax assets (Note 10)	11,217	12,577	101,067
Net defined benefit asset	40	7	356
Other	1,057	908	9,521
Less: allowance for doubtful accounts	(283)	(118)	(2,546)
Total investments and other assets	14,890	14,699	134,157
Total assets	¥ 274,290	¥ 256,003	\$ 2,471,306

See the accompanying Notes to Consolidated Financial Statements.

As of March 31, 2019 and 2018	Millions of yen		Thousands of U.S. dollars (Note 2)
	2019	2018	2019
LIABILITIES AND NET ASSETS			
Current liabilities:			
Trade notes and accounts payable	¥ 57,688	¥ 48,457	\$ 519,758
Accounts payable non-trade	2,517	3,874	22,678
Advances received on uncompleted construction contracts	24,831	17,459	223,723
Allowance for bonuses to directors and statutory auditors	100	93	898
Accrued expenses	8,716	8,737	78,529
Completed work compensation reserve	709	578	6,384
Provision for loss on construction contracts	451	27	4,060
Accrued income taxes	4,671	4,505	42,090
Other current liabilities (Note 12)	1,039	1,618	9,365
Total current liabilities	100,722	85,348	907,485
Long-term liabilities:			
Liability for retirement benefit (Note 13)	16,261	24,812	146,506
Accrued directors' retirement benefits	27	44	245
Asset retirement obligations	398	392	3,584
Other long-term liabilities (Note 12)	30	27	273
Total long-term liabilities	16,716	25,275	150,608
Total liabilities	117,438	110,623	1,058,093
Contingent liabilities: (Note 18)			
Net assets: (Note 19)			
Shareholders' equity:			
Common stock	11,876	11,876	107,001
Capital surplus	20,911	20,911	188,401
Retained earnings	124,568	114,208	1,122,338
Treasury stock, at cost	(168)	(167)	(1,514)
Total shareholders' equity	157,187	146,828	1,416,226
Accumulated other comprehensive income:			
Unrealized gains or losses on securities	42	8	377
Deferred gains or losses on hedges	86	(209)	778
Currency translation adjustments	317	230	2,856
Retirement benefits liability adjustments	(1,149)	(1,807)	(10,350)
Total accumulated other comprehensive income	(704)	(1,778)	(6,339)
Non-controlling interests	369	330	3,326
Total net assets	156,852	145,380	1,413,213
Total liabilities and net assets	¥ 274,290	¥ 256,003	\$ 2,471,306

Years ended March 31, 2019 and 2018	Millions of yen		Thousands of U.S. dollars (Note 2)
	2019	2018	2019
Net sales (Note 6)	¥ 244,239	¥ 232,571	\$ 2,200,554
Cost of sales (Notes 7,8)	210,639	200,160	1,897,828
Gross profit	33,600	32,411	302,726
Selling, general and administrative expenses (Notes 8,14)	13,241	12,165	119,295
Operating income	20,359	20,246	183,431
Other income:			
Interest income	1,557	346	14,032
Dividends income	24	51	220
Equity in income of affiliates	38	38	340
Other	395	279	3,552
	2,014	714	18,144
Other expenses:			
Loss on disposal of fixed assets	24	8	218
Foreign exchange losses	—	648	—
Other	25	65	221
	49	721	439
Ordinary income	22,324	20,239	201,136
Extraordinary losses:			
Impairment loss (Note 9)	227	—	2,043
	227	—	2,043
Profit before income taxes	22,097	20,239	199,093
Income taxes: (Note 10)			
Current	6,822	6,102	61,470
Deferred	888	582	7,998
	7,710	6,684	69,468
Profit	14,387	13,555	129,625
Profit attributable to non-controlling interests	33	3	293
Profit attributable to owners of parent (Note 19)	¥ 14,354	¥ 13,552	\$ 129,332

See the accompanying Notes to Consolidated Financial Statements.

2019 Consolidated Statement of Comprehensive Income

Years ended March 31, 2019 and 2018	Millions of yen		Thousands of U.S. dollars (Note 2)
	2019	2018	2019
Profit	¥ 14,387	¥ 13,555	\$ 129,625
Other comprehensive income			
Unrealized gains or losses on securities	34	11	303
Deferred gains or losses on hedges	296	59	2,662
Currency translation adjustments	96	146	869
Retirement benefits liability adjustments	658	2,123	5,930
Other comprehensive income (Note 15)	1,084	2,339	9,764
Total comprehensive income	¥ 15,471	¥ 15,894	\$ 139,389
Comprehensive income attributable to			
Owners of parent	¥ 15,429	¥ 15,875	\$ 139,008
Non-controlling interests	42	19	381

See the accompanying Notes to Consolidated Financial Statements.

2019 Consolidated Statement of Changes in Net Assets

		Millions of yen									
Years ended March 31, 2019 and 2018	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	Non- controlling interests	Total net assets
Balance at April 1, 2017	97,656,888	¥ 11,876	¥ 20,911	¥ 104,455	¥ (165)	¥ (3)	¥ (268)	¥ 99	¥ (3,930)	¥ 314	¥ 133,289
Profit attributable to owners of parent				13,552							13,552
Cash dividends (Note 16)				(3,799)							(3,799)
Purchase of treasury stock					(2)						(2)
Other changes						11	59	131	2,123	16	2,340
Balance at April 1, 2018	97,656,888	¥ 11,876	¥ 20,911	¥ 114,208	¥ (167)	¥ 8	¥ (209)	¥ 230	¥ (1,807)	¥ 330	¥ 145,380
Profit attributable to owners of parent				14,354							14,354
Cash dividends (Note 16)				(3,994)							(3,994)
Purchase of treasury stock					(1)						(1)
Other changes						34	295	87	658	39	1,113
Balance at March 31, 2019	97,656,888	¥ 11,876	¥ 20,911	¥ 124,568	¥ (168)	¥ 42	¥ 86	¥ 317	¥ (1,149)	¥ 369	¥ 156,852

		Thousands of U.S. dollars (Note 2)									
		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	Non- controlling interests	Total net assets
Balance at April 1, 2018		\$ 107,001	\$ 188,401	\$ 1,028,991	\$ (1,506)	\$ 74	\$ (1,884)	\$ 2,075	\$ (16,280)	\$ 2,970	\$ 1,309,842
Profit attributable to owners of parent				129,332							129,332
Cash dividends (Note 16)				(35,985)							(35,985)
Purchase of treasury stock					(8)						(8)
Other changes						303	2,662	781	5,930	356	10,032
Balance at March 31, 2019		\$ 107,001	\$ 188,401	\$ 1,122,338	\$ (1,514)	\$ 377	\$ 778	\$ 2,856	\$ (10,350)	\$ 3,326	\$ 1,413,213

See the accompanying Notes to Consolidated Financial Statements.

Years ended March 31, 2019 and 2018	Millions of yen		Thousands of U.S. dollars (Note 2)
	2019	2018	2019
Cash flows from operating activities:			
Profit before income taxes	¥ 22,097	¥ 20,239	\$ 199,093
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation	587	601	5,292
Impairment loss	227	—	2,043
(Decrease) in allowance for doubtful accounts	(49)	(767)	(438)
(Decrease) in net defined benefit liability	(7,598)	(3,057)	(68,463)
Interest and dividends	(1,582)	(397)	(14,253)
(Gain) loss on sales of property, plant and equipment	(1)	30	(7)
Share of (profit) of entities accounted for using equity method	(38)	(38)	(340)
(Increase) decrease in trade notes and accounts receivable	(12,914)	2,205	(116,357)
(Increase) in inventories	(1,750)	(637)	(15,765)
(Increase) decrease in other current assets	552	(1,418)	4,972
Increase in trade notes and accounts payable	9,215	1,027	83,026
Increase in advances received on uncompleted construction contracts	7,367	4,226	66,379
Increase in completed work compensation reserve	121	255	1,086
Increase in provision for loss on construction contracts	421	24	3,796
Increase (decrease) in other current liabilities	(1,462)	126	(13,172)
Other	58	139	520
	15,251	22,558	137,412
Interest and dividends received	1,634	433	14,722
Income taxes paid	(6,695)	(6,264)	(60,328)
Net cash provided by operating activities	10,190	16,727	91,806
Cash flows from investing activities:			
(Increase) in time deposits	(73,799)	(917)	(664,914)
Proceeds from sales of property, plant and equipment	23	230	211
Payments for acquisition of property, plant and equipment	(818)	(650)	(7,370)
Payments for acquisition of intangible assets	(5)	(16)	(47)
Payments for purchase of investment securities	(1,500)	(1,000)	(13,515)
Other	(36)	525	(327)
Net cash used in investing activities	(76,135)	(1,828)	(685,962)
Cash flows from financing activities:			
Repayments of lease liabilities	(6)	(7)	(50)
Dividends paid	(3,994)	(3,799)	(35,985)
Purchase of treasury stock	(1)	(2)	(8)
Dividends paid to non-controlling interests	(3)	(2)	(24)
Net cash used in financing activities	(4,004)	(3,810)	(36,067)
Effect of exchange rate changes on cash and cash equivalents	104	204	935
Net increase (decrease) in cash and cash equivalents	(69,845)	11,293	(629,288)
Cash and cash equivalents at beginning of year	99,290	87,997	894,583
Cash and cash equivalents at end of year	¥ 29,445	¥ 99,290	\$ 265,295

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 the prior year's financial statements have been reclassified to align with the current year 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 companies to be accounted for using the equity method.

(c) Foreign currency translations

Monetary claims and liabilities denominated in foreign currencies are translated into Japanese yen using the spot exchange rate as of the consolidated balance sheet date, and translation differences are included in gains or losses. Assets and liabilities of overseas consolidated subsidiaries are translated to yen using the spot exchange rate as of each company's respective balance sheet date. Revenue and expenses of those subsidiaries are translated to yen using the average exchange rate during the period. Exchange differences are included in foreign currency translation adjustment and in non-controlling interests as part of net assets.

(d) Accounting for net sales and related costs

Construction contracts for progress at the end of the fiscal year can be reliably measured are recorded on the percentage-of-completion basis (stage of progress estimated using the cost-ratio method), while all other projects are recorded on the completed construction basis.

(e) Investment securities

All investment securities are "Available-for-sale" securities. Investment securities whose fair values are 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 values are 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 (excluding leased assets)

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Companies is principally computed using the straight-line method and based on the

following useful lives:

Buildings and structures	3–59 years
Machinery and equipment	2–20 years
Tools, furniture and fixtures	2–20 years

(h) Intangible assets (excluding leased assets)

Intangible assets are amortized using the straight-line method.

(i) Leased assets

Depreciation of leased assets is computed using the straight-line method with no residual value, and by 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 to general trade receivables and by individually assessing collectability of specific receivables where there are doubts over recovery.

(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 reserve is provided for anticipated compensation payments for which the Company is liable in respect of completed works, the Company records a projected compensation amount, based on past history of compensation payments made for completed works, as the completed work compensation reserve.

(m) Provision for loss on construction contracts

To cover possible losses on construction contracts, the estimated amount of losses during and after the following fiscal year is provided as the provision for loss on construction contracts.

The amount is reasonably estimated at the end of the fiscal year in respect of construction projects in progress for which significant losses are expected.

(n) Accrued severance indemnities

The Company and its domestic subsidiaries' employees are covered by an employee defined retirement benefit plan and an employee defined pension plan. The Company 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, at the end of the fiscal year an amount 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 using the benefit formula basis over the estimated years of service of the eligible employees.

Prior service costs are amortized, on a straight-line basis, over the set period (currently 10 years) which reflects 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) which reflects the average remaining service period of the employees from the fiscal year following the year in which such gains or losses are incurred.

(o) 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.

(p) Income taxes

The provision for income taxes is computed based on income before income taxes and non-controlling interests in the consolidated statement of income. The assets and liabilities approach is adopted to recognize deferred tax assets and liabilities arising from temporary differences between the carrying amounts for financial reporting, and the tax bases of assets and liabilities.

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

(q) Derivative financial instruments

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

(r) 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: Forecasted 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.

(s) 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.

(t) Consumption taxes

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

(u) Standards issued but not yet effective

"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29 dated March 30, 2018 issued by the Accounting Standards Board of Japan)

"Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30 dated March 30, 2018 issued by the Accounting Standards Board of Japan)

2. U.S. Dollar Amounts

3. Inventories

4. Investments in Affiliates

5. Assets Pledged as Collateral and Obligations Related to Collateral

1. Overview

The International Accounting Standards Board (IASB) and US Financial Accounting Standards Board (FASB) jointly developed comprehensive revenue recognition standards and issued "Revenue from Contracts with Customers" in May 2014 (IASB's IFRS No. 15 and FASB's Topic 606). Considering that IFRS No. 15 shall apply to the fiscal years beginning on or after January 1, 2018, and Topic 606 shall apply to the fiscal years beginning after December 15, 2017, the ASBJ developed a comprehensive accounting standard on revenue recognition and thus issued the accounting standard together with the implementation guidance.

The ASBJ established the accounting standard on revenue recognition by following the basic policies in developing it. The basic policies were: firstly, incorporating the core principle of IFRS No. 15 as the starting point from the perspective of facilitating comparability among financial statements, which is one of the benefits of ensuring consistency with IFRS No. 15; secondly, adding alternative treatments, but to the extent not impairing comparability, where consideration should be given to the practice having been used in Japan.

2. Effective date

The above guidance is scheduled to be applied from the beginning of the fiscal year beginning on April 1, 2021.

3. Effects of application of the accounting standards.

The Companies are currently evaluating the effect of adopting the "Accounting Standard for Revenue Recognition, etc." on its consolidated financial statements.

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 ¥110.99 = US\$1.00, the rate prevailing on March 31, 2019. The translations should not be construed as representations that yen amounts have been, could have been or could in the future be converted into U.S. dollars at the above or any other rate.

Inventories at March 31, 2019 and 2018 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Work in progress	¥ 26,607	¥ 24,862	\$ 239,728
Materials and supplies	38	38	340
Total	¥ 26,645	¥ 24,900	\$ 240,068

Investments in affiliates at March 31, 2019 and 2018 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Investments in capital stock, at cost	¥ 5	¥ 5	\$ 41
Equity in accumulated earnings and losses since acquisition, net	144	159	1,304
Total	¥ 149	¥ 164	\$ 1,345

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Assets pledged as collateral: Cash and deposits	¥ 11,009	¥ 1,894	\$ 99,189

(Note) The assets above are pledged as collateral mainly for performance bonds for construction.

6. Net Sales Recognized Using the Percentage-of-Completion Method

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Net sales recognized using the percentage-of-completion method	¥ 118,391	¥ 109,855	\$ 1,066,684

7. Provision Included in Cost of Sales of Completed Construction Contracts

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Completed work compensation reserve	¥ 131	¥ 259	\$ 1,180
Provision for loss on construction contracts	423	27	3,812
Total	¥ 554	¥ 286	\$ 4,992

8. Aggregate Amount of Research and Development Costs included in Selling, General and Administrative Expenses and Cost of Sales

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Selling, general and administrative expenses	¥ 910	¥ 953	\$ 8,201
Cost of sales	—	—	—
Total	¥ 910	¥ 953	\$ 8,201

9. Impairment Loss

In the fiscal year ended March 31, 2019, the Company recorded impairment losses in respect of the following asset groups:

Location	Application	Type	Impairment loss	
			Millions of yen	Thousands of U.S. dollars
Ito City, Shizuoka	Business assets	Buildings and structures	¥ 17	\$ 150
Ito City, Shizuoka	Business assets	Tools, furniture and fixtures	¥ 1	\$ 6
Ito City, Shizuoka	Business assets	Land	¥ 81	\$ 728
Ito City, Shizuoka	Business assets	Intangible assets	¥ 1	\$ 10
India	Business assets	Buildings and structures	¥ 23	\$ 206
India	Business assets	Tools, furniture and fixtures	¥ 95	\$ 863
India	Business assets	Leased assets	¥ 9	\$ 80
Total			¥ 227	\$ 2,043

In principle the Company groups business assets based on their related business division. Each of the business assets of Ito City, Shizuoka listed above is an asset designated for sale and has been grouped at the level of each individual asset to be sold.

When grouping the assets of a consolidated subsidiary, taking into account its size, etc., the in-principle criteria is to make the company itself the unit of grouping.

For Shizuoka, as each market value of the assets designated for sale has lowered significantly in the fiscal year ended March 31, 2019, the Company has reduced their carrying values to the recoverable values and recorded this reduction as an impairment loss under extraordinary losses.

Furthermore, in the case of consolidated subsidiaries with continuing operating loss, the carrying value of the business assets has been reduced to its recoverable value in the fiscal year ended March 31, 2019, and the decrease has been recognized as an impairment loss under extraordinary losses.

10. Income Taxes

Note that the recoverable values of these asset groups are measured based on the net sales values. For tools, furniture and fixtures, the recoverable value is evaluated by deducting the cost of disposal from the expected sales amount. For land, and for buildings and structures, the recoverable value is evaluated based on real estate appraisal values.

In the fiscal year ended March 31, 2018, the Company recorded no impairment losses.

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 30.5% and 30.8% for the years ended March 31, 2019 and 2018, respectively.

The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) effective from the beginning of the fiscal year ended March 31, 2019. Accordingly, deferred tax assets (if any) were presented under "investments and other assets" and deferred tax liabilities (if any) were presented under "long-term liabilities," and the Company has changed the notes on tax effect accounting. As a result, ¥3,666 million that had been presented in "deferred tax assets" under current assets in the consolidated balance sheet for the previous fiscal year has been included in ¥12,577 million in "deferred tax assets" under investments and other assets.

Reconciliations between the statutory tax rate and the effective income tax rate for the years ended March 31, 2019 and 2018 are as follows:

	2019	2018
Statutory tax rate	30.5%	30.8%
Non deductible expenses	0.3	0.5
Prefectural and municipal inhabitant per capita tax	0.4	0.4
Change in valuation allowance	2.5	(1.3)
Tax rate differences in foreign subsidiaries	1.5	1.8
Other	(0.4)	0.8
Effective income tax rate	34.8%	33.0%

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

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Deferred tax assets			
Liability for retirement benefit	¥ 7,323	¥ 8,537	\$ 65,985
Accrued bonuses	2,133	2,155	19,215
Accounts payable	608	619	5,479
Allowance for doubtful accounts	90	147	814
Depreciation	940	1,018	8,470
Completed work compensation reserve	99	69	892
Provision for loss on construction contracts	96	8	865
Accrued enterprise tax	293	270	2,636
Deferred gains or losses on hedges	(40)	121	(360)
Other	725	965	6,530
	12,267	13,909	110,526
Valuation allowance pertaining to total future deductible temporary differences	(447)	(617)	(4,027)
Valuation allowance for deferred tax assets	(447)	(617)	(4,027)
Deferred tax assets	11,820	13,292	106,499
Deferred tax liabilities			
Retained earnings appropriated for tax allowance reserves	(487)	(492)	(4,388)
Gain on contribution of securities to retirement benefit trust	(114)	(110)	(1,027)
Other	(2)	(113)	(17)
Deferred tax liabilities	(603)	(715)	(5,432)
Net deferred tax assets	¥ 11,217	¥ 12,577	\$ 101,067

11. Investment Securities

(1) Information regarding securities classified as available-for-sale security

The aggregate costs, gross unrealized gains or losses and fair values pertaining to other securities are as follows:

	Millions of yen							
	2019				2018			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Equity securities	¥ 97	¥ 3	¥ —	¥ 100	¥ 99	¥ 10	¥ —	¥ 109
Investment trusts	¥ 2,500	¥ 58	¥ —	¥ 2,558	¥ 1,000	¥ 1	¥ —	¥ 1,001
Total	¥ 2,597	¥ 61	¥ —	¥ 2,658	¥ 1,099	¥ 11	¥ —	¥ 1,110

Since unlisted stocks (¥200 million and ¥215 million at March 31, 2019 and 2018, respectively) have no market value and their fair value is not easily determinable, they are not included in available-for-sale security above.

	Thousands of U.S. dollars			
	2019			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Equity securities	\$ 878	\$ 27	\$ —	\$ 905
Investment trusts	\$ 22,525	\$ 521	\$ —	\$ 23,046
Total	\$ 23,403	\$ 548	\$ —	\$ 23,951

Since unlisted stocks (US\$1,808 thousand at March 31, 2019) have no market value and their fair value is not easily determinable, they are not included in available-for-sale security above.

(2) Investment securities for which impairment losses were recorded

In the fiscal years ended March 31, 2019 and 2018, no impairment loss was recorded on investment securities.

(3) Other securities sold

	Millions of yen					
	2019			2018		
	Proceeds from sales	Total gain on sales	Total loss on sales	Proceeds from sales	Total gain on sales	Total loss on sales
Equity securities	¥ —	¥ —	¥ —	¥ 2	¥ 0	¥ —

At March 31, 2019 and 2018, short-term borrowings and current portion of long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
	Current portion of lease obligations	¥ 2	¥ 5

At March 31, 2019 and 2018, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
	Lease obligations	¥ 21	¥ 21
Less current portion	2	5	22
	¥ 19	¥ 16	\$ 169

12. Short-Term Borrowings and Long-Term Debt

13. Retirement Benefits

The maturities of lease obligations as of March 31, 2019 are summarized as follows:

Year ending March 31	Millions of yen		Thousands of U.S. dollars	
	2019		2019	
2020	¥ 2		\$ 22	
2021	2		22	
2022	2		21	
2023 and thereafter	13		104	

1. Outline of adopted retirement benefit plans

The Company and some of its domestic subsidiaries have established funded, defined benefit corporate pension plans and lump-sum retirement benefit plans as defined benefit plans, and defined contribution pension plans and prepaid retirement allowance plans as defined contribution plans.

The Company and some of its domestic subsidiaries revised the previous defined benefit corporate pension plans in January 2011 after the consent of management and workers was gained, and have adopted a cash balance plan from April 2011. The cash balance plan is a system in which pensions are funded for each eligible employee at the amount calculated in light of the benefit level, market interest rate of each year and other factors.

The Company and some of its domestic subsidiaries introduced a defined contribution pension plan in October 2015, in which 50% of the future funding portion of previous lump-sum retirement benefits is regarded as defined contribution pension plan and each individual employee operates its pension funds. To employees who do not participate in this defined contribution pension plan at their request, the amount equal to employer contributions stipulated in the guidance of defined contribution pension plan is provided as prepaid retirement allowance.

In March 2016, the Company set up a retirement benefit trust for the lump-sum retirement benefit plan.

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

Among domestic subsidiaries, one subsidiary previously participated in a multi-employer's retirement benefit plan. Because the amount of pension assets corresponding to the contributions made by that subsidiary was not practically determinable under this plan, it accounted for this multi-employer pension plan as if it is a defined contribution plan. However, that subsidiary withdrew from this retirement benefit plan and has shifted to a funded, defined benefit corporate pension plan effective on October 1, 2015.

2. Defined benefit plan

The changes in the retirement benefit obligation during the years ended March 31, 2019 and 2018 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Retirement benefit obligation at April 1	¥ 73,857	¥ 75,374	\$ 665,439
Service cost	2,298	2,347	20,703
Interest cost	382	390	3,444
Actuarial gains or losses	(328)	99	(2,956)
Retirement benefit expenses applying the simplified method	258	125	2,326
Retirement benefit paid	(4,796)	(4,473)	(43,211)
Other	(1)	(5)	(5)
Retirement benefit obligation at March 31	¥ 71,670	¥ 73,857	\$ 645,740

The changes in plan assets during the years ended March 31, 2019 and 2018 are as follows

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Plan assets at April 1	¥ 49,051	¥ 44,427	\$ 441,944
Expected return on plan assets	1,235	1,109	11,126
Actuarial gains or losses	(462)	1,374	(4,161)
Contributions by the Company	3,480	3,553	31,355
Retirement benefits paid	(2,355)	(2,412)	(21,218)
Amount of contributions made due to the setup of a retirement benefit trust	4,500	1,000	40,544
Plan assets at March 31	¥ 55,449	¥ 49,051	\$ 499,590

The following table sets forth the funded status of the plan and the amounts recognized in the consolidated balance sheet as of March 31, 2019 and 2018 for the Companies' defined benefit plans:

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Contributory retirement benefit obligation	¥ 70,049	¥ 72,334	\$ 631,129
Plan assets at fair value	(55,449)	(49,052)	(499,590)
	14,600	23,282	131,539
Non-contributory retirement benefit obligation	1,622	1,523	14,611
Net liability for retirement benefit in the balance sheet	16,222	24,805	146,150
Liability for retirement benefit	16,261	24,812	146,506
Asset for retirement benefit	(40)	(7)	(356)
Net liability for retirement benefit in the balance sheet	¥ 16,221	¥ 24,805	\$ 146,150

The components of retirement benefit expenses for the years ended March 31, 2019 and 2018 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Service cost	¥ 2,298	¥ 2,347	\$ 20,703
Interest cost	382	390	3,444
Expected return on plan assets	(1,235)	(1,109)	(11,126)
Amortization of actuarial gains or losses	1,203	1,915	10,842
Amortization of prior service cost	(117)	(117)	(1,056)
Retirement benefit expenses applying the simplified method	258	125	2,326
Retirement benefit expenses	¥ 2,789	¥ 3,551	\$ 25,133

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
	2019	2018	2019
Prior service cost	¥ (117)	¥ (117)	\$ (1,056)
Actuarial gains or losses	1,070	3,190	9,637
Total	¥ 953	¥ 3,073	\$ 8,581

14. Selling, General and Administrative Expenses

Unrecognized prior service cost and unrecognized actuarial gains or losses included in accumulated other comprehensive income (before tax effect) as of March 31, 2019 and 2018 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Unrecognized prior service cost	¥ (170)	¥ (287)	\$ (1,533)
Unrecognized actuarial gains or losses	1,832	2,901	16,506
Total	¥ 1,662	¥ 2,614	\$ 14,973

The details of plan assets, by major category, as a percentage of total plan assets as of March 31, 2019 and 2018 are as follows:

	2019	2018
Bonds	38%	37%
Stocks	25%	25%
Alternative*	24%	26%
General accounts	8%	8%
Other	5%	4%
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 asset class, the expected long-term return on assets held in each category, and past performance.

The main actuarial assumptions for the years ended March 31, 2019 and 2018 were as follows (weighted averages):

	2019	2018
Discount rates	0.5%	0.5%
Expected rates of return on plan assets	2.5%	2.5%
Expected rates of salary increase	4.4%	4.6%

3. Defined contribution plan

Contributions to be made by the Company and some of its domestic consolidated subsidiaries to defined contribution pension plans were ¥337 million (US\$3,040 thousand) and ¥340 million for the years ended March 31, 2019 and 2018, respectively. Amortization of prepaid retirement allowance plans was ¥5 million (US\$47 thousand) and ¥7 million for the fiscal years ended March 31, 2019 and 2018, respectively.

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Salaries and wages	¥ 5,884	¥ 5,733	\$ 53,010
Retirement benefit expenses	520	649	4,686
Directors' retirement benefit expenses	4	8	39
Bonuses to directors and statutory auditors	38	5	342
(Reversal) Provision of allowance for doubtful accounts	(25)	(766)	(223)
Other	6,820	6,536	61,441
Total	¥ 13,241	¥ 12,165	\$ 119,295

Research and development costs were ¥910 million (US\$ 8,201 thousand) and ¥953 million for the years ended March 31, 2019 and 2018, respectively. Research and development costs are included in Other Selling, General and Administrative Expenses.

15. Other Comprehensive Income

Recycling and tax effects relating to other comprehensive income for the years ended March 31, 2019 and 2018 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Unrealized gains or losses on securities:			
Amount arising during the year	¥ 46	¥ 20	\$ 411
Recycling	—	—	—
Before tax effect adjustment	46	20	411
Tax effect	(12)	(9)	(108)
Unrealized gains or losses on securities	34	11	303
Deferred gains or losses on hedges:			
Amount arising during the year	389	(144)	3,509
Recycling	(13)	73	(124)
Asset acquisition cost adjustments	81	128	728
Before tax effect adjustment	457	57	4,113
Tax effect	(161)	2	(1,451)
Deferred gains or losses on hedges	296	59	2,662
Currency translation adjustments:			
Amount arising during the year	96	146	869
Retirement benefits liability adjustments:			
Amount arising during the year	(134)	1,275	(1,205)
Recycling	1,086	1,798	9,785
Before tax effect adjustment	952	3,073	8,580
Tax effect	(294)	(950)	(2,650)
Retirement benefits liability adjustments	658	2,123	5,930
Other comprehensive income	¥ 1,084	¥ 2,339	\$ 9,764

16. Dividends

1) Dividends paid

For the year ended March 31, 2019

Resolution	Meeting of the Board of Directors on May 11, 2018
Class of shares	Common stock
Total dividends (millions of yen)	¥1,948
Total dividends (thousands of U.S. dollars)	\$18,339
Source of dividends	Retained earnings
Dividends per share (yen)	¥20.0
Dividends per share (U.S. dollars)	\$0.18
Cut-off date	March 31, 2018
Effective date	June 4, 2018

Resolution	Meeting of the Board of Directors on October 31, 2018
Class of shares	Common stock
Total dividends (millions of yen)	¥2,045
Total dividends (thousands of U.S. dollars)	\$18,431
Source of dividends	Retained earnings
Dividends per share (yen)	¥21.0
Dividends per share (U.S. dollars)	\$0.19
Cut-off date	September 30, 2018
Effective date	December 3, 2018

For the year ended March 31, 2018

Resolution	Meeting of the Board of Directors on May 15, 2017
Class of shares	Common stock
Total dividends (millions of yen)	¥1,850
Source of dividends	Retained earnings
Dividends per share (yen)	¥19.0
Cut-off date	March 31, 2017
Effective date	June 2, 2017

Resolution	Meeting of the Board of Directors on October 31, 2017
Class of shares	Common stock
Total dividends (millions of yen)	¥1,948
Source of dividends	Retained earnings
Dividends per share (yen)	¥20.0
Cut-off date	September 30, 2017
Effective date	December 1, 2017

2) Dividends with the cut-off date in the year ended March 31, 2019 and the effective date in the year ending March 31, 2020

Resolution	Meeting of the Board of Directors on May 13, 2019
Class of shares	Common stock
Total dividends (millions of yen)	¥2,045
Total dividends (thousands of U.S. dollars)	\$18,431
Source of dividends	Retained earnings
Dividends per share (yen)	¥21.0
Dividends per share (U.S. dollars)	\$0.19
Cut-off date	March 31, 2019
Effective date	June 3, 2019

Dividends with the cut-off date in the year ended March 31, 2018 and the effective date in the year ended March 31, 2019

Resolution	Meeting of the Board of Directors on May 11, 2018
Class of shares	Common stock
Total dividends (millions of yen)	¥1,948
Source of dividends	Retained earnings
Dividends per share (yen)	¥20.0
Cut-off date	March 31, 2018
Effective date	June 4, 2018

17. Leases

Details of leased assets: Property, plant and equipment

The main items listed are automobiles and equipment (“machinery and equipment,” and “tools, furniture and fixtures”) in the construction business.

Future minimum lease payments subsequent to March 31, 2019 and 2018 for non-cancelable operating leases to which the Companies are lessees are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Due within one year	¥ 14	¥ 9	\$ 130
Due after one year	29	21	258
Total	¥ 43	¥ 30	\$ 388

18. Contingent Liabilities

The Companies had the following contingent liabilities at March 31, 2019 and 2018

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
As guarantor of employees' housing loans from banks	¥ 103	¥ 148	\$ 927

19. Per Share Information

Profit attributable to owners of parent and net assets per share for the years ended March 31, 2019 and 2018 were as follows:

	Yen		U.S. dollars
	2019	2018	2019
Profit attributable to owners of parent (basic)	¥ 147.35	¥ 139.12	\$ 1.33
Net assets	1,606.41	1,489.03	14.47

Notes: 1. Diluted earnings per share is not presented because there were no potential shares.
2. The basis for calculation of earnings per share is as follows

20. Segment Information

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Profit attributable to owners of parent	¥ 14,354	¥ 13,552	\$ 129,332
Amounts not attributable to common shareholders	—	—	—
Profit attributable to owners of parent related to common stock	¥ 14,354	¥ 13,552	\$ 129,332

	Thousands of shares	
	2019	2018
Average number of shares during the period	¥ 97,411	¥ 97,412

(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, 2019	Millions of yen		
	2019		
	Power Systems Division	Infrastructure and Industrial Systems Division	Total
Net sales:			
Sales to customers	¥ 127,341	¥ 116,898	¥ 244,239
Intersegment sales or transfers	954	110	1,064
Total	128,295	117,008	245,303
Segment profits	8,929	13,395	22,324
Other items:			
Depreciation	479	108	587
Interest income	724	833	1,557
Equity in income of affiliates	38	—	38

Note: Because no assets were allocated to the business segments, information on segment assets has been omitted. However, undistributed depreciation and interest income are allocated to each business segment in accordance with reasonable allocation standards.

	Thousands of U.S. dollars		
	2019		
	Power Systems Division	Infrastructure and Industrial Systems Division	Total
Net sales:			
Sales to customers	\$ 1,147,320	\$ 1,053,234	\$ 2,200,554
Intersegment sales or transfers	8,594	988	9,582
Total	1,155,914	1,054,222	2,210,136
Segment profits	80,455	120,681	201,136
Other items:			
Depreciation	4,316	976	5,292
Interest income	6,529	7,503	14,032
Equity in income of affiliates	340	—	340

Note: Because no assets were allocated to the business segments, information on segment assets has been omitted. However, undistributed depreciation and interest income are allocated to each business segment in accordance with reasonable allocation standards.

Year ended March 31, 2018	Millions of yen		
	2018		
	Power Systems Division	Infrastructure and Industrial Systems Division	Total
Net sales:			
Sales to customers	¥ 144,055	¥ 88,516	¥ 232,571
Intersegment sales or transfers	835	129	964
Total	144,890	88,645	233,535
Segment profits	11,757	8,482	20,239
Other items:			
Depreciation	495	106	601
Interest income	195	151	346
Equity in income of affiliates	38	—	38

Note: Because no assets were allocated to the business segments, information on segment assets has been omitted. However, undistributed depreciation and interest income are allocated to each business segment in accordance with reasonable allocation standards.

(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
	2019	2018	2019
Net sales:			
Total of reporting segments	¥ 245,303	¥ 233,535	\$ 2,210,136
Eliminations	(1,064)	(964)	(9,582)
Net sales in consolidated statement of income	¥ 244,239	¥ 232,571	\$ 2,200,554
Segment profits:			
Total of reporting segments	¥ 22,324	¥ 20,239	\$ 201,136
Ordinary income	22,324	20,239	201,136

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Others:			
Depreciation			
Total of reporting segments	¥ 587	¥ 601	\$ 5,292
Adjustment	—	—	—
Consolidated	587	601	5,292
Interest income			
Total of reporting segments	1,557	346	14,032
Adjustment	—	—	—
Consolidated	1,557	346	14,032
Equity in income of affiliates			
Total of reporting segments	38	38	340
Adjustment	—	—	—
Consolidated	38	38	340

(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
	2019	2018	2019
Net sales			
Japan	¥ 201,171	¥ 174,333	\$ 1,812,520
Southeast Asia	34,807	41,313	313,605
Other Asia	4,149	5,334	37,379
Other areas	4,112	11,591	37,050
Total	¥ 244,239	¥ 232,571	\$ 2,200,554

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: Indonesia, Thailand, Malaysia, Cambodia, Philippines, Vietnam etc.

(2) Other Asia: India, Taiwan, Bangladesh, Kuwait, China, South Korea, Myanmar, United Arab Emirates etc.

(3) Other areas: Tanzania, United States of America, Italy, Montenegro, Mexico, Micronesia 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

Customer	2019	
	Net sales	Segment concerned
Toshiba Energy Systems & Solutions Corporation	¥ 89,637 million \$ 807,613 thousand	Power Systems Division Infrastructure and Industrial Systems Division

21. Financial Instruments

Customer	2018	
	Net sales	Segment concerned
Toshiba Energy Systems & Solutions Corporation	¥ 54,131 million	Power Systems Division Infrastructure and Industrial Systems Division
Toshiba Corporation	¥ 44,654 million	Power Systems Division Infrastructure and Industrial Systems Division

(iv) Information on impairment loss on fixed assets for each reporting segment

Fiscal year ended March 31, 2019

	Millions of yen		
	2019		
	Power Systems Division	Infrastructure and Industrial Systems Division	Total
Impairment loss	¥ 227	¥ —	¥ 227

Fiscal year ended March 31, 2018

Not applicable

(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

The Companies determine their depositing plan using the Toshiba Group Finance System and exercise judgment on whether to execute such transactions after giving adequate consideration to economic rationalism, comprehensive management strategies, etc. and with the aim of mitigating the risk of loss to the Companies' profit.

Trade notes and accounts receivable and Electronically recorded monetary claims—operating 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. By carrying out business overseas, a portion of the Companies' 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 investment trusts and 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 of less than 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 consider their exposure to credit risk to be virtually nil. 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 position on 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, (r) 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 2019:

The consolidated balance sheet amounts and fair values as of March 31, 2019 are as shown in table below.

Financial instruments for which determining fair value is considered to be extremely difficult are not included in the following table.

	Millions of yen		Thousands of U.S. dollars	
	2019		2019	
	Consolidated balance sheet amount	Fair value	Consolidated balance sheet amount	Fair value
1. Cash and cash equivalents	¥ 29,445	¥ 29,445	\$ 265,295	\$ 265,295
2. Time deposits	74,987	74,987	675,615	675,615
3. Trade notes and accounts receivable	112,551		1,014,066	
Allowance for doubtful accounts	(102)		(922)	
	112,449	112,449	1,013,144	1,013,144
4. Electronically recorded monetary claims-operating	1,784	1,784	16,072	16,072
5. Investment securities	2,658	2,658	23,951	23,951
Assets total	221,323	221,323	1,994,077	1,994,077
1. Trade notes and accounts payable	¥ 57,688	¥ 57,688	\$ 519,758	\$ 519,758
2. Accounts payable non-trade	2,517	2,517	22,678	22,678
3. Accrued income taxes	4,671	4,671	42,090	42,090
Liabilities total	64,876	64,876	584,526	584,526
Derivatives	¥ 187	¥ 187	\$ 1,686	\$ 1,686

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, 4. Electronically recorded monetary claims-operating
These are listed at carrying value since fair value approximates their carrying value because of their short-term settlement.

5. Investment securities

Fair value of investment trusts is based on the prices published by counterparty financial institutions, and fair value of stocks 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 22.

(2) Unlisted stocks (consolidated balance sheet amount of ¥200 million (US\$1,808 thousand)) have no quoted market prices and their future cash flows cannot be estimated, thus determining fair value is considered to be extremely difficult. Therefore, these are not included in Note 11 Investment Securities.

	Millions of yen			
	2019			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
1. Cash and cash equivalents	¥ 29,411	¥ —	¥ —	¥ —
2. Time deposits	74,987	—	—	—
3. Trade notes and accounts receivable	112,551	—	—	—
4. Electronically recorded monetary claims - operating	1,784	—	—	—

	Thousands of U.S. dollars			
	2019			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
1. Cash and cash equivalents	\$ 264,990	\$ —	\$ —	\$ —
2. Time deposits	675,615	—	—	—
3. Trade notes and accounts receivable	1,014,066	—	—	—
4. Electronically recorded monetary claims - operating	16,072	—	—	—

2018:

The consolidated balance sheet amounts and fair values as of March 31, 2018 are shown in the table below. Financial instruments for which determining fair value is considered to be extremely difficult are not included in the following table.

	Millions of yen	
	2018	
	Consolidated balance sheet amount	Fair value
1. Cash and cash equivalents	¥ 99,290	¥ 99,290
2. Time deposits	1,205	1,205
3. Trade notes and accounts receivable	100,536	
Allowance for doubtful accounts	(295)	
	100,241	100,241
4. Electronically recorded monetary claims-operating	1,080	1,080
5. Investment securities	1,110	1,110
Assets total	202,926	202,926
1. Trade notes and accounts payable	¥ 48,457	¥ 48,457
2. Accounts payable non-trade	3,874	3,874
3. Accrued income taxes	4,505	4,505
Liabilities total	56,836	56,836
Derivatives	¥ (529)	¥ (529)

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, 4. Electronically recorded monetary claims-operating
These are listed at carrying value since fair value approximates their carrying value because of their short-term settlement.

5. 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 22.

(2) Unlisted stocks (consolidated balance sheet amount of ¥215 million) have no quoted market prices and their future cash flows cannot be estimated, thus determining fair value is considered to be extremely difficult. Therefore, these are not included in Note 11 Investment securities.

	Millions of yen			
	2018			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
1. Cash and cash equivalents	¥ 99,283	¥ —	¥ —	¥ —
2. Time deposits	1,205	—	—	—
3. Trade notes and accounts receivable	100,536	—	—	—
4. Electronically recorded monetary claims - operating	1,080	—	—	—

22. Derivative Transactions

Matters regarding the current prices of transactions

2019:

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

	Millions of yen			
	2019			
	Contract amounts	Over one year	Fair value	Unrealized gain (loss)
Forward foreign exchange contract				
Selling position				
U.S. dollars	¥ 3,245	¥ 53	¥ (2)	¥ (2)
Euro	206	—	6	6
Buying position				
U.S. dollars	1,457	—	51	51
Euros	46	—	(2)	(2)
Total	¥ 4,954	¥ 53	¥ 53	¥ 53

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

	Thousands of U.S. dollars			
	2019			
	Contract amounts	Over one year	Fair value	Unrealized gain (loss)
Forward foreign exchange contract				
Selling position				
U.S. dollars	\$ 29,238	\$ 480	\$ (14)	\$ (14)
Euro	1,852	—	55	55
Buying position				
U.S. dollars	13,131	—	459	459
Euros	410	—	(22)	(22)
Total	\$ 44,631	\$ 480	\$ 478	\$ 478

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

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

	Hedged items	Millions of yen		
		Contract amounts	Over one year	Fair value
2019				
Forward foreign exchange contract				
Selling position				
U.S. dollars	Trade notes and accounts receivable	¥ 1,644	¥ 47	¥ (28)
Euros	Trade notes and accounts receivable	445	—	13
Buying position				
Euros	Trade notes and accounts payable	3,567	—	151
U.S. dollars	Trade notes and accounts payable	37	—	(2)
Total		¥ 5,693	¥ 47	¥ 134

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

	Thousands of U.S. dollars			
	2019			
	Hedged items	Contract amounts	Over one year	Fair value
Forward foreign exchange contract				
Selling position				
U.S. dollars	Trade notes and accounts receivable	\$ 14,811	\$ 428	\$ (252)
Euros	Trade notes and accounts receivable	4,013	—	118
Buying position				
Euros	Trade notes and accounts payable	32,140	—	1,359
U.S. dollars	Trade notes and accounts payable	330	—	(17)
Total		\$ 51,294	\$ 428	\$ 1,208

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

2018:

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

	Millions of yen			
	2018			
	Contract amounts	Over one year	Fair value	Unrealized gain (loss)
Forward foreign exchange contract				
Selling position				
U.S. dollars	¥ 1,661	¥ —	¥ 64	¥ 64
Euros	1	—	(0)	(0)
Buying position				
U.S. dollars	3,489	—	(272)	(272)
Euros	114	—	9	9
Total	¥ 5,265	¥ —	¥ (199)	¥ (199)

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

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

	Millions of yen			
	2018			
	Hedged items	Contract amounts	Over one year	Fair value
Forward foreign exchange contract				
Selling position				
U.S. dollars	Trade notes and accounts receivable	¥ 1,656	¥ 500	¥ 52
Buying position				
U.S. dollars	Trade notes and accounts payable	6,738	1,669	(383)
Euros	Trade notes and accounts payable	49	—	1
Total		¥ 8,443	¥ 2,169	¥ (330)

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

23. Transactions with Related Parties

2019:

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	¥ 200,044	1. Manufacture of electric machinery and equipment 2. Manufacture of measuring instruments, medical equipment and apparatus, and other machinery and equipment 3. Software development and supply, electronic communication, broadcasting, information processing, information service 4. Chemical industry, metal industry, construction, real estate trading, leasing and brokerage business, ceramic industry, mining, soil and gravel mining, electricity supply business and financial business 5. Business incidental or related to each of the abovementioned businesses or industries 6. Investment in the company engaged in any of the above-mentioned businesses

Policy for determining trade terms and other related matters

- Notes: 1. Of the amount of business transactions, the transaction amount does not include consumption taxes while the balance at fiscal year-end does.
 2. Of the amount of non-business transactions, the transaction amount and the balance at fiscal year-end do not include consumption taxes.
 3. The indirect portion of the percentage of voting rights held by the parent company, etc. is owned by Toshiba Insurance Service Corporation (1.64%).

Companies which have the same parent company as the Company and other subsidiaries of the Company

Status	Name	Address	Capital (Millions of yen)	Business
Subsidiaries of the parent company	Toshiba Infrastructure Systems & Solutions Corporation	Kawasaki City, Kanagawa	¥ 10,000	Development, manufacture, sale and service of products and systems, related to the social infrastructure business
	Toshiba Energy Systems & Solutions Corporation	Kawasaki City, Kanagawa	¥ 10,000	Development, manufacture, and sale of products, systems, and services related to the energy business

Policy for determining trade terms and other related matters

- Notes: 1. Of the amount of business transactions, the transaction amount does not include consumption taxes while the balance at fiscal year-end does.

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)
	Business relationship					
Direct 49.89 Indirect 1.64	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. In addition, the Company deposits and withdraws funds.		Business transactions	Construction contracting (Note 4) Purchase of materials (Note 4)	Accounts receivable — completed work Other current assets Advances received on uncompleted construction contracts	¥ 64 \$ 576 ¥ 32 \$ 292
			Non-business transactions	Deposit of funds (Note 5) Withdrawal of funds (Note 5) Receipt of interest	Accounts payable — construction work Accounts payable non-trade Accrued expenses Group deposits	¥ 583 \$ 5,253 ¥ 73 \$ 658 ¥ 5 \$ 47 ¥ 77,470 \$ 697,991

4. The general terms and conditions are applied to the contract for construction. When purchasing materials, individual estimates are received and transaction amounts are determined through negotiations on a case-by-case basis.
5. The Company is depositing funds with and withdrawing funds from 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)
	Business relationship					
—	Construction contracting		Business transactions	Construction contracting (Note 2)	Accounts receivable - completed work Other current assets Advances received on uncompleted construction contracts	¥ 7,215 \$ 65,005 ¥ 4 \$ 33 ¥ 2 \$ 21
		Purchase of materials		Purchase of materials (Note 2)	Accounts payable - construction work Accounts payable non-trade Accrued expenses	¥ 4,907 \$ 44,210 ¥ 43 \$ 384 ¥ 11 \$ 99
—	Construction contracting		Business transactions	Construction contracting (Note 2)	Accounts receivable - completed work Other current assets Advances received on uncompleted construction contracts	¥ 49,677 \$ 447,578 ¥ 101 \$ 909 ¥ 1,066 \$ 9,603
		Purchase of materials		Purchase of materials (Note 2)	Accounts payable - construction work Accounts payable non-trade Accrued expenses	¥ 2,557 \$ 23,039 ¥ 125 \$ 1,122 ¥ 23 \$ 207

2. The general terms and conditions are applied to the contract for construction. When purchasing materials, individual estimates are received and transaction amounts are determined through negotiations on a case-by-case basis.

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	¥ 200,044	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, real estate trading, leasing and brokerage business, ceramic industry, mining, soil and gravel mining, electricity supply business and financial business 5. Business incidental or related to each of the abovementioned 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.

Policy for determining trade terms and other related matters

The Company is determining trade terms and depositing funds with and withdrawing funds from Toshiba Corporation under a basic agreement entered into between those subsidiaries and Toshiba Corporation concerning fund transactions.

Companies which have the same parent company as the Company and other subsidiaries of the Company

Status	Name	Address	Capital (Thousands of U.S. dollars)	Business
Company which has the same parent company	Toshiba Asia Pacific Pte. Ltd.	Singapore	\$ 4,853	In charge of general operations in the Asia-Pacific region

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

Policy for determining trade terms and other related matters

The Company's consolidated subsidiaries are depositing funds with and withdrawing funds from Toshiba Asia Pacific Pte. Ltd. under a basic agreement entered into between those subsidiaries and Toshiba Asia Pacific Pte. Ltd. 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)
		Business relationship					
	Direct 49.89 Indirect 1.64	Deposit and withdrawal of funds		Non-business transactions	Deposit of funds ¥ 15,186 \$ 136,821 Withdrawal of funds ¥ 22,045 \$ 198,619 Receipt of interest ¥ 29 \$ 264	Group deposits	¥ 2,106 \$ 18,975

	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)
		Business relationship					
	—	Deposit and withdrawal of funds		Non-business transaction	Deposit of funds ¥ 33,944 \$ 305,833 Withdrawal of funds ¥ 36,105 \$ 325,297 Receipt of interest ¥ 82 \$ 731	Group deposits	¥ 2,260 \$ 20,359

2018:

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	¥ 499,999	1. Manufacture of electric machinery and equipment 2. Manufacture of measuring instruments, medical equipment and apparatus, and other machinery and equipment 3. Software development and supply, electronic communication, broadcasting, information processing, information service 4. Chemical industry, metal industry, construction, real estate trading, leasing and brokerage business, ceramic industry, mining, soil and gravel mining, electricity supply business and financial business 5. Business incidental or related to each of the abovementioned businesses or industries 6. Investment in the company engaged in any of the above-mentioned businesses

Policy for determining trade terms and other related matters

- Notes: 1. Of the amount of business transactions, the transaction amount does not include consumption taxes while the balance at fiscal year-end does.
 2. Of the amount of non-business transactions, the transaction amount and the balance at fiscal year-end do not include consumption taxes.
 3. The indirect portion of the percentage of voting rights held by the parent company, etc. is owned by Toshiba Insurance Service Corporation (1.64%).
 4. The general terms and conditions are applied to the contract for construction. When purchasing materials, individual estimates are received and transaction amounts are determined through negotiations on a case-by-case basis.
 5. The Company is depositing funds with and withdrawing funds from Toshiba Corporation under a basic agreement entered into between the Company and Toshiba Corporation concerning fund transactions.

Companies which have the same parent company as the Company and other subsidiaries of the Company

Status	Name	Address	Capital (Millions of yen)	Business
Subsidiaries of the parent company	Toshiba Memory Corporation	Minato-ku, Tokyo	¥ 10,000	Business involving the development, manufacture, and sale of memory and related products, and other relevant businesses
	Toshiba Infrastructure Systems & Solutions Corporation	Kawasaki City, Kanagawa	¥ 10,000	Development, manufacture, and sale of products, systems, and services related to the social infrastructure business
	Toshiba Energy Systems & Solutions Corporation	Kawasaki City, Kanagawa	¥ 10,000	Development, manufacture, and sale of products, systems, and services related to the energy business

Policy for determining trade terms and other related matters

- Notes: 1. Of the amount of business transactions, the transaction amount does not include consumption taxes while the balance at fiscal year-end does.
 2. The general terms and conditions are applied to the contract for construction.

	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)	
		Business relationship						
	Direct 49.89 Indirect 1.64	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. In addition, the Company deposits and withdraws funds.		Business transactions	Construction contracting (Note 4)	¥ 44,380	Accounts receivable – completed work	¥ 104
					Purchase of materials (Note 4)	¥ 8,485	Other current assets	¥ 171
							Advances received on uncompleted construction contracts	¥ 0
			Non-business transactions	Deposit of funds (Note 5)	¥ 96,910	Accounts payable – construction work	¥ 1,450	
				Withdrawal of funds (Note 5)	¥ 14,110	Accounts payable non-trade	¥ 70	
				Receipt of interest	¥ 222	Accrued expenses	¥ 7	
						Group deposits	¥ 82,800	

	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)	
		Business relationship						
	—	Construction contracting		Business transactions	Construction contracting (Note 2)	¥ 13,493	Accounts receivable - completed work	¥ 5,252
	—	Construction contracting		Business transactions	Construction contracting (Note 2)	¥ 12,794	Accounts receivable - completed work	¥ 7,098
	—	Construction contracting		Business transactions	Construction contracting (Note 2)	¥ 53,922	Accounts receivable - completed work	¥ 53,467
							Advances received on uncompleted construction contracts	¥ 211

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

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

Not applicable

Companies which have the same parent company as the Company and other subsidiaries of the Company

Status	Name	Address	Capital (Thousands of U.S. dollars)	Business
Company which has the same parent company	Toshiba Asia Pacific Pte. Ltd.	Singapore	\$ 4,853	In charge of general operations in the Asia-Pacific region

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

Policy for determining trade terms and other related matters

The Company's consolidated subsidiaries are depositing funds with and withdrawing funds from Toshiba Asia Pacific Pte. Ltd. under a basic agreement entered into between those subsidiaries and Toshiba Asia Pacific Pte. Ltd. concerning fund transactions.

24. Notes concerning the parent company or important affiliates

Parent company information: Toshiba Corporation (listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange)

25. Significant Subsequent Events

As a result of unexpected stock outage, the occurrence of material nonconformities, and the rainy season arriving unexpectedly at the coal-fired thermal power plant operating in Cambodia, our subsidiary, TPSC (THAILAND) CO., LTD., has seen delays in project progress. As a result of increasing subcontractor costs incurred in order to recover from these process delays, we have incurred an additional ¥2.9 billion (US\$26,150 thousand) in construction costs (cost of sales) by June 30, 2019.

There may be changes regarding the amount of increase in construction costs due to future negotiations with subcontractors.

	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)
		Business relationship					
	—	Deposit and withdrawal of funds		Non-business transaction	Deposit of funds ¥ 6,460 Withdrawal of funds ¥ 2,040 Receipt of interest ¥ 4	Group deposits	¥ 4,420

26. Scope of Consolidation

All the subsidiaries are consolidated subsidiaries.
Number of consolidated subsidiaries: 13
Names of consolidated subsidiaries are as follows.

SHIBAURA PLANT CORPORATION
KANSAI TOSHIBA ENGINEERING CORPORATION
TOSHIBA ENGINEERING SERVICE CORPORATION
ES TOSHIBA ENGINEERING CORPORATION
S-K-S CORPORATION
PT. TPSC ENGINEERING INDONESIA
TPSC (INDIA) PRIVATE LIMITED
TPSC ENGINEERING (MALAYSIA) SDN. BHD.
TOSPLANT ENGINEERING (THAILAND) CO., LTD.
TPSC (THAILAND) CO., LTD.
TPSC US CORPORATION
TPSC (VIETNAM) CO., LTD.
TPSC PHILIPPINES CORPORATION

27. Application of Equity Method

The equity method is applied to all affiliates. The company has one affiliate, Toshiba Power Systems Inspection Services Co., Ltd.

28. Fiscal Year of Consolidated Subsidiaries

The balance sheet dates of all consolidated subsidiaries are the same as the consolidated balance sheet date.

29. Change in Presentation

I) Change in conjunction with application of "Partial Amendments to Accounting Standard for Tax Effect Accounting"

The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) effective from the beginning of the fiscal year ended March 31, 2019. Accordingly, deferred tax assets (if any) were presented under "investments and other assets" and deferred tax liabilities (if any) were presented under "long-term liabilities," and the Company has changed the notes on tax effect accounting.

As a result, ¥3,666 million in "deferred tax assets" that had been presented in "deferred tax assets" under current assets in the consolidated balance sheet for the previous fiscal year has been included in ¥12,577 million in "deferred tax assets" under investments and other assets.

II) Consolidated statement of income

"Dividend income of insurance" under other income, which was listed separately in the previous fiscal year, is included in "other" under other income in the fiscal year ended March 31, 2019 as it now accounts for 10% or less of the total other income. The consolidated financial statements of the previous fiscal year have been reclassified to reflect this change in presentation.

30. Stock Information

As a result, an amount of ¥90 million presented as “dividend income of insurance” under other income in the consolidated statement of income of the previous fiscal year has been reclassified as “other.”

“Loss on disposal of fixed assets,” which was included in “other” under other expenses in the previous fiscal year, is listed separately in the fiscal year ended March 31, 2019 as it now accounts for more than 10% of other expenses. The consolidated financial statements of the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, an amount of ¥73 million presented as “other” under other expenses in the consolidated statement of income of the previous fiscal year has been reclassified as ¥8 million in “loss on disposal of fixed assets” and ¥65 million in “other.”

Class and total number of issued shares and class and number of treasury stock

Year ended March 31, 2019	Thousands of shares			
	2019			
	Number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	Number of shares at the end of the fiscal year
Number of issued shares				
Common stock	97,656	—	—	97,656
Total	97,656	—	—	97,656
Treasury stock				
Common stock (Note)	244	0	—	244
Total	244	0	—	244

Note: The 0 thousand share increase in the number of treasury stock of common stock is due to the purchase of shares constituting less than one unit of shares.

Year ended March 31, 2018	Thousands of shares			
	2018			
	Number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	Number of shares at the end of the fiscal year
Number of issued shares				
Common stock	97,656	—	—	97,656
Total	97,656	—	—	97,656
Treasury stock				
Common stock (Note)	243	1	—	244
Total	243	1	—	244

Note: The 1 thousand share increase in the number of treasury stock of common stock is due to the purchase of shares constituting less than one unit of shares.

31. Quarterly Information for the Fiscal Year under Review

Cumulative period	Millions of yen				Thousands of U.S. dollars
	2019				2019
	First three months	First six months	First nine months	Current fiscal year	Current fiscal year
Net sales	¥ 44,035	¥ 107,974	¥ 158,572	¥ 244,239	\$ 2,200,554
Profit before income taxes	41,125	10,759	14,589	22,097	199,093
Profit attributable to owners of parent	2,608	7,051	9,464	14,354	129,332
	Yen				U.S. dollars
Earnings per share	¥ 26.77	¥ 72.39	¥ 97.16	¥ 147.35	\$ 1.33

Accounting period	Yen				U.S. dollars
	2019				2019
	First quarter	Second quarter	Third quarter	Fourth quarter	Fourth quarter
Earnings per share	¥ 26.77	¥ 45.61	¥ 24.77	¥ 50.19	\$ 0.45



Independent Auditor's Report

To the Board of Directors of TOSHIBA PLANT SYSTEMS & SERVICES CORPORATION

We have audited the accompanying consolidated financial statements of TOSHIBA PLANT SYSTEMS & SERVICES CORPORATION ("the Company") and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2019, 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.

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 such internal control as management determines is necessary to enable the preparation of 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 comply with ethical requirements and 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. In making those risk assessments, the auditor considers internal control 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, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the entity's internal control. 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 the Company and its consolidated subsidiaries as at March 31, 2019, and their consolidated financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2019 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 to the consolidated financial statements.

PricewaterhouseCoopers Aarata LLC

August 30, 2019

PricewaterhouseCoopers Aarata LLC
Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan
T: +81 (3) 6212 6800, F: +81 (3) 6212 6801, www.pwc.com/jp/assurance

Stock Information As of March 31, 2019

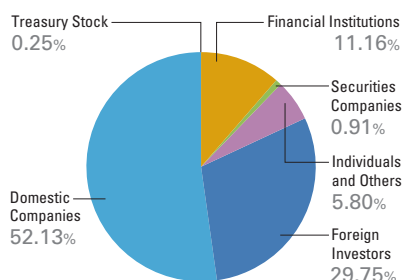
Common Stock:
265,000,000 shares

Issued and Outstanding:
97,656,888 shares

Total Number of Shareholders:
3,318

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	48,574	49.87%
The Master Trust Bank of Japan Limited (Trust Account)	3,902	4.01%
GOLDMAN, SACHS & CO. REG,	2,983	3.06%
State Street Bank and Trust Company 510312	2,431	2.50%
State Street Bank and Trust Company 510311	2,353	2.42%
Japan Trustee Services Bank, Ltd. (Trust Account)	1,664	1.71%
Toshiba Insurance Service Corporation	1,600	1.64%
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	1,558	1.60%
Toshiba Plant Systems & Services Employees' Shareholding Association	1,513	1.55%
THE BANK OF NEW YORK MELLON 140051	1,209	1.24%
Total of 10 shareholders	67,791	69.59%

Corporate Data As of June 20, 2019

SENIOR MANAGEMENT AND CORPORATE AUDITORS

President and Chief Executive Officer, Representative Director
Koichi Harazono

Executive Vice Presidents and Directors
Koichi Kamei
Yasuo Yamazaki

Senior Vice President and Director
Masayuki Kitabayashi

Vice Presidents and Directors

Kazunori Tsuruhara
Kohji Shiotsuki
Kazuhiro Uchino
Nobuyuki Tada

Director
Yoshikatsu Tanaka

Outside Directors
Kishiko Wada
Yoshikazu Yokoyama

Executive Officers
Yoshiteru Yamamoto
Noriyoshi Kobayashi
Shizuhiko Kondo
Shinji Hayashi
Tomoki Terasawa
Toshinobu Nakajo
Takashi Mochizuki
Nobuyuki Tomizawa
Toshimitsu Yoshida
Yukio Ohmae

Statutory Auditors
Takehisa Uchiyama
Tomohiko Yabu
Takashi Ishii
Yoji Goso

DOMESTIC OFFICES

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Kawasaki Solid Square Office

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SUBSIDIARIES AND AFFILIATES

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VEGENOVA CORP.

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Toshiba Plant Systems & Services Corporation

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