

# Statements of Operations and Retained Earnings (consolidated)

TOSHIBA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

Years ended March 31, 2000 and 1999

	Millions of yen 2000	Millions of yen 1999	Thousands of U.S. dollars 2000
<b>Net sales</b>	<b>¥109,283</b>	¥125,352	<b>\$1,029,515</b>
Cost of sales	<b>80,852</b>	90,694	<b>761,677</b>
Gross profit	<b>28,431</b>	34,658	<b>267,838</b>
<b>Selling, general and administrative expenses</b>	<b>30,310</b>	33,779	<b>285,539</b>
Operating income (loss)	<b>(1,879)</b>	879	<b>(17,701)</b>
<b>Other income:</b>			
Interest and dividends	<b>158</b>	343	<b>1,488</b>
Gain on sale of property, plant and equipment	<b>2,440</b>	—	<b>22,986</b>
Others	<b>1,351</b>	829	<b>12,728</b>
	<b>3,949</b>	1,172	<b>37,202</b>
<b>Other expenses:</b>			
Interest	<b>1,541</b>	1,591	<b>14,517</b>
Special benefits for employees retired under early retirement program	<b>6,421</b>	—	<b>60,490</b>
Others	<b>2,887</b>	1,316	<b>27,198</b>
	<b>10,849</b>	2,907	<b>102,205</b>
Loss before income taxes and minority interests	<b>(8,779)</b>	(856)	<b>(82,704)</b>
<b>Income taxes:</b>	<b>171</b>	524	<b>1,611</b>
Current	<b>471</b>	524	<b>4,437</b>
Deferred	<b>(300)</b>	—	<b>(2,826)</b>
Minority interests in income of consolidated subsidiaries	<b>289</b>	54	<b>2,723</b>
Net loss	<b>8,661</b>	1,326	<b>81,592</b>
<b>Retained earnings:</b>			
Balance at beginning of year	<b>12,081</b>	14,262	<b>113,811</b>
Increase due to addition of subsidiaries to consolidation	<b>293</b>	—	<b>2,760</b>
Cumulative effect of change in accounting for income taxes	<b>493</b>	—	<b>4,644</b>
Cash dividends	<b>—</b>	835	<b>—</b>
Directors' and statutory auditors' bonuses	<b>21</b>	20	<b>198</b>
Balance at end of year	<b>4,185</b>	12,081	<b>39,425</b>
<b>Net loss per share of common stock</b>	<b>¥ (51.90)</b>	¥ (7.95)	<b>\$ (0.49)</b>

In millions of yen (thousands of U.S. dollars) except for Earnings per common share.  
See accompanying notes to financial statements.