

# Consolidated Statements of Operations

Toshiba Machine Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31, 2001 and 2000

|   | Millions of yen |                 | Thousands of<br>U.S. dollars |
|---|-----------------|-----------------|------------------------------|
|   | 2001            | 2000            | 2001                         |
| <b>Net sales</b>  | <b>¥127,359</b> | <b>¥109,283</b> | <b>\$1,027,918</b>           |
| Cost of sales   | <b>92,048</b>   | 80,852          | <b>742,922</b>               |
| Gross profit  | <b>35,311</b>   | 28,431          | <b>284,996</b>               |
| <b>Selling, general and administrative expenses</b>                   | <b>30,883</b>   | 30,310          | <b>249,258</b>               |
| Operating income (loss)   | <b>4,428</b>    | (1,879)         | <b>35,738</b>                |
| <b>Other income:</b>  |                 |                 |                              |
| Interest and dividends  | <b>193</b>      | 158             | <b>1,558</b>                 |
| Gain on sale of property, plant and equipment                         | —               | 2,440           | —                            |
| Others  | <b>1,627</b>    | 1,351           | <b>13,131</b>                |
|   | <b>1,820</b>    | 3,949           | <b>14,689</b>                |
| <b>Other expenses:</b>  |                 |                 |                              |
| Interest  | <b>1,566</b>    | 1,541           | <b>12,639</b>                |
| Special benefits for employees retired under early retirement program | <b>417</b>      | 6,421           | <b>3,366</b>                 |
| Others  | <b>2,142</b>    | 2,887           | <b>17,287</b>                |
|   | <b>4,125</b>    | 10,849          | <b>33,292</b>                |
| Income (Loss) before income taxes and minority interests              | <b>2,123</b>    | (8,779)         | <b>17,135</b>                |
| <b>Income taxes: (Note 11)</b>  | <b>733</b>      | 171             | <b>5,916</b>                 |
| Current   | <b>882</b>      | 471             | <b>7,119</b>                 |
| Deferred  | <b>(149)</b>    | (300)           | <b>(1,203)</b>               |
| Minority interests in loss of consolidated subsidiaries               | <b>168</b>      | 289             | <b>1,356</b>                 |
| Net income (loss)   | <b>¥1,558</b>   | <b>¥(8,661)</b> | <b>\$12,575</b>              |
|   | Yen             |                 | U.S. dollars                 |
| <b>Net income (loss) per share of common stock</b>                    | <b>¥9.33</b>    | <b>¥(51.90)</b> | <b>\$0.08</b>                |

See accompanying notes to financial statements.

# Consolidated Statements of Shareholders' Equity

Toshiba Machine Co., Ltd. and Consolidated Subsidiaries

|  | Millions of yen     |                           |                               |                      |
|--|---------------------|---------------------------|-------------------------------|----------------------|
|  | Number of<br>shares | Common<br>stock           | Additional paid<br>in capital | Retained<br>earnings |
| Balance at March 31, 1999                                  | <b>166,885,530</b>  | <b>¥12,485</b>            | <b>¥19,405</b>                | <b>¥12,081</b>       |
| Cumulative effect of change in accounting for income taxes |                     |                           |                               | <b>493</b>           |
| Increased due to change in consolidation of subsidiaries   |                     |                           |                               | <b>293</b>           |
| Net loss   |                     |                           |                               | <b>8,661</b>         |
| Bonuses to directors and statutory auditors                |                     |                           |                               | <b>21</b>            |
| Balance at March 31, 2000                                  | <b>166,885,530</b>  | <b>12,485</b>             | <b>19,405</b>                 | <b>4,185</b>         |
| Net income   |                     |                           |                               | <b>1,558</b>         |
| Bonuses to directors and statutory auditors                |                     |                           |                               | <b>18</b>            |
| Balance at March 31, 2001                                  | <b>166,885,530</b>  | <b>¥12,485</b>            | <b>¥19,405</b>                | <b>¥5,725</b>        |
|  |                     | Thousands of U.S. dollars |                               |                      |
| Balance at March 31, 2000                                  |                     | <b>\$100,767</b>          | <b>\$156,618</b>              | <b>\$33,777</b>      |
| Net income   |                     |                           |                               | <b>12,575</b>        |
| Bonuses to directors and statutory auditors                |                     |                           |                               | <b>145</b>           |
| Balance at March 31, 2001                                  |                     | <b>\$100,767</b>          | <b>\$156,618</b>              | <b>\$46,207</b>      |

See accompanying notes to financial statements.