

CONSOLIDATED STATEMENTS OF INCOME

TOSHIBA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES
 Years ended March 31, 2006 and 2005

	Millions of yen		Thousands of U.S. dollars
	2006	2005	2006
Net sales	¥144,356	¥123,573	\$1,228,875
Cost of sales (Note 13)	98,394	85,598	837,609
Gross profit	45,962	37,975	391,266
Selling, general and administrative expenses (Note 13)	29,411	25,742	250,370
Operating income	16,551	12,233	140,896
Other income:			
Interest and dividends	129	98	1,098
Gain on sales of property, plant and equipment	718	26	6,112
Others	2,488	472	21,180
	3,335	596	28,390
Other expenses:			
Interest	471	521	4,010
Special benefits for employees retired under early retirement program	—	356	—
Amortization of transitional obligation for employee's retirement benefits (Note 7)	818	827	6,963
Gain on sales of investment in consolidated subsidiaries	1,366	—	11,629
Others	516	947	4,393
	3,171	2,651	26,995
Income before income taxes and minority interest	16,715	10,178	142,291
Income taxes:(Note 11)			
Current	7,189	4,597	61,199
Deferred	(1,194)	(1,657)	(10,165)
	5,995	2,940	51,034
Income before minority interest	10,720	7,238	91,257
Minority interest in income of consolidated subsidiaries	238	145	2,026
Net income	¥10,482	¥7,093	\$89,231
		Yen	U.S. dollars
Net income per share of common stock	¥63.16	¥42.48	\$0.54

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

TOSHIBA MACHINE CO., LTD.AND CONSOLIDATED SUBSIDIARIES

Years ended March 31, 2006 and 2005

	Millions of yen							
	Number of Shares	Common stock	Additional paid in capital	Retained earnings	Unrealized gain on securities,net	Translation adjustments	Treasury stock	Total
Balance at March 31, 2004	166,885,530	¥ 12,485	¥ 19,405	¥ 8,517	¥ 2,286	(¥ 453)	(¥ 10)	¥ 42,230
Net income				7,093				7,093
Purchase of treasury stock							(811)	(811)
Increase due to newly consolidated subsidiaries				11				11
Cash dividends				(1,001)				(1,001)
Bonuses to directors and statutory auditors				(29)				(29)
Merger of consolidated subsidiaries				(129)				(129)
Liquidation of consolidated subsidiary				(1)				(1)
Unrealized gain on securities					461			461
Change in translation adjustments						(200)		(200)
Balance at March 31, 2005	166,885,530	12,485	19,405	14,461	2,747	(653)	(821)	47,624
Net income				10,482				10,482
Exchange of stock for shares of affiliated company			133					133
Purchase of treasury stock							(14)	(14)
Cash dividends				(1,485)				(1,485)
Bonuses to directors and statutory auditors				(35)				(35)
Unrealized gain on securities					3,006			3,006
Change in translation adjustments						494		494
Exchange of treasury stock, or decrease sales of treasury stock,net							142	142
Balance at March 31, 2006	166,885,530	¥ 12,485	¥ 19,538	¥ 23,423	¥ 5,753	(¥ 159)	(¥ 693)	¥ 60,347
	Thousands of U.S. dollars							
		Common stock	Additional paid in Capital	Retained earnings	Unrealized gain on securities,net	Translation adjustments	Treasury stock	Total
Balance at March 31, 2005		\$106,282	\$165,190	\$123,104	\$23,385	(\$5,559)	(\$6,989)	\$405,413
Net income				89,231				89,231
Exchange of stock for shares of affiliated company			1,133					1,133
Purchase of treasury stock							(119)	(119)
Cash dividend				(12,641)				(12,641)
Bonuses to directors and statutory auditors				(298)				(298)
Unrealized gain on securities					25,589			25,589
Change in translation adjustments						4,206		4,206
Exchange of treasury stock, or decrease sales of treasury stock,net							1,209	1,209
Balance at March 31, 2006		\$106,282	\$166,323	\$199,396	\$48,974	(\$1,353)	(\$5,899)	\$513,723

See accompanying notes to financial statements.