

Financial Review

CONSOLIDATED BALANCE SHEETS

TOSHIBA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

March 31, 2007 and 2006

ASSETS	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Current assets:			
Cash and time deposits (Note 13)	¥36,028	¥39,410	\$305,193
Notes and accounts receivable, trade	65,328	56,142	553,393
Allowance for doubtful receivables	(449)	(433)	(3,803)
Net receivables	64,879	55,709	549,590
Inventories:			
Finished products	3,510	3,032	29,733
Work in process	37,072	31,670	314,036
Raw materials and supplies	1,067	2,207	9,039
Total inventories	41,649	36,909	352,808
Deferred tax assets (Note 12)	2,779	2,540	23,541
Other current assets	2,416	1,337	20,464
Total current assets	147,751	135,905	1,251,596
Property, plant and equipment, net (Notes 6 and 11)	25,393	22,844	215,104
Intangible Assets	824	735	6,980
Investments and other assets:			
Investments in:			
Unconsolidated subsidiaries and affiliates	193	153	1,635
Other securities (Note 5)	11,916	11,488	100,940
Long-term loans	243	282	2,058
Deferred tax assets (Note 12)	612	342	5,184
Other investments	1,114	728	9,438
Total investments and other assets	14,078	12,993	119,255
Total assets	¥188,046	¥172,477	\$1,592,935

See accompanying notes to financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Current liabilities:			
Short-term bank loans (Notes 7 and 11)	¥21,707	¥26,809	\$183,880
Current portion of long-term debt (Notes 7 and 11)	1,100	1,538	9,318
Notes and accounts payable, trade	49,480	40,992	419,144
Income taxes payable (Note 12)	5,403	5,323	45,769
Accrued expenses	7,296	6,240	61,804
Warranty reserve	113	88	957
Other current liabilities	8,302	6,885	70,326
Total current liabilities	93,401	87,875	791,198
Long-term liabilities:			
Long-term debt (Notes 7 and 11)	10,150	9,840	85,981
Deferred tax liabilities (Note 12)	3,198	2,937	27,090
Accrued employees' retirement benefits (Note 8)	10,268	9,116	86,980
Total long-term liabilities	23,616	21,893	200,051
Total liabilities	117,017	109,768	991,249
Contingent liabilities (Note 9)			
Net assets:			
Shareholders' equity: (Note 16)			
Common stock			
Authorized – 360,000,000 shares			
Issued – 166,885,530 shares	12,485	12,485	105,760
Additional paid-in capital	19,601	19,538	166,040
Retained earnings	31,895	23,423	270,182
Treasury stock, at cost (2,824,714 shares in 2007, 1,717,748 shares in 2006)	(2,072)	(693)	(17,552)
Total shareholders' equity	61,909	54,753	524,430
Valuation and translation adjustments:			
Unrealized holding gain on securities, net of tax	6,010	5,753	50,911
Deferred gains or losses on hedge	14	—	119
Foreign currency translation adjustments	(0)	(159)	(0)
Total valuation and translation adjustments	6,024	5,594	51,030
Minority interest in consolidated subsidiaries:	3,096	2,362	26,226
Total net assets	71,029	62,709	601,686
Total liabilities and net assets	¥188,046	¥172,477	\$1,592,935

See accompanying notes to financial statements.