

CONSOLIDATED STATEMENTS OF INCOME

TOSHIBA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES
Years ended March 31, 2007 and 2006

	Millions of yen		Thousands of U.S. dollars
	2007	2006	2007
Net sales	¥164,386	¥144,356	\$1,392,512
Cost of sales (Note 16)	109,801	98,394	930,123
Gross profit	54,585	45,962	462,389
Selling, general and administrative expenses (Notes 14 and 16)	34,078	29,411	288,674
Operating income	20,507	16,551	173,715
Other income:			
Interest and dividends	228	129	1,931
Exchange gain	357	584	3,024
Gain on sales of property, plant and equipment	—	714	—
Gain on sales of investment in consolidated subsidiaries	517	1,366	4,380
Gain on sales of investment in securities	22	120	186
Gain on sales of golf membership	20	—	169
Others	559	422	4,736
	1,703	3,335	14,426
Other expenses and losses:			
Interest	514	471	4,354
Loss on sale of bill	123	84	1,042
Amortization of transitional obligation for employee's retirement benefits (Note 7)	818	818	6,929
Loss on disposal of property, plant and equipment	198	174	1,677
Loss on impairment of fixed assets	33	—	280
Allotment of transfer construction (Note 15)	300	—	2,541
Loss on settlement of dispute (Note 15)	—	915	—
Others	474	709	4,016
	2,460	3,171	20,839
Income before income taxes and minority interest	19,750	16,715	167,302
Income taxes (Note 12)			
Current	8,802	7,189	74,562
Deferred	(365)	(1,194)	(3,092)
	8,437	5,995	71,470
Income before minority interest	11,313	10,720	95,832
Minority interest in income of consolidated subsidiaries	484	238	4,100
Net income	¥10,829	¥10,482	\$91,732
		Yen	U.S. dollars
Net income per share of common stock	¥65.80	¥63.16	\$0.56

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

TOSHIBA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

Years ended March 31, 2007 and 2006

Millions of yen									
	Number of Shares	Common Stock	Additional paid in capital	Retained earnings	Treasury stock	Unrealized gain on securities, net	Deferred gains or losses on hedge	Translation adjustments	Minority Interest in consolidated subsidiaries
Balance at March 31, 2005	166,885,530	¥12,485	¥19,405	¥14,461	(¥821)	¥2,747	—	(¥653)	¥809
Net income				10,482					
Exchange of stock for shares of affiliated company			133						
Purchase of treasury stock					(14)				
Disposal of treasury stock					142				
Cash dividends				(1,485)					
Bonuses to directors and statutory auditors				(35)					
Net changes in items other than shareholders' equity						3,006		494	1,553
Balance at March 31, 2006	166,885,530	12,485	19,538	23,423	(693)	5,753	—	(159)	2,362
Net income				10,829					
Purchase of treasury stock					(1,474)				
Disposal of treasury stock			63		95				
Cash dividends				(2,306)					
Bonuses to directors and statutory auditors				(51)					
Net changes in items other than shareholders' equity						257	14	159	734
Balance at March 31, 2007	166,885,530	¥12,485	¥19,601	¥31,895	(¥2,072)	¥6,010	14	(¥0)	¥3,096

Thousands of U.S. dollars									
	Common Stock	Additional paid in capital	Retained earnings	Treasury stock	Unrealized gain on securities, net	Deferred gains or losses on hedge	Translation adjustments	Minority Interest in consolidated subsidiaries	
Balance at March 31, 2006	\$105,760	\$165,506	\$198,416	(\$5,870)	\$48,734	—	(\$1,347)	\$20,008	
Net income			91,732						
Purchase of treasury stock				(12,486)					
Disposal of treasury stock		534		804					
Cash dividends			(19,534)						
Bonuses to directors and statutory auditors			(432)						
Net changes in items other than shareholders' equity					2,177	119	1,347	6,218	
Balance at March 31, 2007	\$105,760	\$166,040	\$270,182	(\$17,552)	\$50,911	\$119	(\$0)	\$26,226	

See accompanying notes to financial statements.