

# Financial Review

## CONSOLIDATED BALANCE SHEETS

TOSHIBA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

March 31, 2008 and 2007

ASSETS	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
<b>Current assets:</b>			
Cash and time deposits (Note 15)	¥17,083	¥36,028	\$170,506
Marketable securities (Note 6)	17,500	—	174,668
Notes and accounts receivable, trade	53,918	65,328	538,157
Allowance for doubtful receivables	(378)	(449)	(3,773)
Net receivables	53,540	64,879	534,384
<b>Inventories:</b>			
Finished products	5,069	3,510	50,594
Work in process	23,892	37,072	238,466
Raw materials and supplies	1,177	1,067	11,748
Total inventories	30,138	41,649	300,808
Deferred tax assets (Note 14)	3,090	2,779	30,841
Other current assets	1,530	2,416	15,273
Total current assets	122,881	147,751	1,226,480
Property, plant and equipment, net (Notes 7 and 13)	22,444	25,393	224,014
Intangible assets	620	824	6,188
<b>Investments and other assets:</b>			
Investments in:			
Unconsolidated subsidiaries and affiliates (Note 5)	3,283	193	32,768
Other securities (Note 6)	5,875	11,916	58,639
Long-term loans	205	243	2,046
Deferred tax assets (Note 14)	2,124	612	21,200
Other investments	566	1,114	5,649
Total investments and other assets	12,053	14,078	120,302
<b>Total assets</b>	<b>¥157,998</b>	<b>¥188,046</b>	<b>\$1,576,984</b>

See accompanying notes to financial statements.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
<b>Current liabilities:</b>			
Short-term bank loans (Notes 8 and 13)	¥11,500	¥21,707	\$114,782
Current portion of long-term debt (Note 8)	8,650	1,100	86,336
Notes and accounts payable, trade	37,875	49,480	378,032
Income taxes payable (Note 14)	5,824	5,403	58,130
Accrued expenses	6,265	7,296	62,531
Warranty reserve	86	113	858
Other current liabilities	6,268	8,302	62,561
Total current liabilities	76,468	93,401	763,230
<b>Long-term liabilities:</b>			
Long-term debt (Note 8)	—	10,150	—
Long-term accounts payable, other	2,009	—	20,052
Deferred tax liabilities (Note 14)	—	3,198	—
Accrued employees' retirement benefits (Note 9)	9,310	10,268	92,923
Accrued directors' retirement benefits	207	—	2,066
Total long-term liabilities	11,526	23,616	115,041
Total liabilities	87,994	117,017	878,271
<b>Contingent liabilities (Note 10)</b>			
<b>Net assets:</b>			
<b>Shareholders' equity: (Note 19)</b>			
Common stock			
Authorized – 360,000,000 shares			
Issued – 166,885,530 shares	12,485	12,485	124,613
Additional paid-in capital	19,601	19,601	195,638
Retained earnings	43,879	31,895	437,958
Treasury stock, at cost (9,836,006 shares in 2008, 2,824,714 shares in 2007)	(8,398)	(2,072)	(83,820)
Total shareholders' equity	67,567	61,909	674,389
<b>Valuation and translation adjustments:</b>			
Unrealized holding gain on securities, net of tax	2,470	6,010	24,653
Deferred gains or losses on hedge	23	14	230
Foreign currency translation adjustments	(56)	(0)	(559)
Total valuation and translation adjustments	2,437	6,024	24,324
<b>Minority interest in consolidated subsidiaries</b>	—	3,096	—
<b>Total net assets</b>	<b>70,004</b>	<b>71,029</b>	<b>698,713</b>
<b>Total liabilities and net assets</b>	<b>¥157,998</b>	<b>¥188,046</b>	<b>\$1,576,984</b>

See accompanying notes to financial statements.