TOSHIBA

SEMIANNUAL REPORT 1998

for the six months ended September 30, 1998

TOSHIBA CORPORATION

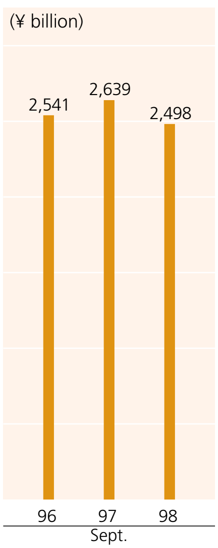
Financial Highlights

Toshiba Corporation and its subsidiaries
For the six months ended September 30, 1998 and 1997 (unaudited)

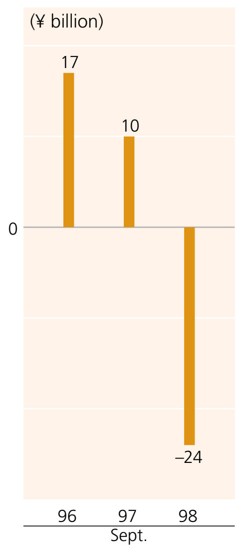
	Millions of yen		Thousands of U.S. dollars
	1998	1997	1998
Net sales – Japan	¥1,447,985	¥1,621,060	$10,725,815
– Overseas	1,050,292	1,018,397	7,779,941
Net sales	2,498,277	2,639,457	18,505,756
(Loss) income before income taxes (benefit) expense and minority interest	(40,985)	8,741	(303,593)
Net (loss) income	(23,644)	9,547	(175,141)
Research and development expenditures	150,311	156,753	1,113,415
Shareholders' equity	1,171,229	1,240,191	8,675,770
	Yen		U.S. dollars
Per share of common stock:			
Net (loss) income—			
Basic	¥(7.35)	¥2.97	$(0.054)
Diluted	¥(7.35)	¥2.97	$(0.054)
Cash dividends	¥ 3.00	¥5.00	$ 0.022

Note: See Notes on page 9.

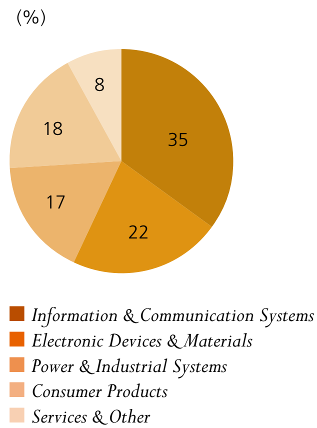
Net Sales



Net Income



Share of Net Sales



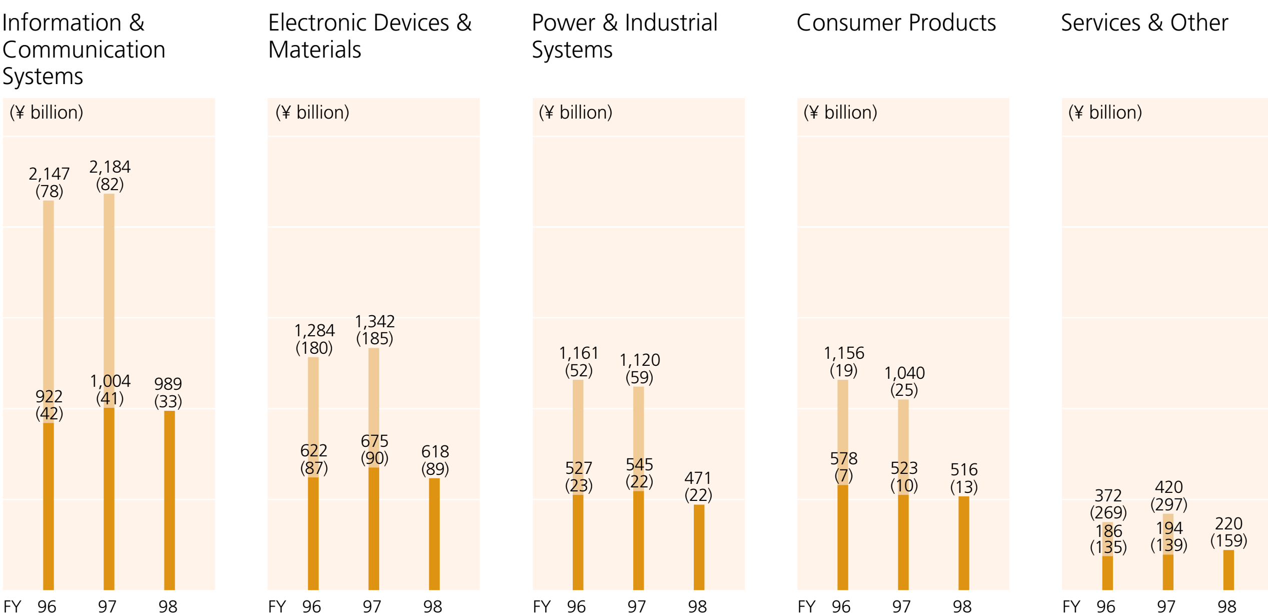
Note: Shares of net sales are based on net sales before elimination of intersegment transactions.

To Our Shareholders

Toshiba Corporation's consolidated net sales decreased 5 percent to ¥2,498.3 billion (US$18,506 million) in the first half of the fiscal year ending on March 31, 1999. A steep drop in prices of 64M DRAMs was the major cause. Slumping Asian economies limited demand for semiconductors used in consumer products, further pulling down semiconductor sales. Additionally, sales prices of computer-related products such as monitors, LCDs and peripherals were sluggish. Stagnant demand for power generation and industrial equipment was one more factor behind the lower sales. Although the PC category improved, Toshiba reported a net loss of ¥23.6 billion (US$175 million) for the period. In light of this disappointing performance, the interim cash dividend was reduced by ¥2 to ¥3 (US$0.02) per share.

Toshiba has recently embarked on a far-reaching program to bring about fundamental changes in how we operate. Our objective is clear: to re-establish Toshiba as a company that can compete on a global scale. We are determined to implement the necessary steps as quickly as possible and build an organization that can meet the expectations of our investors.

Net Sales by Industry Segments



Notes: 1. Prior-period data for the first half ended September 30, 1997 have been reclassified to conform with the current classification and segments.
2. Segment sales totals include intersegment transactions. Intersegment transactions appear in parentheses for reference.

First half
Year

Information & Communication Systems

Six months ended September 30	Billions of yen 1998	1997
Net sales	¥988.5	¥1,004.5
Pct. change	–2%	+9%
Pct. of total sales	35%	34%

Notes: 1. See Notes on page 12.
2. Segment sales include intersegment transactions.

Segment sales decreased 2 percent compared with the same period of the previous fiscal year. PC sales increased overseas and earnings recovered substantially, although prices continued to fall in the U.S. Earnings improved mainly because of the lower inventory resulting from the shift to a build-to-order system that started in late fiscal 1997, the introduction of slim notebook PCs and other new models, and the decision to produce desktop PCs exclusively for the corporate market. PC peripheral sales were down as price competition in CD-ROM drives and HDDs outweighed a big increase in DVD-ROM drive sales. In computer and network equipment, PC server sales grew, but sales in this category fell due to a decline in orders from the manufacturing and public sectors. In communications equipment, demand was brisk for broadcasting systems in Japan and for undersea cable equipment overseas. However, overall sales in this sector were lower due to poor conditions in Japan's PHS mobile telephone market. Sales of medical systems rose, paced by favorable results in Japan and healthy orders for X-ray CT scanners and MRI equipment outside Japan.

Electronic Devices & Materials

Six months ended September 30	Billions of yen 1998	1997
Net sales	¥618.4	¥674.5
Pct. change	–8%	+8%
Pct. of total sales	22%	23%

Notes: 1. See Notes on page 12.
2. Segment sales include intersegment transactions.

Sales in this segment were down 8 percent. A dramatic fall in market prices for 64M DRAMs was mainly responsible for declines in semiconductor sales and earnings. Semiconductor results were also affected by persistent weakness in demand for discrete, bipolar and other ICs because of a downturn in demand for consumer goods in Asia. Toshiba is responding in a number of ways. An expanded line of advanced memory products with 100MHz main memory buses will enhance competitiveness, and the start of mass production using 0.20 micron processes will bring down costs. Growth in SRAMs and flash memories will reduce Toshiba's reliance on DRAMs. We also plan to outsource more DRAM, standard logic IC and system LSI production. In LCDs, volumes remained high for models used in notebook PCs and car navigation equipment. Nevertheless, sales were down substantially in Japan and overseas as an oversupply of LCDs and declining PC prices sparked a precipitous drop in LCD prices. Toshiba is determined to set itself apart from competitors and improve LCD sales and earnings. Initiatives include more cost cutting and higher emphasis on low-temperature polysilicon TFT LCDs, where prospects are excellent. Sales of TV and computer picture tubes were down as prices of color display tubes for computers plummeted.

Power & Industrial Systems

Six months ended September 30	Billions of yen 1998	1997
Net sales	¥471.3	¥545.1
Pct. change	–14%	+3%
Pct. of total sales	17%	18%

Notes: 1. See Notes on page 12.
2. Segment sales include intersegment transactions.

Segment sales decreased 14 percent against a backdrop of limited capital spending by Japan's electric utilities and soft demand elsewhere in Asia. This environment forced down sales of power plants and equipment. Sales of industrial electrical apparatus and transportation equipment were much lower as well. As difficult conditions in power plants and equipment are projected to continue, Toshiba is bolstering its alliance with General Electric Co. of the U.S. The two companies will cooperate in next-generation combined-cycle systems from development through manufacturing. This will position Toshiba to capture orders more quickly for these sophisticated power plants on a worldwide scale. Separately, Toshiba and GE set up joint ventures to manufacture steam turbine blades. The realignment of production facilities will lead to lower costs.

Consumer Products

Six months ended September 30	Billions of yen 1998	1997
Net sales	¥516.2	¥523.1
Pct. change	–1%	–9%
Pct. of total sales	18%	18%

Notes: 1. See Notes on page 12.
2. Segment sales include intersegment transactions.

The combination of higher sales in overseas markets and weakness in Japan resulted in a 1 percent decline in segment sales. In Japan, television sales were unchanged as the popularity of the "FACE" series, which features an exclusive Toshiba flat picture tube, supported results.

Outside Japan, large-screen models lifted television sales. Washing machine sales increased due to the success of Toshiba's strategy of developing models with innovative features like DD inverters and ultra-quiet operation. Air conditioner sales were lower, but the impact on profitability was cushioned by a large drop in inventories as Toshiba switched to a system of assembling products at the same rate as they can be sold.

Toshiba is focusing intently on returning this segment to profitability. In April 1999, a joint venture will be formed with Carrier Corporation, the world's largest manufacturer of heating, ventilation and air conditioning (HVAC) systems. The new company will integrate the two partners' manufacturing and sales networks to cover markets from home air conditioners to large-scale HVAC equipment around the world.

Toshiba continues to examine all options for improving the performance of the Consumer Products segment, including its reorganization as a separate company. Among specific subjects under study are alliances with other companies and downsizing.

Services & Other

	Billions of yen	
Six months ended September 30	1998	1997
Net sales	¥220.1	¥193.8
Pct. change	+14%	+4%
Pct. of total sales	8%	7%

Notes: 1. See Notes on page 12.
2. Segment sales include intersegment transactions.

Sales rose 14 percent, chiefly because of higher overseas procurement volumes.

Our Goal: To Bring About a Revolution in How Toshiba Is Managed

In recent years, Toshiba has made a concerted effort to restructure its businesses and raise the efficiency of operations. We have already taken significant steps, including: reorganization of the operations of subsidiary Shibaura Engineering Works; arrangement for the transfer of copier operations to TEC Corporation; an agreement to transfer the air conditioner business to a joint venture with Carrier Corporation; and extension of our alliance with GE in power plants and equipment. Toshiba will carefully examine businesses that do not meet our standards and take appropriate action, including withdrawal. Furthermore, Toshiba plans to lessen emphasis on businesses that are dependent on selling products. We want to generate more revenues from services that address specific customer needs, thus forming the basis for long-term relationships and the provision of a variety of support.

Our chief aim is to ensure Toshiba's medium- and long-term profitability. To achieve this goal, we are making final preparations for an internal company system. The first step toward the possible reorganization of Toshiba as a holding company, this system will realign today's 15 operating divisions into 9 virtual companies in April 1999. The same reorganization will reduce the general staff at the parent company by over half from the current level of about 700. This smaller, more efficient head office will focus on corporate planning and auditing.

In line with these dramatic moves, we initiated the "Management Innovation 2001" program in October 1998. One objective is to make agility an integral part of our corporate culture. We also aim to raise productivity by fully utilizing information technology, shifting to a results-oriented evaluation system and becoming still more customer-centric. Basically, we are seeking to bring about improvements in every aspect of how Toshiba is managed.

We must never forget that all these actions are only a means toward achieving a revolution. Our ultimate goal is to transform Toshiba into a global organization in every sense. Toshiba faces an extremely difficult operating climate. But we are confident that we can create a new system for managing Toshiba, one that will prevail in the coming century. And we are determined to turn sales and earnings around. Much work lies ahead. We ask for the support of our shareholders, other investors, business partners, customers and employees as we create a new Toshiba for a new century.

December 1998

Fumio Sato
Chairman of the Board

Taizo Nishimuro
President and Chief Executive Officer

Consolidated Balance Sheets

Toshiba Corporation and its subsidiaries
As of September 30, 1998 and 1997 (unaudited)

	Millions of yen		Thousands of U.S. dollars
ASSETS	1998	1997	1998
Current assets:			
Cash and cash equivalents	¥ 497,619	¥ 636,279	$ 3,686,067
Marketable securities	107,880	123,122	799,111
Notes and accounts receivable, trade –			
Notes	201,550	232,839	1,492,963
Accounts	894,144	894,524	6,623,289
Allowance for doubtful notes and accounts	(39,008)	(40,470)	(288,948)
Finance receivables, net	250,089	176,598	1,852,511
Inventories	1,060,914	1,153,089	7,858,622
Prepaid expenses and other current assets	254,908	214,235	1,888,207
Total current assets	3,228,096	3,390,216	23,911,822
Long-term receivables and investments:			
Long-term receivables	42,794	44,315	316,993
Long-term finance receivables, net	317,451	253,984	2,351,489
Investments in and advances to affiliated companies	206,687	186,691	1,531,015
Other investments	139,363	157,035	1,032,318
	706,295	642,025	5,231,815
Property, plant and equipment:			
Land	154,718	154,515	1,146,059
Buildings	1,047,669	1,008,342	7,760,511
Machinery and equipment	3,064,205	2,663,276	22,697,815
Construction in progress	113,872	97,060	843,496
	4,380,464	3,923,193	32,447,881
Less – Accumulated depreciation	(2,817,011)	(2,507,785)	(20,866,748)
	1,563,453	1,415,408	11,581,133
Other assets	437,917	320,152	3,243,830
	¥5,935,761	¥5,767,801	$43,968,600

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen 1998	Millions of yen 1997	Thousands of U.S. dollars 1998
Current liabilities:			
Short-term borrowings	¥ 843,630	¥ 954,676	$ 6,249,111
Current portion of long-term debt	365,245	189,431	2,705,519
Notes payable, trade	177,954	245,287	1,318,178
Accounts payable, trade	720,536	790,264	5,337,304
Notes and accounts payable for construction	97,223	66,466	720,170
Accrued income and other taxes	34,816	40,692	257,896
Advance payments received	296,772	296,864	2,198,311
Employees' savings deposits	11,279	106,783	83,548
Accrued expenses and other current liabilities	551,890	495,815	4,088,074
Total current liabilities	3,099,345	3,186,278	22,958,111
Long-term liabilities:			
Long-term debt	1,066,217	848,496	7,897,904
Liability for severance indemnities	541,945	425,418	4,014,407
	1,608,162	1,273,914	11,912,311
Minority interest in consolidated subsidiaries	57,025	67,418	422,408
Shareholders' equity:			
Common stock, ¥50 par value –			
Authorized – 10,000,000,000 shares			
Issued and outstanding:			
1998 – 3,218,999,545 shares	274,916		2,036,415
1997 – 3,218,999,545 shares		274,916	
Additional paid-in capital	285,727	285,727	2,116,496
Legal reserve	77,421	74,534	573,488
Retained earnings appropriated for cash dividends	9,656	16,094	71,526
Retained earnings	586,454	640,945	4,344,104
Cumulative translation adjustment	(34,416)	(52,025)	(254,933)
Minimum pension liability adjustment	(28,529)	–	(211,326)
	1,171,229	1,240,191	8,675,770
Commitments and contingent liabilities			
	¥5,935,761	¥5,767,801	$43,968,600

Consolidated Statements of Operations and Retained Earnings

Toshiba Corporation and its subsidiaries
For the six months ended September 30, 1998 and 1997 (unaudited)

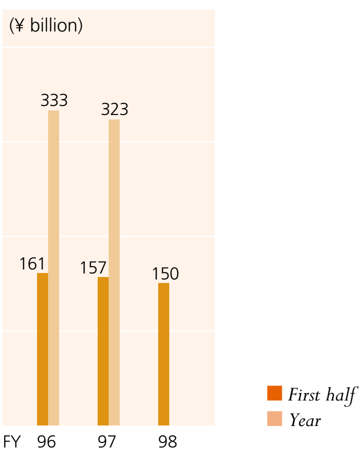
	Millions of yen		Thousands of U.S. dollars
	1998	1997	1998
Sales and other income:			
Net sales	¥2,498,277	¥2,639,457	$18,505,756
Other income	35,549	32,318	263,325
	2,533,826	2,671,775	18,769,081
Costs and expenses:			
Cost of sales	1,828,901	1,891,700	13,547,415
Selling, general and administrative	674,781	701,990	4,998,378
Interest	27,685	26,541	205,074
Other	43,444	42,803	321,807
	2,574,811	2,663,034	19,072,674
(Loss) income before income taxes (benefit) expense and minority interest	(40,985)	8,741	(303,593)
Income taxes (benefit) expense:			
Current	9,013	8,404	66,763
Deferred	(20,960)	(2,866)	(155,259)
	(11,947)	5,538	(88,496)
(Loss) income before minority interest	(29,038)	3,203	(215,097)
Minority interest in loss of consolidated subsidiaries	(2,290)	(1,066)	(16,963)
(Loss) income from consolidated companies	(26,748)	4,269	(198,134)
Equity in income of affiliated companies	3,104	5,278	22,993
Net (loss) income	(23,644)	9,547	(175,141)
Retained earnings:			
Balance at beginning of period	620,756	649,243	4,598,193
Cash dividends	(9,656)	(16,094)	(71,526)
Transfer to legal reserve	(1,002)	(1,751)	(7,422)
Balance at end of period	¥ 586,454	¥ 640,945	$ 4,344,104

	Exact yen		U.S. dollars
Per share of common stock:			
Net (loss) income –			
Basic	¥(7.35)	¥2.97	$(0.054)
Diluted	¥(7.35)	¥2.97	$(0.054)
Cash dividends	¥ 3.00	¥5.00	$ 0.022

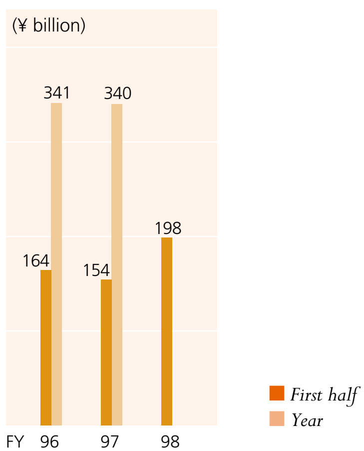
Notes

1. Certain reclassifications of previously reported amounts have been made to conform with current reclassifications.
2. U.S. dollar amounts in this report are translated from yen, for convenience only, at the rate of ¥135=US$1.
3. Net income per share data are computed based on Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share," which Toshiba adopted in the fiscal year ended March 31, 1998. Net income per share data for the six months ended September 30, 1997 has been restated to conform with SFAS No. 128. Basic earnings per share is computed based on the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share assumes the dilution that would occur if dilutive convertible debentures were converted into common stock.
4. The company has not adopted Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities." If SFAS No. 115 had been implemented, shareholders' equity as of September 30, 1998 and 1997 would have increased by ¥80,722 million (US$597,941 thousand) and ¥115,882 million, respectively.
5. The company has adopted Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income," for the fiscal year beginning April 1, 1998, except for the effects on shareholders' equity of the company's departure from the provisions of SFAS No. 115 (see Note 4) which should have been reported as other comprehensive income under the provisions of SFAS No. 130. In this standard, comprehensive income is defined as total changes in shareholders' equity except capital transactions. The company's comprehensive income is comprised of net income and other comprehensive income representing changes in cumulative translation adjustment and minimum pension liability adjustment. Comprehensive losses for the six months ended September 30, 1998 and 1997 were ¥14,292 million (US$105,867 thousand) and ¥8,490 million, respectively. Other comprehensive income for the six months ended September 30, 1998 was comprised mainly of cumulative translation adjustment of ¥7,072 million (US$52,385 thousand); other comprehensive loss for the six months ended September 30, 1997 was comprised of cumulative translation adjustment of ¥18,037 million.

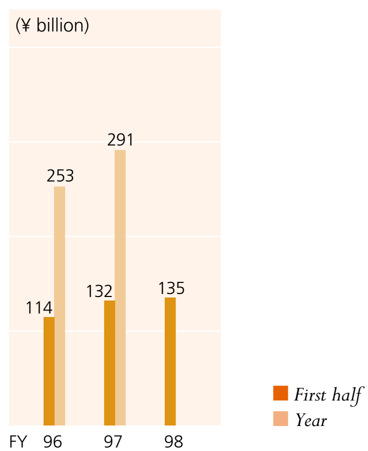
Research and Development Expenditures



Capital Expenditures*



Depreciation



*Investments in property, plant and equipment only

Consolidated net sales decreased 5 percent compared with the same period of the previous year to ¥2,498.3 billion (US$18,506 million) in the six-month interim period ended September 30, 1998. For the period, Toshiba recorded an operating loss of ¥5.4 billion (US$40 million) compared with operating income of ¥45.8 billion one year earlier. This was mostly because the impact of much lower sales prices of semiconductors and LCDs overwhelmed benefits from gains in productivity, cost reductions and the weakening of the yen. In Information & Communication Systems, operating income was about five times higher than in the same period of the previous year because of higher PC earnings. But Electronic Devices & Materials posted an operating loss of ¥30.6 billion (US$226 million), sharply below performance in the same period of the previous year. Foreign exchange movements had the net effect of increasing operating income by ¥41.0 billion. Separately, the foreign exchange loss in non-operating items rose by ¥2.6 billion. Compared with one year earlier, loss before income taxes benefit and minority interest decreased by ¥49.7 billion to ¥41.0 billion (US$304 million). Net income declined from ¥9.5 billion to a net loss of ¥23.6 billion (US$175 million).

Total assets were ¥5,935.8 billion (US$43,969 million), a decrease of ¥126.4 billion compared with March 31, 1998. Cash and cash equivalents were lower due to the repayment of employees' savings deposits along with termination of Toshiba's employee saving deposit system. Total debt rose by ¥14.3 billion to ¥2,275.1 billion (US$16,853 million). This was mainly attributable to the increase in parent-company debt resulting from the issuance of bonds.

Capital expenditures are estimated to be ¥380.0 billion (US$2,815 million) for fiscal 1998, primarily for semiconductor and LCD production facilities. R&D expenditures for fiscal 1998 are projected at ¥310.0 billion (US$2,296 million).

Toshiba assigns the highest priority to providing customers with information that helps them to reach solutions to the Year 2000 issue. With concerted leadership from the Board of Directors, Toshiba is also assuring that its own products and all its information systems and manufacturing facilities throughout the world are Year 2000 compliant.

NET SALES BY REGION

	Millions of yen		Thousands of U.S. dollars
Six months ended September 30	1998	1997	1998
Japan	¥1,447,985	¥1,621,060	$10,725,815
North America	432,414	405,308	3,203,067
Asia	287,436	327,389	2,129,156
Europe	266,566	226,173	1,974,563
Other	63,876	59,527	473,155
Net sales	¥2,498,277	¥2,639,457	$18,505,756

Notes: 1. Net sales by region are determined based upon the locations of the customers. Therefore, this information is different from the net sales for geographic segments in segment information on page 12, which are determined based upon where the sales originated.

2. Net sales for the six months ended September 30, 1997 have been reclassified to conform with the current classification.

3. U.S. dollar amounts in this report are translated from yen, for convenience only, at the rate of ¥135=US$1.

Segment Information

INDUSTRY SEGMENTS

Six months ended September 30	Millions of yen 1998	Millions of yen 1997	Thousands of U.S. dollars 1998
Net sales:			
Information & Communication Systems			
Unaffiliated customers	¥ 955,698	¥ 963,728	$ 7,079,245
Intersegment	32,760	40,752	242,666
Total	988,458	1,004,480	7,321,911
Electronic Devices & Materials			
Unaffiliated customers	529,112	584,804	3,919,348
Intersegment	89,318	89,728	661,615
Total	618,430	674,532	4,580,963
Power & Industrial Systems			
Unaffiliated customers	448,959	523,114	3,325,622
Intersegment	22,307	21,995	165,237
Total	471,266	545,109	3,490,859
Consumer Products			
Unaffiliated customers	503,742	512,524	3,731,422
Intersegment	12,477	10,544	92,422
Total	516,219	523,068	3,823,844
Services & Other			
Unaffiliated customers	60,766	55,287	450,119
Intersegment	159,344	138,554	1,180,325
Total	220,110	193,841	1,630,444
Eliminations	(316,206)	(301,573)	(2,342,265)
Consolidated	¥2,498,277	¥2,639,457	$18,505,756
Operating income (loss):			
Information & Communication Systems	¥ 33,457	¥ 6,748	$ 247,830
Electronic Devices & Materials	(30,565)	46,922	(226,407)
Power & Industrial Systems	3,133	2,713	23,207
Consumer Products	(20,851)	(20,330)	(154,452)
Services & Other	10,545	10,979	78,111
Eliminations	(1,124)	(1,265)	(8,326)
Consolidated	¥ (5,405)	¥ 45,767	$ (40,037)

GEOGRAPHIC SEGMENTS

Six months ended September 30	Millions of yen 1998	Millions of yen 1997	Thousands of U.S. dollars 1998
Net sales:			
Japan			
Unaffiliated customers	¥1,615,755	¥1,841,164	$11,968,556
Intersegment	482,834	521,448	3,576,548
Total	2,098,589	2,362,612	15,545,104
North America			
Unaffiliated customers	410,846	381,390	3,043,304
Intersegment	38,523	32,667	285,355
Total	449,369	414,057	3,328,659
Asia			
Unaffiliated customers	189,326	180,734	1,402,415
Intersegment	113,045	120,148	837,370
Total	302,371	300,882	2,239,785
Europe & Other			
Unaffiliated customers	282,350	236,169	2,091,481
Intersegment	7,218	7,670	53,467
Total	289,568	243,839	2,144,948
Eliminations	(641,620)	(681,933)	(4,752,740)
Consolidated	¥2,498,277	¥2,639,457	$18,505,756
Operating income (loss):			
Japan	¥ 697	¥ 49,675	$ 5,163
North America	(11,536)	(15,855)	(85,452)
Asia	1,969	7,624	14,585
Europe & Other	3,849	3,735	28,511
Eliminations	(384)	588	(2,844)
Consolidated	¥ (5,405)	¥ 45,767	$ (40,037)

Notes: 1. Segment information is based on Japanese accounting standards.

2. Segment information for the six months ended September 30, 1997 has been reclassified to conform with the current classification and segments.

3. U.S. dollar amounts in this report are translated from yen, for convenience only, at the rate of ¥135=US$1.

Certificate of Chief Financial Officer

The undersigned, being the chief financial officer of Toshiba Corporation, hereby certifies that in his opinion the accompanying consolidated balance sheets at September 30, 1998 and 1997, and the related consolidated statements of operations and retained earnings for the six months ended on September 30, 1998 and 1997, present fairly the financial position of Toshiba Corporation and its subsidiaries at September 30, 1998 and 1997, and the results of their operations for the six months then ended.

December 1998

K. Shimagami

Kiyoaki Shimagami
Executive Vice President
Toshiba Corporation

Board of Directors

Chairman of the Board and Director
Fumio Sato*

President and Chief Executive Officer and Director
Taizo Nishimuro*

Directors
Masaichi Koga*
Tetsuya Yamamoto*
Masanobu Ohyama*
Tetsuo Machii*
Tomohiko Sasaki
Akinobu Kasami
Kiyoaki Shimagami*
Tadashi Okamura
Kozo Wada
Kosaku Inaba

**Representative Director*

Executive Officers

President and Chief Executive Officer
Taizo Nishimuro

Senior Executive Vice Presidents
Masaichi Koga
Tetsuya Yamamoto
Masanobu Ohyama
Tetsuo Machii

Executive Vice Presidents
Tomohiko Sasaki
Akinobu Kasami
Kiyoaki Shimagami

Senior Vice Presidents
Tadashi Okamura
Kozo Wada
Mamoru Kitamura
Toshiki Miyamoto
Haruo Kawahara
Tetsuya Mizoguchi
Yasuo Morimoto
Takeshi Iida

Vice Presidents
Makoto Nakagawa
Koichi Suzuki
Kotaro Hyuga
Mochihiro Nakazawa
Toshiyuki Oshima
Hiroo Okuhara
Haruo Nakatsuka
Susumu Kohyama
Atsutoshi Nishida
Tadashi Matsumoto
Hiroshi Nishioka
Takeshi Nakagawa
Kaoru Kubo
Masaki Matsuhashi

Corporate Auditors

Atsumi Uchiyama
Masayoshi Motoki
Kenjiro Hayashi
Kazuo Chiba
Osamu Mimura

Investor Reference

Founded
July 1875

Capital
¥274,916 million (US$2,036 million)

Employees
188,000

Common Stock
Authorized: 10,000,000,000 shares
Issued: 3,218,999,545 shares
No. of shareholders: 431,060
Average holding: 7,468 shares

Transfer Agent
The Mitsui Trust & Banking Co., Ltd.

Headquarters
1-1, Shibaura 1-chome, Minato-ku
Tokyo 105-8001, Japan

Hibiya Office
1-6, Uchisaiwai-cho 1-chome, Chiyoda-ku
Tokyo 100-8510, Japan

Shibaura Office
2-1, Shibaura 1-chome, Minato-ku
Tokyo 105-6791, Japan

Principal Shareholders:

The Dai-ichi Mutual Life Insurance Company	3.78%
The Sakura Bank, Ltd.	3.72%
Nippon Life Insurance Company	3.44%
The Sumitomo Trust & Banking Co., Ltd.	3.18%
Mitsui Mutual Life Insurance Company	2.28%
Employees Stock Ownership Plan	2.15%
The Nippon Fire & Marine Insurance Co., Ltd.	1.84%
The Long-Term Credit Bank of Japan, Ltd.	1.83%
The Tokai Bank, Ltd.	1.81%
The Mitsubishi Trust & Banking Corporation	1.67%

(As of September 30, 1998)

For further information, please contact:

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