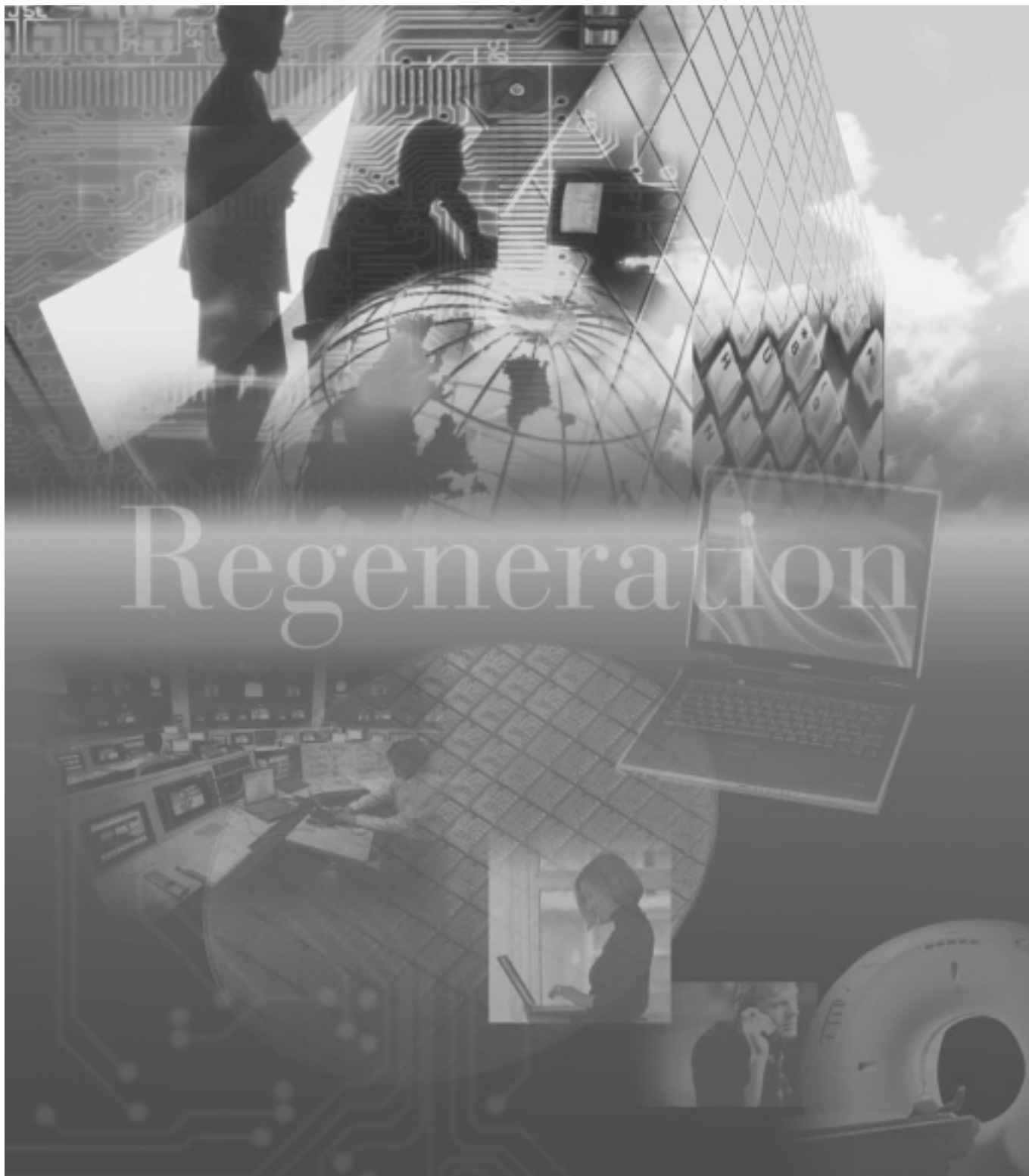


# TOSHIBA



## **TOSHIBA SEMIANNUAL REPORT**

For the six months ended September 30, 2002

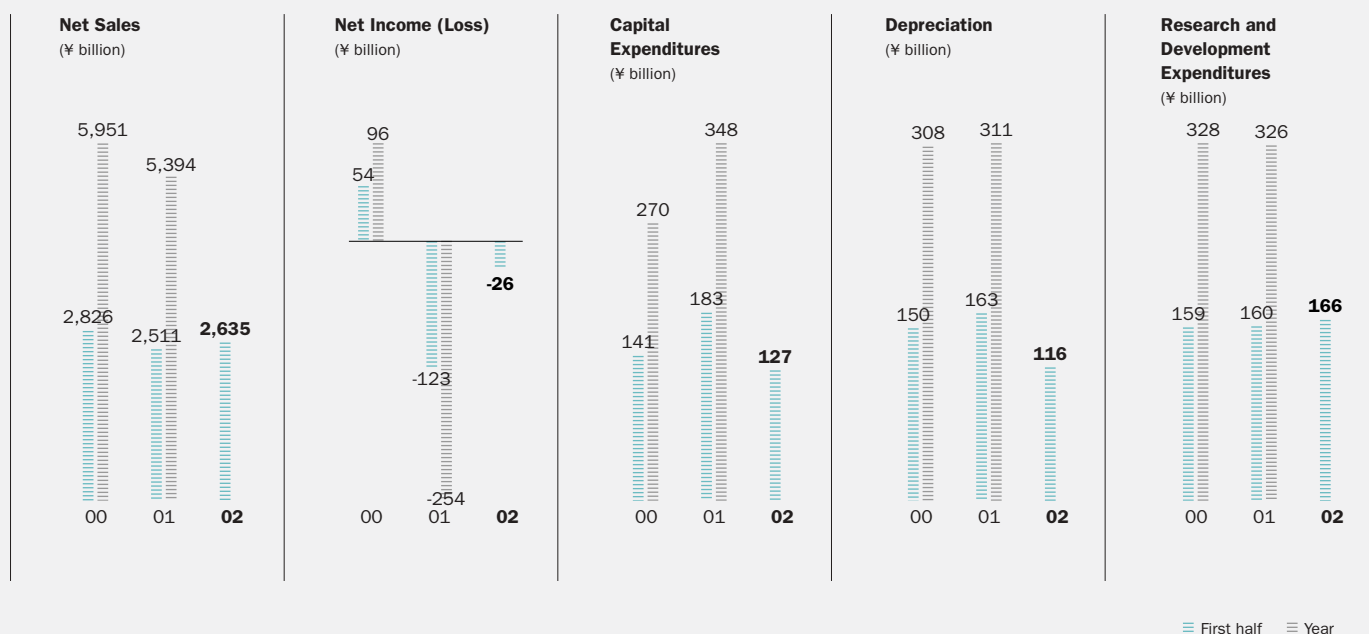
## Financial Highlights

Toshiba Corporation and its subsidiaries

For the six months ended September 30, 2002 and 2001 (unaudited)

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Net sales—Japan	¥1,516,620	¥1,551,792	\$12,330,243
—Overseas	1,118,443	958,895	9,093,033
Net sales	2,635,063	2,510,687	21,423,276
Operating income (loss)	2,874	(98,392)	23,366
Income (loss) before income taxes and minority interest	(43,813)	(196,553)	(356,203)
Net income (loss)	(26,407)	(123,137)	(214,691)
Capital expenditures (property, plant and equipment)	127,137	183,445	1,033,634
Depreciation	116,276	162,737	945,333
Research and development expenditures	166,247	160,411	1,351,602
Total assets	5,162,588	5,325,763	41,972,260
Shareholders' equity	652,456	873,967	5,304,520
		Yen	U.S. dollars
Per share of common stock:			
Net income (loss)—			
Basic	¥(8.20)	¥(38.25)	\$(0.07)
Diluted	¥(8.20)	¥(38.25)	\$(0.07)
Cash dividends	¥0.00	¥0.00	\$0.00
Number of employees	176,555	188,013	

Note: See Notes on page 10.



## To Our Shareholders

The first half of fiscal year 2002 opened with signs of industrial recovery, encouraging sentiment that the economy had bottomed out. However, stock prices continued to decline throughout the period, in both the United States and Japan, accompanied by continued economic sluggishness. Despite these circumstances, the performance of Toshiba and its consolidated group companies improved significantly over the same period of the previous year due to the O1 Action Plan, which includes programs for lower procurement costs and a voluntary early retirement program.

Consolidated net sales increased 5% over the same period a year ago, to ¥2,635.1 billion (US\$21,423 million), reflecting healthy demand for electronic devices, including semiconductors for consumer audio-visual products, digital cameras and cellular phones. Sales of Digital Media products increased, supported by strong demand for PCs and visual equipment in overseas markets. Information & Communications Systems, Power Systems and Home Appliances, undercut by slow capital expenditures and weak domestic consumer spending, recorded decreased sales.

Operating income was ¥2.9 billion (US\$23 million), an increase of ¥101.3 billion compared to the same period last year, reflecting significant improvements in Electronic Devices & Components and Digital Media.

As we confirm recovery, we have again decided to suspend the interim dividend.

### Information & Communications Systems

Six months ended September 30	Billions of yen	
	2002	2001
Net sales	¥406.6	¥439.9
Pct. change	-8%	+2%
Pct. of total sales	14%	15%

Notes: 1. See Notes on page 13.

2. Segment sales include intersegment transactions.

Net sales of Information & Communications Systems were down 8% from the same period a year ago, to ¥406.6 billion (US\$3,305 million). This figure was influenced by declines in the sales of telecommunications and broadcasting systems

and information systems for the private sector, including sales to distributors, financial institutions, and manufacturing firms. Price erosion also contributed to the lower sales figures.

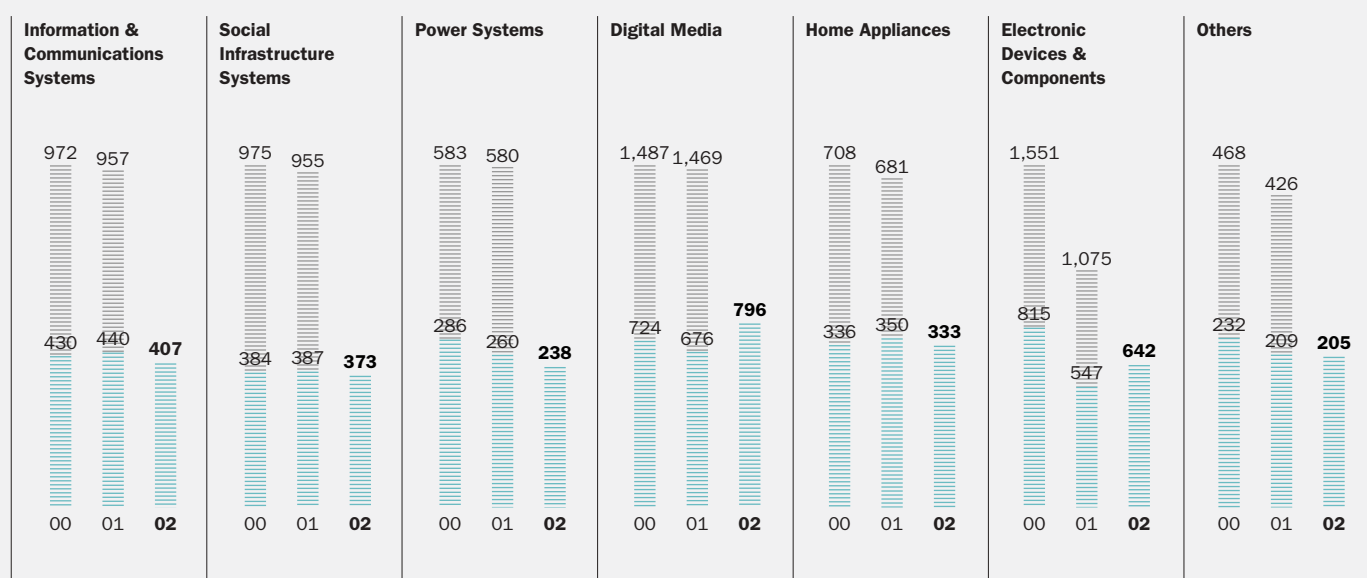
### Social Infrastructure Systems

Six months ended September 30	Billions of yen	
	2002	2001
Net sales	¥373.0	¥387.1
Pct. change	-4%	+1%
Pct. of total sales	12%	14%

Notes: 1. See Notes on page 13.

2. Segment sales include intersegment transactions.

### Net Sales by Industry Segments (¥ billion)



Notes: 1. See Notes on page 13.

2. Segment sales include intersegment transactions.

3. FY2000 data has been reclassified to conform with the current classification.

■ First half ■ Year

Declining sales of industrial motors and control systems, resulting from weak capital investment in both the public and private sectors, brought a 4% drop in net sales of Social Infrastructure Systems in comparison with the same period a year ago, to ¥373.0 billion (US\$3,033 million).

### Power Systems

Six months ended September 30	Billions of yen	
	2002	2001
Net sales	¥237.5	¥260.3
Pct. change	-9%	-9%
Pct. of total sales	8%	9%

Notes: 1. See Notes on page 13.

2. Segment sales include intersegment transactions.

Despite the sale of large-scale thermal power generating equipment to Taiwan, restrained domestic investment resulted in weaker demand for power equipment. Net sales of Power Systems decreased 9% from the same period a year ago, to ¥237.5 billion (US\$1,931 million).

### Digital Media

Six months ended September 30	Billions of yen	
	2002	2001
Net sales	¥795.6	¥675.5
Pct. change	+18%	-7%
Pct. of total sales	27%	24%

Notes: 1. See Notes on page 13.

2. Segment sales include intersegment transactions.

Overseas, particularly in the U.S., healthy sales were recorded of notebook computers and computer peripherals including small-profile hard drives and combination CD-RW/DVD-ROM drives. DVD drives and visual equipment also saw positive sales. Domestic sales of mobile devices, such as phones with built-in digital cameras, were strong. As a result, Digital Media net sales increased by 18% over the same period a year ago, to ¥795.6 billion (US\$6,468 million).

### Home Appliances

Six months ended September 30	Billions of yen	
	2002	2001
Net sales	¥332.7	¥350.5
Pct. change	-5%	+4%
Pct. of total sales	11%	12%

Notes: 1. See Notes on page 13.

2. Segment sales include intersegment transactions.

In Home Appliances, net sales were down 5% in comparison with the same period a year ago, to ¥332.7 billion (US\$2,705 million). The decline reflected price erosion and sluggish consumer spending, including limited sales of air conditioners in an unseasonably cool June.

### Electronic Devices & Components

Six months ended September 30	Billions of yen	
	2002	2001
Net sales	¥641.6	¥546.7
Pct. change	+17%	-33%
Pct. of total sales	21%	19%

Notes: 1. See Notes on page 13.

2. Segment sales include intersegment transactions.

Demand was strong for discrete devices, system LSIs, and other semiconductors for consumer products, particularly audio-visual equipment. There was growing demand for NAND flash memory for use in image recording devices, and for low-temperature polysilicon LCDs for use in cellular phones. As a result, net sales of Electronic Devices & Components recorded a gain of 17% over the same period a year ago, to ¥641.6 billion (US\$5,216 million).

### Others

Six months ended September 30	Billions of yen	
	2002	2001
Net sales	¥205.3	¥208.5
Pct. change	-2%	-10%
Pct. of total sales	7%	7%

Notes: 1. See Notes on page 13.

2. Segment sales include intersegment transactions.

Net sales in Others decreased 2% from the same period a year ago, to ¥205.3 billion (US\$ 1,669 million).

## Highlights

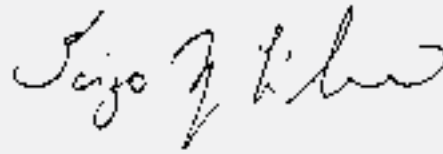
■ April 2002: Toshiba, International Business Machines Corporation (IBM), Sony Corporation and Sony Computer Entertainment Inc. signed a multi-year agreement to jointly develop advanced semiconductor technologies based on silicon-on-insulator (SOI) and other IBM materials advances.

■ May 2002: Toshiba increased its minority interest in U.S.-based Audiovox Communications Corporation (ACC), the distributor of wireless products for Audiovox Corporation. Toshiba raised its stake in ACC to 25%, a move that strengthened ACC in the fast-growing wireless communications market and also allowed Toshiba to establish its presence in the North American CDMA market.

■ June 2002: Toshiba and Fujitsu Limited agreed to explore a comprehensive collaboration focusing on system-on-chip (SoC) solutions. The proposed alliance between two of the leading players in the worldwide semiconductor business would capitalize on their complementary technological strengths to consolidate global leadership in the emerging networked economy.

■ September 2002: Matsushita Electric Industrial Co., Ltd. and Toshiba agreed to consolidate their cathode ray tube (CRT) businesses into a joint venture company. Plans call for establishing a company in January 2003 to work on incorporating the new joint venture at the earliest possible date within the fiscal year ending March 31, 2003.

December 2002



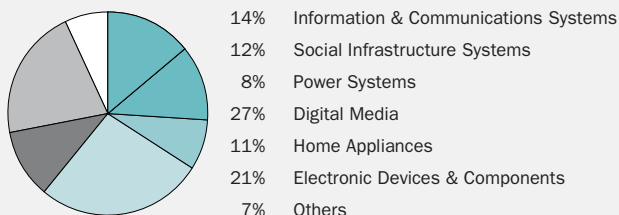
Taizo Nishimuro  
Chairman of the Board



Tadashi Okamura  
President and Chief Executive Officer

## Share of Net Sales

(First half of FY 02)



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

## Consolidated Balance Sheets

Toshiba Corporation and its subsidiaries

As of September 30 and March 31, 2002, and September 30, 2001

	Millions of yen			Thousands of U.S. dollars
	September 30 2002 (unaudited)	March 31 2002	September 30 2001 (unaudited)	September 30 2002 (unaudited)
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	¥ 311,103	¥ 370,432	¥ 355,495	\$ 2,529,293
Notes and accounts receivable, trade –				
Notes	111,413	136,890	163,268	905,797
Accounts	812,332	976,037	771,106	6,604,325
Allowance for doubtful notes and accounts	(25,831)	(26,780)	(23,464)	(210,008)
Finance receivables, net	196,611	190,912	220,022	1,598,463
Inventories	748,614	693,350	835,630	6,086,293
Deferred tax assets	95,097	84,402	157,878	773,146
Prepaid expenses and other current assets	301,266	249,284	249,729	2,449,317
<b>Total current assets</b>	<b>2,550,605</b>	<b>2,674,527</b>	<b>2,729,664</b>	<b>20,736,626</b>
<b>Long-term receivables and investments:</b>				
Long-term receivables	14,034	14,523	14,160	114,097
Long-term finance receivables, net	273,527	313,058	328,210	2,223,797
Investments in and advances to affiliated companies	133,369	132,974	116,968	1,084,301
Marketable securities and other investments	226,719	230,300	232,913	1,843,244
	<b>647,649</b>	<b>690,855</b>	<b>692,251</b>	<b>5,265,439</b>
<b>Property, plant and equipment:</b>				
Land	175,995	175,682	174,284	1,430,854
Buildings	1,146,369	1,168,861	1,160,482	9,320,073
Machinery and equipment	2,627,005	2,712,073	2,799,176	21,357,764
Construction in progress	39,743	92,594	64,298	323,114
	<b>3,989,112</b>	<b>4,149,210</b>	<b>4,198,240</b>	<b>32,431,805</b>
Less—Accumulated depreciation	(2,735,355)	(2,794,888)	(2,807,844)	(22,238,659)
	<b>1,253,757</b>	<b>1,354,322</b>	<b>1,390,396</b>	<b>10,193,146</b>
<b>Other assets:</b>				
Deferred tax assets	517,022	487,524	298,304	4,203,431
Other	193,555	200,554	215,148	1,573,618
	<b>710,577</b>	<b>688,078</b>	<b>513,452</b>	<b>5,777,049</b>
	<b>¥5,162,588</b>	<b>¥5,407,782</b>	<b>¥5,325,763</b>	<b>\$ 41,972,260</b>

Note: See Notes on page 10.

	Millions of yen			Thousands of U.S. dollars
	September 30 2002 (unaudited)	March 31 2002	September 30 2001 (unaudited)	September 30 2002 (unaudited)
<b>Liabilities and Shareholders' Equity</b>				
<b>Current liabilities:</b>				
Short-term borrowings	¥ 508,581	¥ 658,854	¥ 508,781	\$ 4,134,805
Current portion of long-term debt	324,650	270,924	268,719	2,639,431
Notes payable, trade	107,629	140,879	158,297	875,032
Accounts payable, trade	785,329	837,141	747,350	6,384,789
Accounts payable, other and accrued expenses	252,450	340,232	322,932	2,052,439
Accrued income and other taxes	34,372	36,768	29,579	279,447
Advance payments received	298,165	273,107	317,517	2,424,106
Other current liabilities	324,660	314,588	318,848	2,639,512
Total current liabilities	2,635,836	2,872,493	2,672,023	21,429,561
<b>Long-term liabilities:</b>				
Long-term debt	920,128	888,755	944,175	7,480,715
Accrued pension and severance costs	714,607	709,233	656,924	5,809,813
Other liabilities	50,688	42,324	39,568	412,098
	1,685,423	1,640,312	1,640,667	13,702,626
<b>Minority interest in consolidated subsidiaries</b>	<b>188,873</b>	<b>189,663</b>	<b>139,106</b>	<b>1,535,553</b>
<b>Shareholders' equity:</b>				
Common stock, without par value—				
Authorized—10,000,000,000 shares				
Issued and outstanding:				
Sep. 30, 2002—3,219,027,165 shares	274,926	—	—	2,235,171
Mar. 31, 2002—3,219,027,165 shares	—	274,926	—	—
Sep. 30, 2001—3,219,017,498 shares	—	—	274,922	—
Additional paid-in capital	285,736	285,736	285,733	2,323,057
Retained earnings	417,148	443,555	574,435	3,391,447
Accumulated other comprehensive loss	(325,047)	(298,792)	(261,119)	(2,642,659)
Treasury stock	(307)	(111)	(4)	(2,496)
	652,456	705,314	873,967	5,304,520
<b>Commitments and contingent liabilities</b>	<b>¥5,162,588</b>	<b>¥5,407,782</b>	<b>¥5,325,763</b>	<b>\$41,972,260</b>

## Consolidated Statements of Operations

Toshiba Corporation and its subsidiaries

For the six months ended September 30, 2002 and 2001 (unaudited)

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
<b>Sales and other income:</b>			
Net sales	¥ 2,635,063	¥ 2,510,687	\$ 21,423,276
Interest and dividends	6,559	7,801	53,325
Other income	27,323	22,648	222,138
	<b>2,668,945</b>	<b>2,541,136</b>	<b>21,698,739</b>
<b>Costs and expenses:</b>			
Cost of sales	1,931,210	1,898,744	15,700,894
Selling, general and administrative	700,979	710,335	5,699,016
Restructuring charges	8,638	63,242	70,228
Interest	12,336	16,187	100,292
Others	59,595	49,181	484,512
	<b>2,712,758</b>	<b>2,737,689</b>	<b>22,054,942</b>
<b>Loss before income taxes and minority interest</b>	<b>(43,813)</b>	<b>(196,553)</b>	<b>(356,203)</b>
<b>Income taxes</b>	<b>(11,141)</b>	<b>(68,861)</b>	<b>(90,577)</b>
<b>Loss before minority interest and equity in earnings of affiliates</b>	<b>(32,672)</b>	<b>(127,692)</b>	<b>(265,626)</b>
<b>Minority interest in income (loss) of consolidated subsidiaries</b>	<b>(3,193)</b>	<b>(1,609)</b>	<b>(25,959)</b>
<b>Loss before equity in earnings of affiliates</b>	<b>(29,479)</b>	<b>(126,083)</b>	<b>(239,667)</b>
<b>Equity in earnings of affiliates</b>	<b>3,072</b>	<b>2,946</b>	<b>24,976</b>
<b>Net loss</b>	<b>¥ (26,407)</b>	<b>¥ (123,137)</b>	<b>\$ (214,691)</b>
<b>Per share of common stock:</b>			
Net loss—			
Basic	¥(8.20)	¥(38.25)	\$(0.07)
Diluted	¥(8.20)	¥(38.25)	\$(0.07)
Cash dividends	¥0.00	¥0.00	\$0.00

Note: See Notes on page 10.



## Consolidated Statements of Shareholders' Equity

Toshiba Corporation and its subsidiaries

For the six months ended September 30, 2002 and 2001 (unaudited)

	Millions of yen					
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total
<b>Balance at March 31, 2001</b>	¥ 274,921	¥ 285,732	¥ 713,667	¥ (226,395)		¥1,047,925
Conversion of convertible debentures	1	1				2
Comprehensive income (loss):						
Net loss			(123,137)			(123,137)
Other comprehensive income (loss), net of tax—						
Unrealized gains on securities				(5,230)		(5,230)
Foreign currency translation adjustments				(13,701)		(13,701)
Minimum pension liability adjustment				(12,712)		(12,712)
Unrealized losses on derivative instruments				(3,081)		(3,081)
Comprehensive income (loss)						(157,861)
Cash dividends			(16,095)			(16,095)
Purchase of treasury stock, at cost					(4)	(4)
<b>Balance at September 30, 2001</b>	¥ 274,922	¥ 285,733	¥ 574,435	¥ (261,119)	¥ (4)	¥ 873,967
<b>Balance at March 31, 2002</b>	¥ 274,926	¥ 285,736	¥ 443,555	¥ (298,792)	¥ (111)	¥ 705,314
Comprehensive income (loss):						
Net loss			(26,407)			(26,407)
Other comprehensive income (loss), net of tax—						
Unrealized gains on securities				(5,941)		(5,941)
Foreign currency translation adjustments				(23,818)		(23,818)
Minimum pension liability adjustment				4,138		4,138
Unrealized losses on derivative instruments				(634)		(634)
Comprehensive income (loss)						(52,662)
Cash dividends						—
Purchase of treasury stock, at cost					(196)	(196)
<b>Balance at September 30, 2002</b>	¥ 274,926	¥ 285,736	¥ 417,148	¥ (325,047)	¥ (307)	¥ 652,456
	Thousands of U.S. dollars					
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total
<b>Balance at March 31, 2002</b>	\$2,235,171	\$2,323,057	\$3,606,138	\$(2,429,203)	\$ (903)	\$5,734,260
Comprehensive income (loss):						
Net loss			(214,691)			(214,691)
Other comprehensive income (loss), net of tax—						
Unrealized gains on securities				(48,301)		(48,301)
Foreign currency translation adjustments				(193,642)		(193,642)
Minimum pension liability adjustment				33,642		33,642
Unrealized losses on derivative instruments				(5,155)		(5,155)
Comprehensive income (loss)						(428,147)
Cash dividends						—
Purchase of treasury stock, at cost					(1,593)	(1,593)
<b>Balance at September 30, 2002</b>	\$2,235,171	\$2,323,057	\$3,391,447	\$(2,642,659)	\$(2,496)	\$5,304,520

Note: See Notes on page 10

## Consolidated Statements of Cash Flows

Toshiba Corporation and its subsidiaries

For the six months ended September 30, 2002 and 2001 (unaudited)

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
<b>Cash flows from operating activities:</b>			
Net loss	¥ (26,407)	¥(123,137)	\$ (214,691)
Adjustments to reconcile net loss to net cash provided by operating activities—			
Depreciation and amortization	126,457	167,770	1,028,106
Accrual for pension and severance costs, less payments	14,512	6,097	117,984
Deferred income tax benefit	(31,709)	(85,984)	(257,797)
Equity in income of affiliates	(3,072)	(2,946)	(24,976)
Loss on sale and disposal of property and securities, net	27,215	71,695	221,260
Minority interest in loss of consolidated subsidiaries	(3,193)	(1,609)	(25,959)
Decrease in notes and accounts receivable, trade	177,014	270,935	1,439,138
(Increase) decrease in finance receivables, net	(5,692)	2,935	(46,276)
Increase in inventories	(59,883)	(20,614)	(486,854)
Increase in other current assets	(67,104)	(6,120)	(545,561)
(Increase) decrease in long-term receivables	(1,631)	4,101	(13,260)
Decrease in long-term finance receivables, net	39,531	13,282	321,390
Decrease in notes and accounts payable, trade	(78,953)	(161,695)	(641,894)
Decrease in accrued income and other taxes	(1,869)	(25,593)	(15,195)
Increase in advance payments received	28,408	35,443	230,959
Decrease in accounts payable and other liabilities	(57,269)	(30,585)	(465,601)
Net cash provided by operating activities	76,355	113,975	620,773
<b>Cash flows from investing activities:</b>			
Proceeds from sale of property	134,157	15,918	1,090,707
Proceeds from sale of securities	3,886	11,841	31,594
Acquisition of property and equipment	(137,634)	(176,973)	(1,118,976)
Purchase of securities	(10,688)	(10,644)	(86,894)
(Increase) decrease in investments in affiliates	(5,302)	12,628	(43,106)
Increase in other assets and others	(14,816)	(19,203)	(120,455)
Net cash used in investing activities	(30,397)	(166,433)	(247,130)
<b>Cash flows from financing activities:</b>			
Proceeds from long-term debt	197,736	119,537	1,607,610
Repayment of long-term debt	(102,247)	(154,290)	(831,277)
Decrease in short-term borrowings	(193,949)	(25,372)	(1,576,821)
Dividends paid	(17)	(16,003)	(138)
Proceeds from stock offering by subsidiaries	280	—	2,276
Purchase of treasury stock	(196)	—	(1,593)
Net cash used in financing activities	(98,393)	(76,128)	(799,943)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(6,894)</b>	<b>(3,514)</b>	<b>(56,049)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(59,329)</b>	<b>(132,100)</b>	<b>(482,349)</b>
<b>Cash and cash equivalents at beginning of the six months</b>	<b>370,432</b>	<b>487,595</b>	<b>3,011,642</b>
<b>Cash and cash equivalents at end of the six months</b>	<b>¥ 311,103</b>	<b>¥ 355,495</b>	<b>\$ 2,529,293</b>
<b>Supplemental disclosure of cash flow information:</b>			
Cash paid during the six months for—			
Interest	¥ 16,074	¥ 21,013	\$ 130,683
Income taxes	¥ 25,420	¥ 37,565	\$ 206,667

Note: See Notes on page 10.

## Notes

1. The consolidated financial statements are based on generally accepted accounting principles in the United States of America.
2. Certain reclassification of previously reported amounts have been made to conform with current classifications.
3. U.S. dollar amounts in this report are translated from yen, for convenience only, at the rate of ¥123=US\$1.
4. The company has 315 consolidated subsidiaries.
5. Comprehensive income (loss) is comprised of net income (loss) and other comprehensive income (loss) representing changes in unrealized gains on securities, foreign currency translation adjustments, minimum pension liability adjustment and unrealized losses on derivative instruments. Comprehensive income (loss) for the six months ended September 30, 2001 and 2002 is disclosed in the consolidated statements of shareholders' equity. Accumulated other comprehensive loss on the consolidated balance sheets as of September 30 and March 31, 2002 and September 30, 2001 is comprised of the following:

	Millions of yen			Thousands of U.S. dollars
	September 30 2002	March 31 2002	September 30 2001	September 30 2002
Unrealized gains on securities	¥ 19,245	¥ 25,186	¥ 23,498	\$ 156,463
Foreign currency translation adjustments	(65,769)	(41,951)	(69,639)	(534,707)
Minimum pension liability adjustment	(275,801)	(279,939)	(211,897)	(2,242,285)
Unrealized losses on derivative instruments	(2,722)	(2,088)	(3,081)	(22,130)
Accumulated other comprehensive loss	¥ (325,047)	¥ (298,792)	¥ (261,119)	\$ (2,642,659)

## Management's Discussion and Analysis

Consolidated net sales increased 5.0% over the same period a year ago, to ¥2,635.1 billion (US\$21,423 million), reflecting a great demand for semiconductors for consumer audio-visual products, digital cameras and cellular phones and also for PCs and visual equipment in overseas markets while the lower capital expenditures and weak domestic consumer spending had an adverse effect on sales. Operating income of ¥2.9 billion (US\$23 million) was recorded, an improvement of ¥101.3 billion year on year. Net other income and expenses were improved by ¥51.5 billion. The significant improvement occurred as a result of the reduced restructuring costs in connection with the reorganization of the DRAM business in the prior year. As a result, the company recorded a loss before income taxes and minority interest of ¥43.8 billion (US\$356 million) and a net loss of ¥26.4 billion (US\$215 million).

During the interim period, total assets declined 4.5%, or ¥245.2 billion, compared with March 31, 2002 to ¥5,162.6 billion (US\$41,972 million). Notes and accounts receivable, trade decreased ¥188.2 billion mainly due to the higher sales near the end of previous fiscal year and the lower sales for this interim period. Property, plant and equipment were largely decreased, through the sale of assets. Total debt decreased ¥65.2 billion to ¥1,753.4 billion (US\$14,255 million). Shareholders' equity was ¥652.5 billion (US\$5,305 million), a decrease of ¥52.9 billion in this term, mainly due to the decrease of retained earnings caused by net loss and foreign currency translation.

Research and development expenditures were marginally higher year on year at ¥166.2 billion (US\$ 1,352 million), or 6.3% of net sales.

Cash and cash equivalents decreased ¥59.3 billion from the end of previous period to ¥311.1 billion (US\$2,529 million). Net cash provided by operating activities was ¥76.4 billion (US\$621 million), a decrease of ¥37.5 billion. This was because the significant improvement in net loss was offset by decrease in depreciation and amortization, and notes and accounts receivable, trade. Net cash used in investing activities was ¥30.4 billion (US\$247 million), a decreased expenditure of ¥136 billion, reflecting increased proceeds from sale of property. Net cash used in financing activities was ¥98.4 billion (US\$800 million), an increase of ¥22.3 billion. Cash was used to reduce interest-bearing debt. In addition, cash was reduced by ¥6.9 billion (US\$56 million) for the changes in exchange rate.

## Net Sales by Region

Six months ended September 30	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Japan	¥1,516,620	¥1,551,792	\$12,330,243
North America	453,539	377,678	3,687,309
Asia	381,698	308,731	3,103,236
Europe	234,356	214,162	1,905,333
Other	48,850	58,324	397,155
<b>Net sales</b>	<b>¥2,635,063</b>	<b>¥2,510,687</b>	<b>\$21,423,276</b>

Notes: 1. Net sales by region is 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 13, which are determined based upon where the sales originated.

2. U.S. dollar amounts in this report are translated from yen, for convenience only, at the rate of ¥123=US\$1.

## Segment Information

### Industry Segments

Six months ended September 30	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Net sales:			
Information & Communications Systems			
Unaffiliated customers	¥ 346,424	¥ 360,835	\$ 2,816,455
Intersegment	60,146	79,110	488,992
Total	406,570	439,945	3,305,447
Social Infrastructure Systems			
Unaffiliated customers	348,479	355,408	2,833,163
Intersegment	24,553	31,679	199,618
Total	373,032	387,087	3,032,781
Power Systems			
Unaffiliated customers	232,451	254,496	1,889,846
Intersegment	5,068	5,792	41,203
Total	237,519	260,288	1,931,049
Digital Media			
Unaffiliated customers	765,861	644,619	6,226,512
Intersegment	29,698	30,892	241,447
Total	795,559	675,511	6,467,959
Home Appliances			
Unaffiliated customers	319,611	339,017	2,598,463
Intersegment	13,092	11,450	106,439
Total	332,703	350,467	2,704,902
Electronic Devices & Components			
Unaffiliated customers	544,929	463,157	4,430,317
Intersegment	96,693	83,543	786,122
Total	641,622	546,700	5,216,439
Others			
Unaffiliated customers	77,308	93,155	628,521
Intersegment	127,968	115,382	1,040,390
Total	205,276	208,537	1,668,911
Eliminations	(357,218)	(357,848)	(2,904,212)
Consolidated	¥2,635,063	¥2,510,687	\$21,423,276
Operating income (loss):			
Information & Communications Systems	¥ (10,447)	¥ (2,672)	\$ (84,935)
Social Infrastructure Systems	(12,490)	(15,226)	(101,545)
Power Systems	6,572	9,212	53,431
Digital Media	3,434	(11,056)	27,919
Home Appliances	2,440	9,556	19,837
Electronic Devices & Components	5,042	(93,604)	40,992
Others	8,568	4,817	69,659
Eliminations	(245)	581	(1,992)
Consolidated	¥ 2,874	¥ (98,392)	\$ 23,366

## Geographic Segments

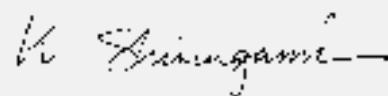
Six months ended September 30	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Net sales:			
Japan			
Unaffiliated customers	¥1,699,035	¥1,715,844	\$13,813,293
Intersegment	595,400	480,394	4,840,650
Total	2,294,435	2,196,238	18,653,943
North America			
Unaffiliated customers	410,156	338,437	3,334,602
Intersegment	13,962	44,316	113,512
Total	424,118	382,753	3,448,114
Asia			
Unaffiliated customers	279,737	228,902	2,274,285
Intersegment	265,536	200,404	2,158,829
Total	545,273	429,306	4,433,114
Europe			
Unaffiliated customers	217,652	199,398	1,769,528
Intersegment	7,608	5,967	61,854
Total	225,260	205,365	1,831,382
Other			
Unaffiliated customers	28,483	28,106	231,569
Intersegment	906	2,407	7,366
Total	29,389	30,513	238,935
Eliminations	(883,412)	(733,488)	(7,182,212)
Consolidated	¥2,635,063	¥2,510,687	\$21,423,276
Operating income (loss):			
Japan	¥ (9,024)	¥ (114,586)	\$ (73,366)
North America	4,838	(893)	39,334
Asia	14,837	11,502	120,626
Europe	(2,250)	(2,858)	(18,293)
Other	(200)	(166)	(1,626)
Eliminations	(5,327)	8,609	(43,309)
Consolidated	¥ 2,874	¥ (98,392)	\$ 23,366

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

2. U.S. dollar amounts in this report are translated from yen, for convenience only, at the rate of ¥123=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 and the related consolidated statements of income, shareholders' equity and cash flows present fairly the financial position of Toshiba Corporation and its subsidiaries at September 30, 2002, and the results of their operations for the six months then ended.



December 2002

Kiyooki Shimagami  
Senior Executive Vice President  
Toshiba Corporation

### BOARD OF DIRECTORS

**Taizo Nishimuro\***  
Director  
Chairman of the Board

**Tadashi Okamura\***  
Director  
President and Chief  
Executive Officer

**Kiyooki Shimagami\***  
Director

**Yasuo Morimoto\***  
Director

**Tetsuya Mizoguchi**  
Director

**Takeshi Iida**  
Director

**Makoto Nakagawa**  
Director

**Tadashi Matsumoto**  
Director

**Kosaku Inaba**  
Director

**Sakutarō Tanino**  
Director

**Yasuhiko Torii**  
Director

\*Representative Director

### EXECUTIVE OFFICERS

**Tadashi Okamura**  
President and Chief  
Executive Officer

#### Corporate

**Kiyooki Shimagami**  
Senior Executive Vice  
President

**Yasuo Morimoto**  
Senior Executive Vice  
President

**Tetsuya Mizoguchi**  
Executive Vice President

**Takeshi Iida**  
Executive Vice President

**Makoto Nakagawa**  
Executive Vice President

**Yuji Kiyokawa**  
Senior Vice President

**Tadashi Matsumoto**  
Senior Vice President

**Masaki Matsuhashi**  
Senior Vice President

**Toshitake Takagi**  
Vice President

**Sadazumi Ryu**  
Vice President

**Toshio Yonezawa**  
Vice President

**Makoto Azuma**  
Vice President

**Yoshiaki Sato**  
Vice President

**Shunsuke Kobayashi**  
Vice President

#### Company

**Shinsuke Kawamura**  
Vice President

**Tsuyoshi Kimura**  
Senior Vice President

**Tsutomu Miyamoto**  
Vice President

**Atsutoshi Nishida**  
Senior Vice President

**Ginzo Yamazaki**  
Vice President

**Yoshihiro Nitta**  
Vice President

**Toshiyuki Oshima**  
Senior Vice President

**Masao Niwano**  
Vice President

**Takeshi Nakagawa**  
Senior Vice President

**Susumu Kohyama**  
Senior Vice President

**Shigeo Koguchi**  
Vice President

**Katsuji Fujita**  
Vice President

**Eisaburo Hamano**  
Vice President

**Masamichi Katsurada**  
Vice President

### STATUTORY AUDITORS

**Akinobu Kasami**

**Susumu Terao**

**Shunsaku Hashimoto\*\***

**Eiichi Kakei\*\***

\*\*Outside Statutory Auditor  
(As of September 30, 2002)

## Investor Reference

(As of September 30, 2002)

### **FOUNDED**

July 1875

### **CAPITAL**

¥274,926 million (US\$2,235 million)

### **EMPLOYEES**

176,555

### **COMMON STOCK**

Authorized: 10,000,000,000 shares

Issued: 3,219,027,165 shares

No. of shareholders: 493,072

Average holding: 6,529 shares

### **TRANSFER AGENT:**

The Chuo Mitsui Trust and Banking Co., Ltd.

### **HEADQUARTERS**

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

### **PRINCIPAL SHAREHOLDERS**

Sumitomo Mitsui Banking Corporation	3.88%
The Dai-ichi Mutual Life Insurance Company	3.72%
Nippon Life Insurance Company	3.36%
Japan Trustee Services Bank, Ltd.	2.52%
The Master Trust Bank of Japan, Ltd.	2.18%
State Street Bank and Trust Company	2.12%
UFJ Trust Bank Limited	1.72%
The Chase Manhattan Bank NA London	1.70%
Employees Stock Ownership Plan	1.59%
NIPPONKOA Insurance Co., Ltd.	1.55%

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For further information, please contact:

Investor Relations Group  
Corporate Communications Office

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<http://www.toshiba.co.jp/about/ir/index.htm>

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