

January 29, 2002

FOR IMMEDIATE RELEASE

**Toshiba Announces Consolidated Results
for Third Quarter of Fiscal Year to March 2002**

Tokyo—Toshiba Corporation today announced its consolidated results for the third quarter of fiscal year 2001.

General Overview of the Third Quarter of Fiscal Year 2001

The third quarter of fiscal year 2001 saw a continuation of the economic downturn that hit the U.S. in 2000 and a further slowdown in demand for IT-related products. The terrorist attacks of September 11 provided a further spur to economic decline and to subsequent worldwide recession. This also hit Japan, which saw exports slow and a decline in capital expenditures. Consumer spending showed no signs of recovery and deflation continued to make itself felt.

This overall business environment had a negative impact on Toshiba's consolidated results, which saw net sales decline 13 percent against the same period a year ago, to 1,213.3 billion yen (approximately US\$9,192 million).

Consolidated results by industry segment against the same period a year ago

Sales of Information & Communications Systems decreased 10 percent, to 187.7 billion yen (US\$1,422 million).

Sales of Social Infrastructure Systems declined 2 percent, to 181.1 billion yen (US\$1,372 million). Although medical systems saw favorable results, a fall in investment in both the public and private sectors produced a net decline.

Sales of Power Systems decreased 16 percent, to 108.7 billion yen (US\$823 million). Sales from thermal power plant equipment increased in a favorable U.S. market, but a reduction of domestic sales accounted for the third quarter produced a net decrease.

Digital Media saw sales decrease by 2 percent, to 373.5 billion yen (US\$2,830 million). Sales of PCs fell in both the domestic and overseas markets. Sales were favorable for storage devices, such as optical disk drives, and sales of AV products also increased. Sales of mobile equipment eased, in consequence of sluggish growth in demand for cellular phones.

In Home Appliances, total sales declined 11 percent, to 160.9 billion yen (US\$1,219 million) reflecting slower consumer spending.

Electronic Devices & Components recorded a decline of 31 percent, to 259.2 billion yen (US\$1,964 million). Sales from both discrete and system LSIs devices decreased as a result of the economic slowdown. Price erosion in memory devices had a major impact on results.

Others decreased 6 percent, to 101.6 billion yen (US\$770 million).

This pattern of price erosion and decreased sales impacted on profits. Operating income was 105.5 billion yen lower than in the same period a year ago, at minus 69.7 billion yen (minus US\$528 million). In addition to this, restructuring costs and the charge for a limited term voluntary retirement program produced a 156.9 billion yen decrease in income before income taxes and minority interest, bringing it to minus 143.6 billion yen (minus US\$1,088 million). Net income subsequently decreased by 96.0 billion yen to minus 84.9 billion yen (minus US\$643 million).

Forecast for FY2001

Toshiba has revised down its October 2001 forecasts for fiscal year 2001 consolidated and non-consolidated results, as below. In light of these revisions, Toshiba's board of directors plans to cancel its end-of-term dividend.

1. Consolidated

(Unit: billion yen)

	Original Forecast (A)	Revised Forecast (B)	(B) – (A)	FY2000
Net Sales	5,460	5,360	-100	5,951.4
Operating Income (Loss)	-110	-135	-25	232.1
Income (Loss) before Income Taxes and Minority Interest	-300	-380	-80	188.1
Net Income (Loss)	-200	-260	-60	96.2

2. Non-consolidated

(Unit: billion yen)

	Original Forecast (A)	Revised Forecast (B)	(B) – (A)	FY2000
Net Sales	3,270	3,200	-70	3,678.9
Recurring Profit (Loss)	-195	-240	-45	95.3
Extraordinary Losses	-100	-155	-55	-61.3
Net Income (Loss)	-190	-255	-65	26.4

3. Reasons for revision

The Digital Media and Information & Communications System segments will continue to operate in a severe business environment that is expected to produce lower sales and operating income (loss) than forecast in October 2001.

The figures also reflect additional restructuring expenses incurred as Toshiba accelerates implementation of its 01 Action Plan

Note: For convenience only, all dollar figures used in this statement are valued at 132 yen to the dollar.

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Toshiba Corporation and its Subsidiaries

Consolidated Financial Statements

For the Third-Quarter and the Nine-Month ended December 31,2001

1. Third-Quarter Results (Unaudited)

(¥ in millions, US\$ in thousands, except for earnings per share)

	Three months ended December 31				
	2001(A)	2000(B)	(A)-(B)	(A)/(B)	2001
Net sales	¥1,213,312	¥1,394,338	¥(181,026)	87%	\$9,191,758
Income (loss) before income taxes and minority interest	(143,591)	13,324	(156,915)	—	(1,087,811)
Net income (loss)	(84,873)	11,078	(95,951)	—	(642,977)
Basic earnings per share	¥(26.37)	¥3.44	¥(29.81)	—	\$(0.20)
Diluted earnings per share	¥(26.37)	¥3.43	¥(29.80)	—	\$(0.20)

2. Nine-Month Results (Unaudited)

(¥ in millions, US\$ in thousands, except for earnings per share)

	Nine months ended December 31				
	2001(A)	2000(B)	(A)-(B)	(A)/(B)	2001
Net sales	¥3,723,999	¥4,220,256	¥(496,257)	88%	\$28,212,114
Income (loss) before income taxes and minority interest	(340,144)	119,537	(459,681)	—	(2,576,848)
Net income (loss)	(208,010)	64,976	(272,986)	—	(1,575,833)
Basic earnings per share	¥(64.62)	¥20.19	¥(84.81)	—	\$(0.49)
Diluted earnings per share	¥(64.62)	¥20.08	¥(84.70)	—	\$(0.49)

Notes:

- 1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
- 2) The company has 329 consolidated subsidiaries.
- 3) The U.S.dollar is valued at ¥132 throughout this statement for convenience only.

Comparative Consolidated Statements of Income (Unaudited)

1. Third-Quarter ended December 31

(¥ in millions, US\$ in thousands)

	Three months ended December 31				
	2001(A)	2000(B)	(A)-(B)	(A)/(B)	2001
Sales and other income					
Net sales	¥1,213,312	¥1,394,338	¥(181,026)	87%	\$9,191,758
Interest	1,315	1,734	(419)	76%	9,962
Dividends	1,055	1,271	(216)	83%	7,992
Other income	15,093	7,908	7,185	191%	114,341
Costs and expenses					
Cost of sales	934,617	1,007,849	(73,232)	93%	7,080,432
Selling, general and administrative	348,407	350,720	(2,313)	99%	2,639,447
Interest	7,204	10,062	(2,858)	72%	54,576
Other	84,138	23,296	60,842	361%	637,409
Income (loss) before income taxes and minority interest	(143,591)	13,324	(156,915)	—	(1,087,811)
Income taxes	(55,934)	7,119	(63,053)	—	(423,743)
Minority interest in income (loss) of consolidated subsidiaries	(2,757)	(1,787)	(970)	—	(20,886)
Equity in income of affiliated companies	27	3,086	(3,059)	1%	205
Net income (loss)	¥(84,873)	¥11,078	¥(95,951)	—	\$(642,977)

Note: Comprehensive loss for the third quarter of FY2001 and FY2000 were ¥66,619 million and ¥24,257 million, respectively.

2. Nine-Month ended December 31

(¥ in millions, US\$ in thousands)

	Nine months ended December 31				
	2001(A)	2000(B)	(A)-(B)	(A)/(B)	2001
Sales and other income					
Net sales	¥3,723,999	¥4,220,256	¥(496,257)	88%	\$28,212,114
Interest	5,742	8,342	(2,600)	69%	43,500
Dividends	4,429	4,622	(193)	96%	33,553
Other income	37,741	67,172	(29,431)	56%	285,917
Costs and expenses					
Cost of sales	2,833,361	3,041,931	(208,570)	93%	21,464,856
Selling, general and administrative	1,058,742	1,036,535	22,207	102%	8,020,773
Interest	23,391	31,159	(7,768)	75%	177,205
Other	196,561	71,230	125,331	276%	1,489,098
Income (loss) before income taxes and minority interest	(340,144)	119,537	(459,681)	—	(2,576,848)
Income taxes	(124,795)	61,405	(186,200)	—	(945,416)
Minority interest in income (loss) of consolidated subsidiaries	(4,366)	780	(5,146)	—	(33,076)
Equity in income of affiliated companies	2,973	7,624	(4,651)	39%	22,523
Net income (loss)	¥(208,010)	¥64,976	¥(272,986)	—	\$(1,575,833)

Note: Comprehensive loss for nine months ended December 31,2001 was ¥224,480 million and income for nine months ended December 31,2000 was ¥11,096 million, respectively.

Comparative Consolidated Balance Sheets (Unaudited)

(¥ in millions, US\$ in thousands)

	Dec. 31,2001 (A)	Sep.30,2001 (B)	(A)-(B)	Mar.31,2001	Dec. 31,2001
Assets					
Current assets	¥2,848,849	¥2,729,664	¥119,185	¥3,090,091	\$21,582,189
Cash and cash equivalents	378,032	355,495	22,537	487,595	2,863,879
Notes and accounts receivable, trade	882,297	910,910	(28,613)	1,196,680	6,684,068
Finance receivables, net	209,116	220,022	(10,906)	222,976	1,584,212
Inventories	915,785	835,630	80,155	819,633	6,937,765
Prepaid expenses and other current assets	463,619	407,607	56,012	363,207	3,512,265
Long-term receivables	15,197	14,160	1,037	18,957	115,129
Long-term finance receivables, net	312,084	328,210	(16,126)	341,492	2,364,273
Investments	361,487	349,881	11,606	384,788	2,738,538
Property, plant and equipment	1,369,667	1,390,396	(20,729)	1,439,756	10,376,265
Other assets	590,103	513,452	76,651	449,480	4,470,477
Total assets	¥5,497,387	¥5,325,763	¥171,624	¥5,724,564	\$41,646,871
Liabilities and shareholders' equity					
Current liabilities	¥2,964,870	¥2,672,023	¥292,847	¥2,880,850	\$22,461,136
Short-term borrowings and current portion of long-term debt	1,078,706	777,500	301,206	797,331	8,172,015
Notes and accounts payable, trade	888,796	905,647	(16,851)	1,079,622	6,733,303
Other current liabilities	997,368	988,876	8,492	1,003,897	7,555,818
Accrued pension and severance costs	657,800	656,924	876	633,642	4,983,333
Long-term debt and other liabilities	925,496	983,743	(58,247)	1,023,536	7,011,333
Minority interest in consolidated subsidiaries	141,922	139,106	2,816	138,611	1,075,167
Shareholders' equity	807,299	873,967	(66,668)	1,047,925	6,115,902
Common stock	274,923	274,922	1	274,921	2,082,750
Additional paid-in capital	285,733	285,733	0	285,732	2,164,644
Retained earnings	489,562	574,435	(84,873)	713,667	3,708,803
Accumulated other comprehensive income (loss)	(242,865)	(261,119)	18,254	(226,395)	(1,839,886)
Treasury stock	(54)	(4)	(50)		(409)
Total liabilities and shareholders' equity	¥5,497,387	¥5,325,763	¥171,624	¥5,724,564	\$41,646,871

Breakdown of accumulated other comprehensive income (loss)

Unrealized gains on securities	¥21,787	¥23,498	¥(1,711)	¥28,728	\$165,053
Foreign currency translation adjustments	(45,509)	(69,639)	24,130	(55,938)	(344,765)
Minimum pension liability adjustment	(215,982)	(211,897)	(4,085)	(199,185)	(1,636,227)
Unrealized loss on derivative instruments	(3,161)	(3,081)	(80)	—	(23,947)
Total debt	¥1,956,443	¥1,721,675	¥234,768	¥1,787,636	\$14,821,538

Comparative Consolidated Statements of Cash Flows (Unaudited)

1. Third-Quarter ended December 31

(¥ in millions, US\$ in thousands)

		Three months ended December 31			
		2001(A)	2000(B)	(A)-(B)	2001
Cash flows from operating activities					
	Net income (loss)	¥(84,873)	¥11,078	¥(95,951)	\$(642,977)
	Depreciation and amortization	77,774	84,151	(6,377)	589,197
	Equity in income of affiliated companies	(27)	(3,086)	3,059	(205)
	Decrease (increase) in notes and accounts receivable, trade	74,846	(41,885)	116,731	567,015
	Increase in inventories	(61,020)	(139,725)	78,705	(462,272)
	(Decrease) increase in notes and accounts payable, trade	(38,221)	22,742	(60,963)	(289,553)
	Others	(89,791)	25,997	(115,788)	(680,235)
	Adjustments to reconcile net income (loss) to net cash used in operating activities	(36,439)	(51,806)	15,367	(276,053)
	Net cash used in operating activities	(121,312)	(40,728)	(80,584)	(919,030)
Cash flows from investing activities					
	Proceeds from sale of property and securities	17,005	2,146	14,859	128,826
	Acquisition of property and equipment	(87,979)	(62,854)	(25,125)	(666,508)
	Purchase of securities	(4,897)	(6,416)	1,519	(37,098)
	Increase in investments in affiliated companies	(6,601)	(2,571)	(4,030)	(50,008)
	Others	829	22,794	(21,965)	6,280
	Net cash used in investing activities	(81,643)	(46,901)	(34,742)	(618,508)
Cash flows from financing activities					
	Proceeds from long-term debt	27,549	34,901	(7,352)	208,704
	Repayment of long-term debt	(91,382)	(72,667)	(18,715)	(692,288)
	Increase in short-term borrowings	280,008	33,603	246,405	2,121,273
	Dividends paid and others	(80)	(11,932)	11,852	(606)
	Net cash provided by (used in) financing activities	216,095	(16,095)	232,190	1,637,083
Effect of exchange rate changes on cash and cash equivalents		9,397	2,569	6,828	71,190
Net increase (decrease) in cash and cash equivalents		22,537	(101,155)	123,692	170,735
Cash and cash equivalents at beginning of period		355,495	532,550	(177,055)	2,693,144
Cash and cash equivalents at end of period		¥378,032	¥431,395	¥(53,363)	\$2,863,879

2. Nine-months ended December 31

(¥ in millions, US\$ in thousands)

		Nine months ended December 31			
		2001(A)	2000(B)	(A)-(B)	2001
Cash flows from operating activities					
	Net income (loss)	¥(208,010)	¥64,976	¥(272,986)	\$(1,575,833)
	Depreciation and amortization	245,544	248,390	(2,846)	1,860,182
	Equity in income of affiliated companies	(2,973)	(7,624)	4,651	(22,523)
	Decrease in notes and accounts receivable, trade	366,099	140,900	225,199	2,773,477
	Increase in inventories	(81,634)	(174,650)	93,016	(618,439)
	(Decrease) increase in notes and accounts payable, trade	(199,916)	13,903	(213,819)	(1,514,515)
	Others	(126,447)	(40,276)	(86,171)	(957,932)
	Adjustments to reconcile net income (loss) to net cash provided by operating activities	200,673	180,643	20,030	1,520,250
	Net cash (used in) provided by operating activities	(7,337)	245,619	(252,956)	(55,583)
Cash flows from investing activities					
	Proceeds from sale of property and securities	44,764	32,074	12,690	339,121
	Acquisition of property and equipment	(264,952)	(207,785)	(57,167)	(2,007,212)
	Purchase of securities	(15,541)	(11,998)	(3,543)	(117,735)
	Decrease in investments in affiliated companies	6,027	2,915	3,112	45,659
	Others	(18,374)	30,982	(49,356)	(139,197)
	Net cash used in investing activities	(248,076)	(153,812)	(94,264)	(1,879,364)
Cash flows from financing activities					
	Proceeds from long-term debt	147,086	169,594	(22,508)	1,114,288
	Repayment of long-term debt	(245,672)	(225,111)	(20,561)	(1,861,152)
	Increase (decrease) in short-term borrowings	254,636	(64,000)	318,636	1,929,061
	Dividends paid and others	(16,083)	(21,511)	5,428	(121,841)
	Net cash provided by (used in) financing activities	139,967	(141,028)	280,995	1,060,356
Effect of exchange rate changes on cash and cash equivalents		5,883	15,379	(9,496)	44,568
Net decrease in cash and cash equivalents		(109,563)	(33,842)	(75,721)	(830,023)
Cash and cash equivalents at beginning of period		487,595	465,237	22,358	3,693,902
Cash and cash equivalents at end of period		¥378,032	¥431,395	¥(53,363)	\$2,863,879

Industry Segment Information

1. Third-Quarter ended December 31

(¥ in millions, US\$ in thousands)

		Three months ended December 31				
		2001(A)	2000(B)	(A)-(B)	(A)/(B)	2001
Net sales (Share of total sales)	Information & Communications Systems	¥187,679 (14%)	¥207,421 (13%)	¥(19,742) (1%)	90%	\$1,421,810
	Social Infrastructure Systems	181,114 (13%)	183,918 (12%)	(2,804) (1%)	98%	1,372,076
	Power Systems	108,698 (8%)	129,450 (8%)	(20,752) (-)	84%	823,470
	Digital Media	373,532 (27%)	379,346 (24%)	(5,814) (3%)	98%	2,829,788
	Home Appliances	160,925 (12%)	180,216 (12%)	(19,291) (-)	89%	1,219,129
	Electronic Devices & Components	259,216 (19%)	377,791 (24%)	(118,575) (-5%)	69%	1,963,757
	Others	101,617 (7%)	107,913 (7%)	(6,296) (-)	94%	769,826
	Total	1,372,781 (100%)	1,566,055 (100%)	(193,274)	88%	10,399,856
	Eliminations	(159,469)	(171,717)	12,248	—	(1,208,098)
Consolidated		¥1,213,312	¥1,394,338	¥(181,026)	87%	\$9,191,758
Operating income (loss)	Information & Communications Systems	¥(14,173)	¥(5,889)	¥(8,284)	—	\$(107,371)
	Social Infrastructure Systems	(8,713)	(15,965)	7,252	—	(66,008)
	Power Systems	(1,960)	10,149	(12,109)	—	(14,848)
	Digital Media	(2,918)	(4,342)	1,424	—	(22,106)
	Home Appliances	2,423	5,312	(2,889)	46%	18,356
	Electronic Devices & Components	(46,564)	34,994	(81,558)	—	(352,758)
	Others	2,561	10,795	(8,234)	24%	19,402
	Total	(69,344)	35,054	(104,398)	—	(525,333)
	Eliminations	(368)	715	(1,083)	—	(2,788)
Consolidated		¥(69,712)	¥35,769	¥(105,481)	—	\$(528,121)

2. Nine-Month ended December 31

(¥ in millions, US\$ in thousands)

		Nine months ended December 31				
		2001(A)	2000(B)	(A)-(B)	(A)/(B)	2001
Net sales (Share of total sales)	Information & Communications Systems	¥627,624 (15%)	¥637,172 (13%)	¥(9,548) (2%)	99%	\$4,754,727
	Social Infrastructure Systems	568,201 (13%)	567,817 (12%)	384 (1%)	100%	4,304,553
	Power Systems	368,986 (9%)	415,030 (9%)	(46,044) (-)	89%	2,795,349
	Digital Media	1,049,043 (25%)	1,102,800 (23%)	(53,757) (2%)	95%	7,947,295
	Home Appliances	511,392 (12%)	516,496 (11%)	(5,104) (1%)	99%	3,874,182
	Electronic Devices & Components	805,916 (19%)	1,193,103 (25%)	(387,187) (-6%)	68%	6,105,424
	Others	310,154 (7%)	340,352 (7%)	(30,198) (-)	91%	2,349,652
	Total	4,241,316 (100%)	4,772,770 (100%)	(531,454)	89%	32,131,182
	Eliminations	(517,317)	(552,514)	35,197	—	(3,919,068)
Consolidated		¥3,723,999	¥4,220,256	¥(496,257)	88%	\$28,212,114
Operating income (loss)	Information & Communications Systems	¥(16,845)	¥(3,790)	¥(13,055)	—	\$(127,613)
	Social Infrastructure Systems	(23,939)	(35,442)	11,503	—	(181,356)
	Power Systems	7,252	17,053	(9,801)	43%	54,939
	Digital Media	(13,974)	10,859	(24,833)	—	(105,864)
	Home Appliances	11,979	10,973	1,006	109%	90,750
	Electronic Devices & Components	(140,168)	115,503	(255,671)	—	(1,061,879)
	Others	7,378	24,511	(17,133)	30%	55,894
	Total	(168,317)	139,667	(307,984)	—	(1,275,129)
	Eliminations	213	2,123	(1,910)	—	1,614
Consolidated		¥(168,104)	¥141,790	¥(309,894)	—	\$(1,273,515)

Notes:

- 1) Segment information is based on Japanese accounting standards.
- 2) Segment sales totals include intersegment transactions.

Net Sales by Region

1. Third-Quarter ended December 31

(¥ in millions, US\$ in thousands)

	Three months ended December 31				2001
	2001(A)	2000(B)	(A)-(B)	(A)/(B)	
Japan	¥710,772 (59%)	¥861,248 (62%)	¥(150,476) (-3%)	83%	\$5,384,637
Overseas	502,540 (41%)	533,090 (38%)	(30,550) (3%)	94%	3,807,121
North America	207,214 (17%)	204,135 (15%)	3,079 (2%)	102%	1,569,803
Asia	155,823 (13%)	174,772 (12%)	(18,949) (1%)	89%	1,180,477
Europe	115,187 (9%)	129,120 (9%)	(13,933) (-)	89%	872,629
Other	24,316 (2%)	25,063 (2%)	(747) (-)	97%	184,212
Net Sales	¥1,213,312 (100%)	¥1,394,338 (100%)	¥(181,026)	87%	\$9,191,758

2. Nine-Month ended December 31

(¥ in millions, US\$ in thousands)

	Nine months ended December 31				2001
	2001(A)	2000(B)	(A)-(B)	(A)/(B)	
Japan	¥2,262,564 (61%)	¥2,567,047 (61%)	¥(304,483) (-)	88%	\$17,140,636
Overseas	1,461,435 (39%)	1,653,209 (39%)	(191,774) (-)	88%	11,071,478
North America	584,892 (16%)	616,081 (15%)	(31,189) (1%)	95%	4,431,000
Asia	464,554 (12%)	567,745 (13%)	(103,191) (-1%)	82%	3,519,349
Europe	329,349 (9%)	380,313 (9%)	(50,964) (-)	87%	2,495,068
Other	82,640 (2%)	89,070 (2%)	(6,430) (-)	93%	626,061
Net Sales	¥3,723,999 (100%)	¥4,220,256 (100%)	¥(496,257)	88%	\$28,212,114

Notes:

1.Net sales by region are determined based upon the locations of the customers.

2.Share of net sales appear in parentheses for reference.

* Forward-looking Statement

This announcement contains forward-looking statements concerning Toshiba's future plans, strategies and performance. These forward-looking statements are not historical facts, rather they represent assumptions and beliefs based on economic, financial and competitive data currently available. Furthermore, they are subject to a number of risks and uncertainties that, without limitation, relate to economic conditions, worldwide mega-competition in the electronics business, customer demand, foreign currency exchange rates, tax rules, regulations and other factors. Toshiba therefore, wishes to caution that actual results may differ materially from our expectations.