

FOR IMMEDIATE RELEASE

October 25, 2002

**Toshiba Announces Consolidated and Non-Consolidated Results
for the First Half of Fiscal Year Ending in March 2003**

TOKYO--Toshiba Corporation today announced its consolidated and non-consolidated results for the first half of fiscal year 2002. The results reflect solid recovery led by recent initiatives taken by management, including business restructuring and closely focused portfolio management.

1) General Overview of the First Half of Fiscal Year 2002

The first half of fiscal year 2002 opened with signs of industrial recovery that encouraged 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.

Consolidated Results

Consolidated net sales increased 5 percent over the same period a year ago, to 2,635.1 billion yen (approximately 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. Power Systems, Information & Communications Systems and Home Appliances, undercut by slow capital expenditures and weak domestic consumer spending, recorded decreased sales.

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

Non-consolidated Results

Non-consolidated results saw net sales increase by 7 percent over the same period a year ago, to 1,554.9 billion yen (US\$12,641 million). Recurring profit (loss) recovered to minus 22.4 billion yen (minus US\$182 million). Net income rose to 47.1 billion yen (US\$383 million), reflecting extraordinary gains that included 108.7 billion yen from

relinquishment of the entrusted portion of the employee pension fund.

2) Cash Flows

Net cash provided by operating activities was 76.4 billion yen (US\$621 million), while net cash used in investing activities was 30.4 billion yen (US\$247 million), an overall increase in free cash flow of 46.0 billion yen (US\$374 million).

3) Breakdown of FY 2002 First Half Consolidated Results by Industry Segment

Net Sales

Net sales of **Information & Communications Systems** were down 8 percent over the same period a year ago, to 406.6 billion yen (US\$3,305 million). The result was influenced by declines in the sales of telecommunications and broadcasting systems, as well as information system for the private sector, including distributors, financial institutions and manufacturing. Price-erosion also contributed to lower sales figures.

Net sales of **Social Infrastructure Systems** declined by 4 percent over the same period a year ago, to 373.0 billion yen (US\$3,033 million), primarily as a result of continued curbs on capital expenditure.

Net sales in **Power Systems** decreased 9 percent over the same period a year ago, to 237.5 billion yen (US\$1,931 million), as restrained domestic investment resulted in smaller demand for power equipment.

Digital Media sales increased by 18 percent over the same period a year ago, to 795.6 billion yen (US\$6,468 million). Overseas sales of portable PCs, peripherals and visual equipment, including color TVs, were strong throughout the period.

In **Home Appliances**, net sales decreased 5 percent over the same period a year ago, to 332.7 billion yen (US\$2,705 million). The decline was compounded by price erosion and sluggish consumer consumption, including limited sales of air-conditioners in an unseasonably cool June.

Electronic Devices & Components recorded a boost of 17 percent over the same period a year ago, to 641.6 billion yen (US\$5,216 million). Demand was strong for semiconductors for consumer products, particularly audio-visual equipment, and demand for NAND flash memory was boosted by cellular phones.

Others decreased 2 percent over the same period a year ago, to 205.3 billion yen (US\$ 1,669 million).

Operating Income

Information & Communications Systems saw income decline by 7.7 billion yen over the same period a year ago, to minus 10.4 billion yen (minus US\$85 million).

Social Infrastructure Systems improved 2.7 billion yen over the same period a year ago, to minus 12.5 billion yen (minus US\$102 million), due to cost-cutting efforts and restructuring that improved operating efficiency.

Power Systems decreased 2.6 billion yen over the same period a year ago, to 6.6 billion yen (US\$53 million), largely as a result of a demand downturn in thermal power equipment.

Digital Media increased 14.5 billion yen over the same period a year ago, to 3.4 billion yen (US\$28 million).

In **Home Appliances**, operating income decreased 7.2 billion yen to 2.4 billion yen (US\$20 million).

Electronic Devices & Components saw a 98.6 billion yen increase over the same period a year ago, to 5.0 billion yen (US\$41 million). NAND Flash memory, discrete devices and system LSI all returned strong performances. Withdrawal from the commodity DRAM business also contributed to the improved performance.

Others increased 78 percent over the same period a year ago, to 8.6 billion yen (US\$70 million).

Dividend per share

Toshiba has cancelled its interim dividend.

Forecast for FY2002

Overall forecast for financial results, including production, sales and profit

Toshiba expects the U.S. and Japanese economies to remain sluggish in the second half of the fiscal year, as capital expenditures continue to be constrained.

Consolidated and non-consolidated projections for FY2002 are shown below.

Consolidated

(Unit: billion yen)

	FY2002 Forecast	FY2001	Change (%)
Net Sales	5,650	5,394	+5%
Operating Income (Loss)	130	-114	-
Income (Loss) before Taxes	40	-377	-
Net Income (Loss)	23	-254	-

Non-Consolidated

(Unit: billion yen)

	FY2002 Forecast	FY2001	Change (%)
Net Sales	3,400	3,196	+6%
Operating Income (Loss)	55	-196	-
Recurring Profit (Loss)	30	-231	-
Income (Loss) before Taxes	120	-398	-
Net Income (Loss)	69	-260	-

FY2002 Forecast by Industry Segment

Forecasts for consolidated net sales and operating income (loss) for FY2002 are shown below.

(Unit: billion yen)

	Net Sales		Operating Income	
	FY2002 Forecast	FY2001	FY2002 Forecast	FY2001
Information & Communications Systems	900	956.7	11	9.7
Social Infrastructure Systems	940	955.3	18	13.6
Power Systems	500	579.6	19	26.8
Digital Media	1,660	1,468.6	21	-14.9
Home Appliances	680	680.7	13	11.4
Electronic Devices & Components	1,300	1,074.8	33	-176.3
Others	420	426.4	16	15.3
Total	6,400	6,142.1	131	-114.3
Elimination	-750	-748.1	-1	0.8
Consolidated	5,650	5,394.0	130	-113.6

Note: For convenience only, all dollar figures used in reporting fiscal year 2002 first half results are valued at 123 yen to the dollar. The U.S. dollar and Euro values assumed in the forecast for the second half of fiscal year 2002 are 120 yen and 115 yen, respectively. For more information, please visit Toshiba's website at: <http://www.toshiba.co.jp/about/press/index.htm>

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Toshiba Corporation and its Subsidiaries

Consolidated Interim Financial Statements

For the First Half of Fiscal Year 2002 (April 1, 2002 to September 30, 2002)

Outline

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

	1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Net sales	¥2,635,063	¥2,510,687	¥124,376	105%	¥5,394,033	\$21,423,276
Operating income (loss)	2,874	(98,392)	101,266	—	(113,575)	23,366
Income (loss) before income taxes, minority interest and equity in earnings of affiliates.	(43,813)	(196,553)	152,740	—	(376,687)	(356,203)
Net income (loss)	(26,407)	(123,137)	96,730	—	(254,017)	(214,691)
Basic earnings per share	¥(8.20)	¥(38.25)	¥30.05		¥(78.91)	\$(0.07)

Notes:

- 1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
- 2) The company has 315 consolidated subsidiaries.
- 3) The U.S.dollar is valued at ¥123 throughout this statement for convenience only.

Comparative Consolidated Statements of Operations

1. First Half ended September 30

(¥ in millions, US\$ in thousands)

	1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Sales and other income						
Net sales	¥2,635,063	¥2,510,687	¥124,376	105%	¥5,394,033	\$21,423,276
Interest	2,530	4,427	(1,897)	57%	7,461	20,569
Dividends	4,029	3,374	655	119%	7,243	32,756
Other income	27,323	22,648	4,675	121%	59,100	222,138
Costs and expenses						
Cost of sales	1,931,210	1,898,744	32,466	102%	4,070,130	15,700,894
Selling, general and administrative	700,979	710,335	(9,356)	99%	1,437,478	5,699,016
Interest	12,336	16,187	(3,851)	76%	29,891	100,293
Other	68,233	112,423	(44,190)	61%	307,025	554,740
Income (loss) before income taxes, minority interest and equity in earnings of affiliates	(43,813)	(196,553)	152,740	—	(376,687)	(356,204)
Income taxes	(11,141)	(68,861)	57,720	—	(113,915)	(90,577)
Minority interest in income (loss) of consolidated subsidiaries	(3,193)	(1,609)	(1,584)	—	(6,315)	(25,959)
Equity in earnings of affiliates	3,072	2,946	126	104%	2,440	24,975
Net income (loss)	¥(26,407)	¥(123,137)	¥96,730	—	¥(254,017)	\$(214,691)

Note: Comprehensive loss for the first half of FY2002 and FY2001 was ¥52,662 million and ¥157,861 million, respectively. Comprehensive loss for FY2001 was ¥326,414 million.

2. Second Quarter ended September 30 (Unaudited) (¥ in millions, US\$ in thousands)

	Three months ended September 30				
	2002(A)	2001(B)	(A)-(B)	(A)/(B)	2002
Sales and other income					
Net sales	¥1,443,944	¥1,345,207	¥98,737	107%	\$11,739,382
Interest	1,070	2,181	(1,111)	49%	8,699
Dividends	1,653	1,287	366	128%	13,439
Other income	15,671	14,194	1,477	110%	127,407
Costs and expenses					
Cost of sales	1,061,760	1,036,857	24,903	102%	8,632,195
Selling, general and administrative	353,049	366,537	(13,488)	96%	2,870,317
Interest	6,304	7,496	(1,192)	84%	51,252
Other	51,772	95,973	(44,201)	54%	420,911
Income (loss) before income taxes, minority interest and equity in earnings of affiliates	(10,547)	(143,994)	133,447	—	(85,748)
Income taxes	(596)	(50,569)	49,973	—	(4,846)
Minority interest in income (loss) of consolidated subsidiaries	(3,062)	(2,858)	(204)	—	(24,894)
Equity in earnings of affiliates	(723)	867	(1,590)	—	(5,878)
Net income (loss)	¥(7,612)	¥(89,700)	¥82,088	—	\$(61,886)

Note: Comprehensive loss for the second quarter of FY2002 and FY2001 was ¥16,169 million and ¥122,233 million, respectively.

Comparative Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	FY2002 As of Sept. 30,2002 (A)	FY2001 As of Mar.31,2002 (B)	(A)-(B)	FY2002 As of Sept. 30,2002
Assets				
Current assets	¥2,550,605	¥2,674,527	¥(123,922)	\$20,736,626
Cash and cash equivalents	311,103	370,432	(59,329)	2,529,293
Notes and accounts receivable, trade	897,914	1,086,147	(188,233)	7,300,114
Finance receivables, net	196,611	190,912	5,699	1,598,463
Inventories	748,614	693,350	55,264	6,086,293
Prepaid expenses and other current assets	396,363	333,686	62,677	3,222,463
Long-term receivables	14,034	14,523	(489)	114,097
Long-term finance receivables, net	273,527	313,058	(39,531)	2,223,797
Investments	360,088	363,274	(3,186)	2,927,545
Property, plant and equipment	1,253,757	1,354,322	(100,565)	10,193,146
Other assets	710,577	688,078	22,499	5,777,049
Total assets	¥5,162,588	¥5,407,782	¥(245,194)	\$41,972,260
Liabilities and shareholders' equity				
Current liabilities	¥2,635,836	¥2,872,493	¥(236,657)	\$21,429,561
Short-term borrowings and current portion of long-term debt	833,231	929,778	(96,547)	6,774,236
Notes and accounts payable, trade	892,958	978,020	(85,062)	7,259,821
Other current liabilities	909,647	964,695	(55,048)	7,395,504
Accrued pension and severance costs	714,607	709,233	5,374	5,809,813
Long-term debt and other liabilities	970,816	931,079	39,737	7,892,813
Minority interest in consolidated subsidiaries	188,873	189,663	(790)	1,535,553
Shareholders' equity	652,456	705,314	(52,858)	5,304,520
Common stock	274,926	274,926	0	2,235,171
Additional paid-in capital	285,736	285,736	0	2,323,057
Retained earnings	417,148	443,555	(26,407)	3,391,447
Accumulated other comprehensive loss	(325,047)	(298,792)	(26,255)	(2,642,659)
Treasury stock	(307)	(111)	(196)	(2,496)
Total liabilities and shareholders' equity	¥5,162,588	¥5,407,782	¥(245,194)	\$41,972,260

Breakdown of accumulated other comprehensive income (loss)

Unrealized gains on securities	¥19,245	¥25,186	¥(5,941)	\$156,463
Foreign currency translation adjustments	(65,769)	(41,951)	(23,818)	(534,707)
Minimum pension liability adjustment	(275,801)	(279,939)	4,138	(2,242,285)
Unrealized loss on derivative instruments	(2,722)	(2,088)	(634)	(22,130)
Total debt	¥1,753,359	¥1,818,533	¥(65,174)	\$14,254,951

Comparative Consolidated Statements of Cash Flows

(¥ in millions, US\$ in thousands)

	1st Half FY2002 (A)	1st Half FY2001 (B)	(A)-(B)	1st Half FY2002
Cash flows from operating activities				
Net loss	¥(26,407)	¥(123,137)	¥96,730	\$(214,691)
Depreciation and amortization	126,457	167,770	(41,313)	1,028,106
Equity in income of affiliated companies	(3,072)	(2,946)	(126)	(24,976)
Decrease in notes and accounts receivable, trade	209,222	291,253	(82,031)	1,700,992
Increase in inventories	(59,883)	(20,614)	(39,269)	(486,854)
Decrease in notes and accounts payable, trade	(78,953)	(161,695)	82,742	(641,894)
Others	(91,009)	(36,656)	(54,353)	(739,910)
Adjustments to reconcile net loss to net cash provided by operating activities	102,762	237,112	(134,350)	835,464
Net cash provided by operating activities	76,355	113,975	(37,620)	620,773
Cash flows from investing activities				
Proceeds from sale of property and securities	138,043	27,759	110,284	1,122,301
Acquisition of property and equipment	(137,634)	(176,973)	39,339	(1,118,976)
Purchase of securities	(10,688)	(10,644)	(44)	(86,894)
(Increase) Decrease in investments in affiliated companies	(5,302)	12,628	(17,930)	(43,106)
Others	(14,816)	(19,203)	4,387	(120,455)
Net cash used in investing activities	(30,397)	(166,433)	136,036	(247,130)
Cash flows from financing activities				
Proceeds from long-term debt	197,736	119,537	78,199	1,607,610
Repayment of long-term debt	(102,247)	(154,290)	52,043	(831,277)
Decrease in short-term borrowings	(193,949)	(25,372)	(168,577)	(1,576,821)
Dividends paid	(17)	(16,003)	15,986	(138)
Others	84		84	683
Net cash used in financing activities	(98,393)	(76,128)	(22,265)	(799,943)
Effect of exchange rate changes on cash and cash equivalents	(6,894)	(3,514)	(3,380)	(56,049)
Net decrease in cash and cash equivalents	(59,329)	(132,100)	72,771	(482,349)
Cash and cash equivalents at beginning of the period	370,432	487,595	(117,163)	3,011,642
Cash and cash equivalents at end of the period	¥311,103	¥355,495	¥(44,392)	\$2,529,293

Industry Segment Information

1. First Half ended September 30

(¥ in millions, US\$ in thousands)

		1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Net sales (Share of total sales)	Information & Communications Systems	¥406,570 (14%)	¥439,945 (15%)	¥(33,375) (-1%)	92%	¥956,714 (16%)	\$3,305,447
	Social Infrastructure Systems	373,032 (12%)	387,087 (14%)	(14,055) (-2%)	96%	955,350 (16%)	3,032,781
	Power Systems	237,519 (8%)	260,288 (9%)	(22,769) (-1%)	91%	579,560 (9%)	1,931,049
	Digital Media	795,559 (27%)	675,511 (24%)	120,048 (3%)	118%	1,468,599 (24%)	6,467,959
	Home Appliances	332,703 (11%)	350,467 (12%)	(17,764) (-1%)	95%	680,682 (11%)	2,704,902
	Electronic Devices & Components	641,622 (21%)	546,700 (19%)	94,922 (2%)	117%	1,074,852 (17%)	5,216,439
	Others	205,276 (7%)	208,537 (7%)	(3,261) (-)	98%	426,371 (7%)	1,668,911
	Total	2,992,281 (100%)	2,868,535 (100%)	123,746	104%	6,142,128 (100%)	24,327,488
	Eliminations	(357,218)	(357,848)	630	—	(748,095)	(2,904,212)
	Consolidated	¥2,635,063	¥2,510,687	¥124,376	105%	¥5,394,033	\$21,423,276
Operating income (loss)	Information & Communications Systems	¥(10,447)	¥(2,672)	¥(7,775)	—	¥9,662	\$(84,935)
	Social Infrastructure Systems	(12,490)	(15,226)	2,736	—	13,601	(101,545)
	Power Systems	6,572	9,212	(2,640)	71%	26,828	53,431
	Digital Media	3,434	(11,056)	14,490	—	(14,873)	27,919
	Home Appliances	2,440	9,556	(7,116)	26%	11,358	19,837
	Electronic Devices & Components	5,042	(93,604)	98,646	—	(176,277)	40,992
	Others	8,568	4,817	3,751	178%	15,314	69,659
	Total	3,119	(98,973)	102,092	—	(114,387)	25,358
	Eliminations	(245)	581	(826)	—	812	(1,992)
	Consolidated	¥2,874	¥(98,392)	¥101,266	—	¥(113,575)	\$23,366

2. Second Quarter ended September 30 (Unaudited)

(¥ in millions, US\$ in thousands)

		Three months ended September 30				
		2002(A)	2001(B)	(A)-(B)	(A)/(B)	2002
Net sales (Share of total sales)	Information & Communications Systems	¥229,073 (14%)	¥241,530 (16%)	¥(12,457) (-2%)	95%	\$1,862,382
	Social Infrastructure Systems	224,415 (14%)	228,807 (15%)	(4,392) (-1%)	98%	1,824,512
	Power Systems	141,601 (8%)	151,345 (10%)	(9,744) (-2%)	94%	1,151,228
	Digital Media	426,658 (26%)	363,999 (23%)	62,659 (3%)	117%	3,468,764
	Home Appliances	165,849 (10%)	173,562 (11%)	(7,713) (-1%)	96%	1,348,366
	Electronic Devices & Components	341,790 (21%)	278,484 (18%)	63,306 (3%)	123%	2,778,781
	Others	109,079 (7%)	115,427 (7%)	(6,348) (-)	95%	886,821
	Total	1,638,465 (100%)	1,553,154 (100%)	85,311	105%	13,320,854
	Eliminations	(194,521)	(207,947)	13,426	—	(1,581,472)
Consolidated		¥1,443,944	¥1,345,207	¥98,737	107%	\$11,739,382
Operating income (loss)	Information & Communications Systems	¥73	¥8,192	¥(8,119)	1%	\$594
	Social Infrastructure Systems	4,008	192	3,816	2,088%	32,585
	Power Systems	6,752	3,207	3,545	211%	54,894
	Digital Media	2,675	(3,741)	6,416	—	21,748
	Home Appliances	14	4,741	(4,727)	0%	114
	Electronic Devices & Components	11,663	(72,638)	84,301	—	94,821
	Others	4,591	1,174	3,417	391%	37,325
	Total	29,776	(58,873)	88,649	—	242,081
	Eliminations	(641)	686	(1,327)	—	(5,211)
Consolidated		¥29,135	¥(58,187)	¥87,322	—	\$236,870

Notes:

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

Geographic Segment Information

(¥ in millions, US\$ in thousands)

		1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Net sales (Share of total sales)	Japan	¥2,294,435 (65%)	¥2,196,238 (68%)	¥98,197 (-3%)	104%	¥4,716,351 (68%)	\$18,653,943
	North America	424,118 (12%)	382,753 (12%)	41,365 (-)	111%	814,929 (12%)	3,448,114
	Asia	545,273 (16%)	429,306 (13%)	115,967 (3%)	127%	900,422 (13%)	4,433,114
	Europe	225,260 (6%)	205,365 (6%)	19,895 (-)	110%	439,115 (6%)	1,831,382
	Others	29,389 (1%)	30,513 (1%)	(1,124) (-)	96%	57,614 (1%)	238,935
	Total	3,518,475 (100%)	3,244,175 (100%)	274,300	108%	6,928,431 (100%)	28,605,488
	Eliminations	(883,412)	(733,488)	(149,924)	—	(1,534,398)	(7,182,212)
Consolidated		¥2,635,063	¥2,510,687	¥124,376	105%	¥5,394,033	\$21,423,276
Operating income (loss)	Japan	¥(9,024)	¥(114,586)	¥105,562	—	¥(166,231)	\$(73,366)
	North America	4,838	(893)	5,731	—	19,189	39,334
	Asia	14,837	11,502	3,335	129%	22,844	120,626
	Europe	(2,250)	(2,858)	608	—	(128)	(18,293)
	Others	(200)	(166)	(34)	—	14	(1,626)
	Total	8,201	(107,001)	115,202	—	(124,312)	66,675
	Eliminations	(5,327)	8,609	(13,936)	—	10,737	(43,309)
Consolidated		¥2,874	¥(98,392)	¥101,266	—	¥(113,575)	\$23,366

Notes:

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

Net Sales by Region**1. First Half ended September 30**

(¥ in millions, US\$ in thousands)

	1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Japan	¥1,516,620 (58%)	¥1,551,792 (62%)	¥(35,172) (-4%)	98%	¥3,340,491 (62%)	\$12,330,243
Overseas	1,118,443 (42%)	958,895 (38%)	159,548 (4%)	117%	2,053,542 (38%)	\$9,093,033
North America	453,539 (17%)	377,678 (15%)	75,861 (2%)	120%	825,902 (15%)	3,687,309
Asia	381,698 (14%)	308,731 (12%)	72,967 (2%)	124%	659,820 (12%)	3,103,236
Europe	234,356 (9%)	214,162 (9%)	20,194 (-)	109%	453,093 (9%)	1,905,333
Others	48,850 (2%)	58,324 (2%)	(9,474) (-)	84%	114,727 (2%)	397,155
Net Sales	¥2,635,063 (100%)	¥2,510,687 (100%)	¥124,376	105%	¥5,394,033 (100%)	\$21,423,276

2. Second Quarter ended September 30 (Unaudited) (¥ in millions, US\$ in thousands)

	Three months ended September 30				
	2002(A)	2001(B)	(A)-(B)	(A)/(B)	2002
Japan	¥836,327 (58%)	¥840,899 (63%)	¥(4,572) (-5%)	99%	\$6,799,406
Overseas	607,617 (42%)	504,308 (37%)	103,309 (5%)	120%	\$4,939,976
North America	250,450 (17%)	202,622 (15%)	47,828 (2%)	124%	2,036,179
Asia	208,774 (14%)	160,066 (12%)	48,708 (2%)	130%	1,697,350
Europe	124,136 (9%)	108,506 (8%)	15,630 (1%)	114%	1,009,236
Others	24,257 (2%)	33,114 (2%)	(8,857) (-)	73%	197,211
Net Sales	¥1,443,944 (100%)	¥1,345,207 (100%)	¥98,737	107%	\$11,739,382

Notes:

- 1) Segment information is based on Japanese accounting standards.
- 2) Net sales by region is determined based upon the locations of the customers.

Toshiba Corporation

Non-Consolidated Interim Financial Statements

For the First Half of Fiscal Year 2002 (April 1, 2002 to September 30, 2002)

Outline

(¥ in millions, US\$ in thousands, except for items marked by asterisk)

	1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Sales	¥1,554,965	¥1,448,874	¥106,091	107%	¥3,196,896	\$12,641,992
Recurring profit (loss)	(22,489)	(124,450)	101,961	—	(231,816)	(182,837)
Net income (loss) after taxes	47,110	(101,416)	148,526	—	(260,332)	383,008
Net income (loss) per share*	¥14.64	¥(31.51)	¥46.15	—	¥(80.87)	\$0.12
Dividend per share*	(Interim dividend) ¥0.00	(Interim dividend) ¥0.00	¥0.00	—	(Ordinary dividend) ¥0.00	\$0.00

Notes: The U.S.dollar is valued at ¥123 throughout this statement for convenience only.

Comparative Non-Consolidated Statement of Income And Retained Earnings

(¥ in millions, US\$ in thousands)

	1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
(Ordinary income)						
Operating income & expenses						
<u>Net sales</u>	¥1,554,965	¥1,448,874	¥106,091	107	¥3,196,896	\$12,641,992
Cost of sales	1,276,531	1,251,120	25,411	102	2,745,846	10,378,301
Selling, general & administrative expenses	308,343	315,642	(7,299)	98	647,803	2,506,854
Net operating income (expenses)	(29,908)	(117,888)	87,980	-	(196,752)	(243,154)
(Non-operating income & expenses)						
Non-operating income (a)	47,617	38,764	8,853	123	51,383	387,130
Non-operating expenses (b)	40,197	45,327	(5,130)	89	86,446	326,805
(a)-(b)	7,419	(6,562)	13,981	-	(35,063)	60,317
<u>Recurring profit (loss)</u>	(22,489)	(124,450)	101,961	-	(231,816)	(182,837)
(Extraordinary gains & losses)						
Extraordinary gains(c)	112,627	0	112,627	-	21,894	915,667
Extraordinary losses(d)	12,782	42,342	(29,560)	30	188,762	103,919
(c)-(d)	99,845	(42,342)	142,187	-	(166,868)	811,748
<u>Income (loss) before taxes</u>	77,355	(166,793)	244,148	-	(398,684)	628,902
<u>Net income (loss) after taxes</u>	47,110	(101,416)	148,526	-	(260,332)	383,008
Transfer from earned surplus reserve	68,730	0	68,730	-	0	558,780
<u>Unappropriated retained earnings for the period</u>	¥102,684	¥(62,295)	¥164,979	-	¥(221,210)	\$834,829

Comparative Non-Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	FY 2002 (A) As of Sept.30,2002	FY 2001 (B) As of Mar.31,2002	(A)-(B)	FY 2002 As of Sept.30,2002
<u>Assets</u>				
<u>Current assets</u>	¥1,128,954	¥1,303,471	¥(174,517)	\$9,178,488
<u>Fixed assets</u>	1,726,412	1,835,674	(109,262)	14,035,870
(Tangible fixed assets)	519,966	585,169	(65,203)	4,227,366
(Intangible fixed assets)	41,835	43,986	(2,151)	340,122
(Investments & others)	1,164,611	1,206,518	(41,907)	9,468,382
Total assets	2,855,366	3,139,145	(283,779)	23,214,358
<u>Liabilities</u>				
<u>Current liabilities</u>	1,322,908	1,616,101	(293,193)	10,755,350
<u>Long-term liabilities</u>	855,900	883,845	(27,945)	6,958,537
Total liabilities	2,178,808	2,499,947	(321,139)	17,713,886
<u>Capital</u>				
<u>Capital stock</u>	274,926	274,926	0	2,235,171
<u>Capital surplus</u>	262,650	262,650	0	2,135,366
<u>Retained earnings</u>	116,369	69,258	47,111	946,089
(Unappropriated retained earnings for the period)	102,684	(221,210)	323,894	834,829
(Included net income(loss) for the period)	47,110	(260,332)	307,442	383,008
<u>Unrealized gains on revaluation, net of tax effect</u>	22,918	32,474	(9,556)	186,325
<u>Treasury stock</u>	(306)	(111)	(195)	(2,488)
Total capital	676,558	639,198	37,360	5,500,472
Total liabilities & capital	¥2,855,366	¥3,139,145	¥(283,779)	\$23,214,358

Accounting Policy

1. Method of valuation of securities

Marketable securities are valued at the market value by the moving average method.

2. Method of valuation of inventories

Finished and semi-finished products are valued at original cost based on the specific identification method, or at lower-of -cost-or-market method based on the moving average method. Work-in-process is valued at original cost based on the specific identification method, or at lower-of -cost-or-market method based on the weighted average method. Raw materials are valued at original cost or lower-of-cost-or-market method, based on the moving average method.

3. Method of depreciation for tangible fixed assets

Method of depreciation for tangible fixed assets is the declining balance method. However, for buildings acquired on or after April 1, 1998(excluding appurtenant equipment), the straight-line method is applied. For example, the depreciable lives of buildings and structures are 3 to 50 years, and the lives of machines and equipments are 3 to 18 years.

Supplementary Data
for Consolidated & Non-Consolidated
Business Results
First Half of FY2002

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Toshiba Corporation and its Subsidiaries

Consolidated Interim Financial Statements

For the First Half of Fiscal Year 2002 (April 1, 2002 to September 30, 2002)

Outline

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

	1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Net sales	¥2,635,063	¥2,510,687	¥124,376	105%	¥5,394,033	\$21,423,276
Operating income (loss)	2,874	(98,392)	101,266	—	(113,575)	23,366
Income (loss) before income taxes, minority interest and equity in earnings of affiliates.	(43,813)	(196,553)	152,740	—	(376,687)	(356,203)
Net income (loss)	(26,407)	(123,137)	96,730	—	(254,017)	(214,691)
Basic earnings per share	¥(8.20)	¥(38.25)	¥30.05		¥(78.91)	\$(0.07)

Notes:

- 1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
- 2) The company has 315 consolidated subsidiaries.
- 3) The U.S.dollar is valued at ¥123 throughout this statement for convenience only.

Comparative Consolidated Statements of Operations

1. First Half ended September 30

(¥ in millions, US\$ in thousands)

	1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Sales and other income						
Net sales	¥2,635,063	¥2,510,687	¥124,376	105%	¥5,394,033	\$21,423,276
Interest	2,530	4,427	(1,897)	57%	7,461	20,569
Dividends	4,029	3,374	655	119%	7,243	32,756
Other income	27,323	22,648	4,675	121%	59,100	222,138
Costs and expenses						
Cost of sales	1,931,210	1,898,744	32,466	102%	4,070,130	15,700,894
Selling, general and administrative	700,979	710,335	(9,356)	99%	1,437,478	5,699,016
Interest	12,336	16,187	(3,851)	76%	29,891	100,293
Other	68,233	112,423	(44,190)	61%	307,025	554,740
Income (loss) before income taxes, minority interest and equity in earnings of affiliates	(43,813)	(196,553)	152,740	—	(376,687)	(356,204)
Income taxes	(11,141)	(68,861)	57,720	—	(113,915)	(90,577)
Minority interest in income (loss) of consolidated subsidiaries	(3,193)	(1,609)	(1,584)	—	(6,315)	(25,959)
Equity in earnings of affiliates	3,072	2,946	126	104%	2,440	24,975
Net income (loss)	¥(26,407)	¥(123,137)	¥96,730	—	¥(254,017)	\$(214,691)

Note: Comprehensive loss for the first half of FY2002 and FY2001 was ¥52,662 million and ¥157,861 million, respectively. Comprehensive loss for FY2001 was ¥326,414 million.

2. Second Quarter ended September 30 (Unaudited) (¥ in millions, US\$ in thousands)

	Three months ended September 30				
	2002(A)	2001(B)	(A)-(B)	(A)/(B)	2002
Sales and other income					
Net sales	¥1,443,944	¥1,345,207	¥98,737	107%	\$11,739,382
Interest	1,070	2,181	(1,111)	49%	8,699
Dividends	1,653	1,287	366	128%	13,439
Other income	15,671	14,194	1,477	110%	127,407
Costs and expenses					
Cost of sales	1,061,760	1,036,857	24,903	102%	8,632,195
Selling, general and administrative	353,049	366,537	(13,488)	96%	2,870,317
Interest	6,304	7,496	(1,192)	84%	51,252
Other	51,772	95,973	(44,201)	54%	420,911
Income (loss) before income taxes, minority interest and equity in earnings of affiliates	(10,547)	(143,994)	133,447	—	(85,748)
Income taxes	(596)	(50,569)	49,973	—	(4,846)
Minority interest in income (loss) of consolidated subsidiaries	(3,062)	(2,858)	(204)	—	(24,894)
Equity in earnings of affiliates	(723)	867	(1,590)	—	(5,878)
Net income (loss)	¥(7,612)	¥(89,700)	¥82,088	—	\$(61,886)

Note: Comprehensive loss for the second quarter of FY2002 and FY2001 was ¥16,169 million and ¥122,233 million, respectively.

Comparative Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	FY2002 As of Sept. 30,2002 (A)	FY2001 As of Mar.31,2002 (B)	(A)-(B)	FY2002 As of Sept. 30,2002
Assets				
Current assets	¥2,550,605	¥2,674,527	¥(123,922)	\$20,736,626
Cash and cash equivalents	311,103	370,432	(59,329)	2,529,293
Notes and accounts receivable, trade	897,914	1,086,147	(188,233)	7,300,114
Finance receivables, net	196,611	190,912	5,699	1,598,463
Inventories	748,614	693,350	55,264	6,086,293
Prepaid expenses and other current assets	396,363	333,686	62,677	3,222,463
Long-term receivables	14,034	14,523	(489)	114,097
Long-term finance receivables, net	273,527	313,058	(39,531)	2,223,797
Investments	360,088	363,274	(3,186)	2,927,545
Property, plant and equipment	1,253,757	1,354,322	(100,565)	10,193,146
Other assets	710,577	688,078	22,499	5,777,049
Total assets	¥5,162,588	¥5,407,782	¥(245,194)	\$41,972,260
Liabilities and shareholders' equity				
Current liabilities	¥2,635,836	¥2,872,493	¥(236,657)	\$21,429,561
Short-term borrowings and current portion of long-term debt	833,231	929,778	(96,547)	6,774,236
Notes and accounts payable, trade	892,958	978,020	(85,062)	7,259,821
Other current liabilities	909,647	964,695	(55,048)	7,395,504
Accrued pension and severance costs	714,607	709,233	5,374	5,809,813
Long-term debt and other liabilities	970,816	931,079	39,737	7,892,813
Minority interest in consolidated subsidiaries	188,873	189,663	(790)	1,535,553
Shareholders' equity	652,456	705,314	(52,858)	5,304,520
Common stock	274,926	274,926	0	2,235,171
Additional paid-in capital	285,736	285,736	0	2,323,057
Retained earnings	417,148	443,555	(26,407)	3,391,447
Accumulated other comprehensive loss	(325,047)	(298,792)	(26,255)	(2,642,659)
Treasury stock	(307)	(111)	(196)	(2,496)
Total liabilities and shareholders' equity	¥5,162,588	¥5,407,782	¥(245,194)	\$41,972,260

Breakdown of accumulated other comprehensive income (loss)

Unrealized gains on securities	¥19,245	¥25,186	¥(5,941)	\$156,463
Foreign currency translation adjustments	(65,769)	(41,951)	(23,818)	(534,707)
Minimum pension liability adjustment	(275,801)	(279,939)	4,138	(2,242,285)
Unrealized loss on derivative instruments	(2,722)	(2,088)	(634)	(22,130)
Total debt	¥1,753,359	¥1,818,533	¥(65,174)	\$14,254,951

Comparative Consolidated Statements of Cash Flows

(¥ in millions, US\$ in thousands)

	1st Half FY2002 (A)	1st Half FY2001 (B)	(A)-(B)	1st Half FY2002
Cash flows from operating activities				
Net loss	¥(26,407)	¥(123,137)	¥96,730	\$(214,691)
Depreciation and amortization	126,457	167,770	(41,313)	1,028,106
Equity in income of affiliated companies	(3,072)	(2,946)	(126)	(24,976)
Decrease in notes and accounts receivable, trade	209,222	291,253	(82,031)	1,700,992
Increase in inventories	(59,883)	(20,614)	(39,269)	(486,854)
Decrease in notes and accounts payable, trade	(78,953)	(161,695)	82,742	(641,894)
Others	(91,009)	(36,656)	(54,353)	(739,910)
Adjustments to reconcile net loss to net cash provided by operating activities	102,762	237,112	(134,350)	835,464
Net cash provided by operating activities	76,355	113,975	(37,620)	620,773
Cash flows from investing activities				
Proceeds from sale of property and securities	138,043	27,759	110,284	1,122,301
Acquisition of property and equipment	(137,634)	(176,973)	39,339	(1,118,976)
Purchase of securities	(10,688)	(10,644)	(44)	(86,894)
(Increase) Decrease in investments in affiliated companies	(5,302)	12,628	(17,930)	(43,106)
Others	(14,816)	(19,203)	4,387	(120,455)
Net cash used in investing activities	(30,397)	(166,433)	136,036	(247,130)
Cash flows from financing activities				
Proceeds from long-term debt	197,736	119,537	78,199	1,607,610
Repayment of long-term debt	(102,247)	(154,290)	52,043	(831,277)
Decrease in short-term borrowings	(193,949)	(25,372)	(168,577)	(1,576,821)
Dividends paid	(17)	(16,003)	15,986	(138)
Others	84		84	683
Net cash used in financing activities	(98,393)	(76,128)	(22,265)	(799,943)
Effect of exchange rate changes on cash and cash equivalents	(6,894)	(3,514)	(3,380)	(56,049)
Net decrease in cash and cash equivalents	(59,329)	(132,100)	72,771	(482,349)
Cash and cash equivalents at beginning of the period	370,432	487,595	(117,163)	3,011,642
Cash and cash equivalents at end of the period	¥311,103	¥355,495	¥(44,392)	\$2,529,293

Industry Segment Information

1. First Half ended September 30

(¥ in millions, US\$ in thousands)

		1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Net sales (Share of total sales)	Information & Communications Systems	¥406,570 (14%)	¥439,945 (15%)	¥(33,375) (-1%)	92%	¥956,714 (16%)	\$3,305,447
	Social Infrastructure Systems	373,032 (12%)	387,087 (14%)	(14,055) (-2%)	96%	955,350 (16%)	3,032,781
	Power Systems	237,519 (8%)	260,288 (9%)	(22,769) (-1%)	91%	579,560 (9%)	1,931,049
	Digital Media	795,559 (27%)	675,511 (24%)	120,048 (3%)	118%	1,468,599 (24%)	6,467,959
	Home Appliances	332,703 (11%)	350,467 (12%)	(17,764) (-1%)	95%	680,682 (11%)	2,704,902
	Electronic Devices & Components	641,622 (21%)	546,700 (19%)	94,922 (2%)	117%	1,074,852 (17%)	5,216,439
	Others	205,276 (7%)	208,537 (7%)	(3,261) (-)	98%	426,371 (7%)	1,668,911
	Total	2,992,281 (100%)	2,868,535 (100%)	123,746	104%	6,142,128 (100%)	24,327,488
	Eliminations	(357,218)	(357,848)	630	—	(748,095)	(2,904,212)
	Consolidated	¥2,635,063	¥2,510,687	¥124,376	105%	¥5,394,033	\$21,423,276
Operating income (loss)	Information & Communications Systems	¥(10,447)	¥(2,672)	¥(7,775)	—	¥9,662	\$(84,935)
	Social Infrastructure Systems	(12,490)	(15,226)	2,736	—	13,601	(101,545)
	Power Systems	6,572	9,212	(2,640)	71%	26,828	53,431
	Digital Media	3,434	(11,056)	14,490	—	(14,873)	27,919
	Home Appliances	2,440	9,556	(7,116)	26%	11,358	19,837
	Electronic Devices & Components	5,042	(93,604)	98,646	—	(176,277)	40,992
	Others	8,568	4,817	3,751	178%	15,314	69,659
	Total	3,119	(98,973)	102,092	—	(114,387)	25,358
	Eliminations	(245)	581	(826)	—	812	(1,992)
	Consolidated	¥2,874	¥(98,392)	¥101,266	—	¥(113,575)	\$23,366

2. Second Quarter ended September 30 (Unaudited)

(¥ in millions, US\$ in thousands)

		Three months ended September 30				
		2002(A)	2001(B)	(A)-(B)	(A)/(B)	2002
Net sales (Share of total sales)	Information & Communications Systems	¥229,073 (14%)	¥241,530 (16%)	¥(12,457) (-2%)	95%	\$1,862,382
	Social Infrastructure Systems	224,415 (14%)	228,807 (15%)	(4,392) (-1%)	98%	1,824,512
	Power Systems	141,601 (8%)	151,345 (10%)	(9,744) (-2%)	94%	1,151,228
	Digital Media	426,658 (26%)	363,999 (23%)	62,659 (3%)	117%	3,468,764
	Home Appliances	165,849 (10%)	173,562 (11%)	(7,713) (-1%)	96%	1,348,366
	Electronic Devices & Components	341,790 (21%)	278,484 (18%)	63,306 (3%)	123%	2,778,781
	Others	109,079 (7%)	115,427 (7%)	(6,348) (-)	95%	886,821
	Total	1,638,465 (100%)	1,553,154 (100%)	85,311	105%	13,320,854
	Eliminations	(194,521)	(207,947)	13,426	—	(1,581,472)
Consolidated		¥1,443,944	¥1,345,207	¥98,737	107%	\$11,739,382
Operating income (loss)	Information & Communications Systems	¥73	¥8,192	¥(8,119)	1%	\$594
	Social Infrastructure Systems	4,008	192	3,816	2,088%	32,585
	Power Systems	6,752	3,207	3,545	211%	54,894
	Digital Media	2,675	(3,741)	6,416	—	21,748
	Home Appliances	14	4,741	(4,727)	0%	114
	Electronic Devices & Components	11,663	(72,638)	84,301	—	94,821
	Others	4,591	1,174	3,417	391%	37,325
	Total	29,776	(58,873)	88,649	—	242,081
	Eliminations	(641)	686	(1,327)	—	(5,211)
Consolidated		¥29,135	¥(58,187)	¥87,322	—	\$236,870

Notes:

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

Geographic Segment Information

(¥ in millions, US\$ in thousands)

		1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Net sales (Share of total sales)	Japan	¥2,294,435 (65%)	¥2,196,238 (68%)	¥98,197 (-3%)	104%	¥4,716,351 (68%)	\$18,653,943
	North America	424,118 (12%)	382,753 (12%)	41,365 (-)	111%	814,929 (12%)	3,448,114
	Asia	545,273 (16%)	429,306 (13%)	115,967 (3%)	127%	900,422 (13%)	4,433,114
	Europe	225,260 (6%)	205,365 (6%)	19,895 (-)	110%	439,115 (6%)	1,831,382
	Others	29,389 (1%)	30,513 (1%)	(1,124) (-)	96%	57,614 (1%)	238,935
	Total	3,518,475 (100%)	3,244,175 (100%)	274,300	108%	6,928,431 (100%)	28,605,488
	Eliminations	(883,412)	(733,488)	(149,924)	—	(1,534,398)	(7,182,212)
Consolidated		¥2,635,063	¥2,510,687	¥124,376	105%	¥5,394,033	\$21,423,276
Operating income (loss)	Japan	¥(9,024)	¥(114,586)	¥105,562	—	¥(166,231)	\$(73,366)
	North America	4,838	(893)	5,731	—	19,189	39,334
	Asia	14,837	11,502	3,335	129%	22,844	120,626
	Europe	(2,250)	(2,858)	608	—	(128)	(18,293)
	Others	(200)	(166)	(34)	—	14	(1,626)
	Total	8,201	(107,001)	115,202	—	(124,312)	66,675
	Eliminations	(5,327)	8,609	(13,936)	—	10,737	(43,309)
Consolidated		¥2,874	¥(98,392)	¥101,266	—	¥(113,575)	\$23,366

Notes:

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

Net Sales by Region**1. First Half ended September 30**

(¥ in millions, US\$ in thousands)

	1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Japan	¥1,516,620 (58%)	¥1,551,792 (62%)	¥(35,172) (-4%)	98%	¥3,340,491 (62%)	\$12,330,243
Overseas	1,118,443 (42%)	958,895 (38%)	159,548 (4%)	117%	2,053,542 (38%)	\$9,093,033
North America	453,539 (17%)	377,678 (15%)	75,861 (2%)	120%	825,902 (15%)	3,687,309
Asia	381,698 (14%)	308,731 (12%)	72,967 (2%)	124%	659,820 (12%)	3,103,236
Europe	234,356 (9%)	214,162 (9%)	20,194 (-)	109%	453,093 (9%)	1,905,333
Others	48,850 (2%)	58,324 (2%)	(9,474) (-)	84%	114,727 (2%)	397,155
Net Sales	¥2,635,063 (100%)	¥2,510,687 (100%)	¥124,376	105%	¥5,394,033 (100%)	\$21,423,276

2. Second Quarter ended September 30 (Unaudited) (¥ in millions, US\$ in thousands)

	Three months ended September 30				
	2002(A)	2001(B)	(A)-(B)	(A)/(B)	2002
Japan	¥836,327 (58%)	¥840,899 (63%)	¥(4,572) (-5%)	99%	\$6,799,406
Overseas	607,617 (42%)	504,308 (37%)	103,309 (5%)	120%	\$4,939,976
North America	250,450 (17%)	202,622 (15%)	47,828 (2%)	124%	2,036,179
Asia	208,774 (14%)	160,066 (12%)	48,708 (2%)	130%	1,697,350
Europe	124,136 (9%)	108,506 (8%)	15,630 (1%)	114%	1,009,236
Others	24,257 (2%)	33,114 (2%)	(8,857) (-)	73%	197,211
Net Sales	¥1,443,944 (100%)	¥1,345,207 (100%)	¥98,737	107%	\$11,739,382

Notes:

- 1) Segment information is based on Japanese accounting standards.
- 2) Net sales by region is determined based upon the locations of the customers.

Supplementary Data
for Consolidated & Non-Consolidated
Business Results
First Half of FY2002

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Toshiba Corporation and its Subsidiaries

Consolidated Interim Financial Statements

For the First Half of Fiscal Year 2002 (April 1, 2002 to September 30, 2002)

Outline

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

	1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Net sales	¥2,635,063	¥2,510,687	¥124,376	105%	¥5,394,033	\$21,423,276
Operating income (loss)	2,874	(98,392)	101,266	—	(113,575)	23,366
Income (loss) before income taxes, minority interest and equity in earnings of affiliates.	(43,813)	(196,553)	152,740	—	(376,687)	(356,203)
Net income (loss)	(26,407)	(123,137)	96,730	—	(254,017)	(214,691)
Basic earnings per share	¥(8.20)	¥(38.25)	¥30.05		¥(78.91)	\$(0.07)

Notes:

- 1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
- 2) The company has 315 consolidated subsidiaries.
- 3) The U.S.dollar is valued at ¥123 throughout this statement for convenience only.

Comparative Consolidated Statements of Operations

1. First Half ended September 30

(¥ in millions, US\$ in thousands)

	1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Sales and other income						
Net sales	¥2,635,063	¥2,510,687	¥124,376	105%	¥5,394,033	\$21,423,276
Interest	2,530	4,427	(1,897)	57%	7,461	20,569
Dividends	4,029	3,374	655	119%	7,243	32,756
Other income	27,323	22,648	4,675	121%	59,100	222,138
Costs and expenses						
Cost of sales	1,931,210	1,898,744	32,466	102%	4,070,130	15,700,894
Selling, general and administrative	700,979	710,335	(9,356)	99%	1,437,478	5,699,016
Interest	12,336	16,187	(3,851)	76%	29,891	100,293
Other	68,233	112,423	(44,190)	61%	307,025	554,740
Income (loss) before income taxes, minority interest and equity in earnings of affiliates	(43,813)	(196,553)	152,740	—	(376,687)	(356,204)
Income taxes	(11,141)	(68,861)	57,720	—	(113,915)	(90,577)
Minority interest in income (loss) of consolidated subsidiaries	(3,193)	(1,609)	(1,584)	—	(6,315)	(25,959)
Equity in earnings of affiliates	3,072	2,946	126	104%	2,440	24,975
Net income (loss)	¥(26,407)	¥(123,137)	¥96,730	—	¥(254,017)	\$(214,691)

Note: Comprehensive loss for the first half of FY2002 and FY2001 was ¥52,662 million and ¥157,861 million, respectively. Comprehensive loss for FY2001 was ¥326,414 million.

2. Second Quarter ended September 30 (Unaudited) (¥ in millions, US\$ in thousands)

	Three months ended September 30				
	2002(A)	2001(B)	(A)-(B)	(A)/(B)	2002
Sales and other income					
Net sales	¥1,443,944	¥1,345,207	¥98,737	107%	\$11,739,382
Interest	1,070	2,181	(1,111)	49%	8,699
Dividends	1,653	1,287	366	128%	13,439
Other income	15,671	14,194	1,477	110%	127,407
Costs and expenses					
Cost of sales	1,061,760	1,036,857	24,903	102%	8,632,195
Selling, general and administrative	353,049	366,537	(13,488)	96%	2,870,317
Interest	6,304	7,496	(1,192)	84%	51,252
Other	51,772	95,973	(44,201)	54%	420,911
Income (loss) before income taxes, minority interest and equity in earnings of affiliates	(10,547)	(143,994)	133,447	—	(85,748)
Income taxes	(596)	(50,569)	49,973	—	(4,846)
Minority interest in income (loss) of consolidated subsidiaries	(3,062)	(2,858)	(204)	—	(24,894)
Equity in earnings of affiliates	(723)	867	(1,590)	—	(5,878)
Net income (loss)	¥(7,612)	¥(89,700)	¥82,088	—	\$(61,886)

Note: Comprehensive loss for the second quarter of FY2002 and FY2001 was ¥16,169 million and ¥122,233 million, respectively.

Comparative Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	FY2002 As of Sept. 30,2002 (A)	FY2001 As of Mar.31,2002 (B)	(A)-(B)	FY2002 As of Sept. 30,2002
Assets				
Current assets	¥2,550,605	¥2,674,527	¥(123,922)	\$20,736,626
Cash and cash equivalents	311,103	370,432	(59,329)	2,529,293
Notes and accounts receivable, trade	897,914	1,086,147	(188,233)	7,300,114
Finance receivables, net	196,611	190,912	5,699	1,598,463
Inventories	748,614	693,350	55,264	6,086,293
Prepaid expenses and other current assets	396,363	333,686	62,677	3,222,463
Long-term receivables	14,034	14,523	(489)	114,097
Long-term finance receivables, net	273,527	313,058	(39,531)	2,223,797
Investments	360,088	363,274	(3,186)	2,927,545
Property, plant and equipment	1,253,757	1,354,322	(100,565)	10,193,146
Other assets	710,577	688,078	22,499	5,777,049
Total assets	¥5,162,588	¥5,407,782	¥(245,194)	\$41,972,260
Liabilities and shareholders' equity				
Current liabilities	¥2,635,836	¥2,872,493	¥(236,657)	\$21,429,561
Short-term borrowings and current portion of long-term debt	833,231	929,778	(96,547)	6,774,236
Notes and accounts payable, trade	892,958	978,020	(85,062)	7,259,821
Other current liabilities	909,647	964,695	(55,048)	7,395,504
Accrued pension and severance costs	714,607	709,233	5,374	5,809,813
Long-term debt and other liabilities	970,816	931,079	39,737	7,892,813
Minority interest in consolidated subsidiaries	188,873	189,663	(790)	1,535,553
Shareholders' equity	652,456	705,314	(52,858)	5,304,520
Common stock	274,926	274,926	0	2,235,171
Additional paid-in capital	285,736	285,736	0	2,323,057
Retained earnings	417,148	443,555	(26,407)	3,391,447
Accumulated other comprehensive loss	(325,047)	(298,792)	(26,255)	(2,642,659)
Treasury stock	(307)	(111)	(196)	(2,496)
Total liabilities and shareholders' equity	¥5,162,588	¥5,407,782	¥(245,194)	\$41,972,260

Breakdown of accumulated other comprehensive income (loss)

Unrealized gains on securities	¥19,245	¥25,186	¥(5,941)	\$156,463
Foreign currency translation adjustments	(65,769)	(41,951)	(23,818)	(534,707)
Minimum pension liability adjustment	(275,801)	(279,939)	4,138	(2,242,285)
Unrealized loss on derivative instruments	(2,722)	(2,088)	(634)	(22,130)
Total debt	¥1,753,359	¥1,818,533	¥(65,174)	\$14,254,951

Comparative Consolidated Statements of Cash Flows

(¥ in millions, US\$ in thousands)

	1st Half FY2002 (A)	1st Half FY2001 (B)	(A)-(B)	1st Half FY2002
Cash flows from operating activities				
Net loss	¥(26,407)	¥(123,137)	¥96,730	\$(214,691)
Depreciation and amortization	126,457	167,770	(41,313)	1,028,106
Equity in income of affiliated companies	(3,072)	(2,946)	(126)	(24,976)
Decrease in notes and accounts receivable, trade	209,222	291,253	(82,031)	1,700,992
Increase in inventories	(59,883)	(20,614)	(39,269)	(486,854)
Decrease in notes and accounts payable, trade	(78,953)	(161,695)	82,742	(641,894)
Others	(91,009)	(36,656)	(54,353)	(739,910)
Adjustments to reconcile net loss to net cash provided by operating activities	102,762	237,112	(134,350)	835,464
Net cash provided by operating activities	76,355	113,975	(37,620)	620,773
Cash flows from investing activities				
Proceeds from sale of property and securities	138,043	27,759	110,284	1,122,301
Acquisition of property and equipment	(137,634)	(176,973)	39,339	(1,118,976)
Purchase of securities	(10,688)	(10,644)	(44)	(86,894)
(Increase) Decrease in investments in affiliated companies	(5,302)	12,628	(17,930)	(43,106)
Others	(14,816)	(19,203)	4,387	(120,455)
Net cash used in investing activities	(30,397)	(166,433)	136,036	(247,130)
Cash flows from financing activities				
Proceeds from long-term debt	197,736	119,537	78,199	1,607,610
Repayment of long-term debt	(102,247)	(154,290)	52,043	(831,277)
Decrease in short-term borrowings	(193,949)	(25,372)	(168,577)	(1,576,821)
Dividends paid	(17)	(16,003)	15,986	(138)
Others	84		84	683
Net cash used in financing activities	(98,393)	(76,128)	(22,265)	(799,943)
Effect of exchange rate changes on cash and cash equivalents	(6,894)	(3,514)	(3,380)	(56,049)
Net decrease in cash and cash equivalents	(59,329)	(132,100)	72,771	(482,349)
Cash and cash equivalents at beginning of the period	370,432	487,595	(117,163)	3,011,642
Cash and cash equivalents at end of the period	¥311,103	¥355,495	¥(44,392)	\$2,529,293

Industry Segment Information

1. First Half ended September 30

(¥ in millions, US\$ in thousands)

		1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Net sales (Share of total sales)	Information & Communications Systems	¥406,570 (14%)	¥439,945 (15%)	¥(33,375) (-1%)	92%	¥956,714 (16%)	\$3,305,447
	Social Infrastructure Systems	373,032 (12%)	387,087 (14%)	(14,055) (-2%)	96%	955,350 (16%)	3,032,781
	Power Systems	237,519 (8%)	260,288 (9%)	(22,769) (-1%)	91%	579,560 (9%)	1,931,049
	Digital Media	795,559 (27%)	675,511 (24%)	120,048 (3%)	118%	1,468,599 (24%)	6,467,959
	Home Appliances	332,703 (11%)	350,467 (12%)	(17,764) (-1%)	95%	680,682 (11%)	2,704,902
	Electronic Devices & Components	641,622 (21%)	546,700 (19%)	94,922 (2%)	117%	1,074,852 (17%)	5,216,439
	Others	205,276 (7%)	208,537 (7%)	(3,261) (-)	98%	426,371 (7%)	1,668,911
	Total	2,992,281 (100%)	2,868,535 (100%)	123,746	104%	6,142,128 (100%)	24,327,488
	Eliminations	(357,218)	(357,848)	630	—	(748,095)	(2,904,212)
	Consolidated	¥2,635,063	¥2,510,687	¥124,376	105%	¥5,394,033	\$21,423,276
Operating income (loss)	Information & Communications Systems	¥(10,447)	¥(2,672)	¥(7,775)	—	¥9,662	\$(84,935)
	Social Infrastructure Systems	(12,490)	(15,226)	2,736	—	13,601	(101,545)
	Power Systems	6,572	9,212	(2,640)	71%	26,828	53,431
	Digital Media	3,434	(11,056)	14,490	—	(14,873)	27,919
	Home Appliances	2,440	9,556	(7,116)	26%	11,358	19,837
	Electronic Devices & Components	5,042	(93,604)	98,646	—	(176,277)	40,992
	Others	8,568	4,817	3,751	178%	15,314	69,659
	Total	3,119	(98,973)	102,092	—	(114,387)	25,358
	Eliminations	(245)	581	(826)	—	812	(1,992)
	Consolidated	¥2,874	¥(98,392)	¥101,266	—	¥(113,575)	\$23,366

2. Second Quarter ended September 30 (Unaudited)

(¥ in millions, US\$ in thousands)

		Three months ended September 30				
		2002(A)	2001(B)	(A)-(B)	(A)/(B)	2002
Net sales (Share of total sales)	Information & Communications Systems	¥229,073 (14%)	¥241,530 (16%)	¥(12,457) (-2%)	95%	\$1,862,382
	Social Infrastructure Systems	224,415 (14%)	228,807 (15%)	(4,392) (-1%)	98%	1,824,512
	Power Systems	141,601 (8%)	151,345 (10%)	(9,744) (-2%)	94%	1,151,228
	Digital Media	426,658 (26%)	363,999 (23%)	62,659 (3%)	117%	3,468,764
	Home Appliances	165,849 (10%)	173,562 (11%)	(7,713) (-1%)	96%	1,348,366
	Electronic Devices & Components	341,790 (21%)	278,484 (18%)	63,306 (3%)	123%	2,778,781
	Others	109,079 (7%)	115,427 (7%)	(6,348) (-)	95%	886,821
	Total	1,638,465 (100%)	1,553,154 (100%)	85,311	105%	13,320,854
	Eliminations	(194,521)	(207,947)	13,426	—	(1,581,472)
Consolidated		¥1,443,944	¥1,345,207	¥98,737	107%	\$11,739,382
Operating income (loss)	Information & Communications Systems	¥73	¥8,192	¥(8,119)	1%	\$594
	Social Infrastructure Systems	4,008	192	3,816	2,088%	32,585
	Power Systems	6,752	3,207	3,545	211%	54,894
	Digital Media	2,675	(3,741)	6,416	—	21,748
	Home Appliances	14	4,741	(4,727)	0%	114
	Electronic Devices & Components	11,663	(72,638)	84,301	—	94,821
	Others	4,591	1,174	3,417	391%	37,325
	Total	29,776	(58,873)	88,649	—	242,081
	Eliminations	(641)	686	(1,327)	—	(5,211)
Consolidated		¥29,135	¥(58,187)	¥87,322	—	\$236,870

Notes:

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

Geographic Segment Information

(¥ in millions, US\$ in thousands)

		1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Net sales (Share of total sales)	Japan	¥2,294,435 (65%)	¥2,196,238 (68%)	¥98,197 (-3%)	104%	¥4,716,351 (68%)	\$18,653,943
	North America	424,118 (12%)	382,753 (12%)	41,365 (-)	111%	814,929 (12%)	3,448,114
	Asia	545,273 (16%)	429,306 (13%)	115,967 (3%)	127%	900,422 (13%)	4,433,114
	Europe	225,260 (6%)	205,365 (6%)	19,895 (-)	110%	439,115 (6%)	1,831,382
	Others	29,389 (1%)	30,513 (1%)	(1,124) (-)	96%	57,614 (1%)	238,935
	Total	3,518,475 (100%)	3,244,175 (100%)	274,300	108%	6,928,431 (100%)	28,605,488
	Eliminations	(883,412)	(733,488)	(149,924)	—	(1,534,398)	(7,182,212)
Consolidated		¥2,635,063	¥2,510,687	¥124,376	105%	¥5,394,033	\$21,423,276
Operating income (loss)	Japan	¥(9,024)	¥(114,586)	¥105,562	—	¥(166,231)	\$(73,366)
	North America	4,838	(893)	5,731	—	19,189	39,334
	Asia	14,837	11,502	3,335	129%	22,844	120,626
	Europe	(2,250)	(2,858)	608	—	(128)	(18,293)
	Others	(200)	(166)	(34)	—	14	(1,626)
	Total	8,201	(107,001)	115,202	—	(124,312)	66,675
	Eliminations	(5,327)	8,609	(13,936)	—	10,737	(43,309)
Consolidated		¥2,874	¥(98,392)	¥101,266	—	¥(113,575)	\$23,366

Notes:

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

Net Sales by Region**1. First Half ended September 30**

(¥ in millions, US\$ in thousands)

	1st Half FY2002(A)	1st Half FY2001(B)	(A)-(B)	(A)/(B)	FY2001	1st Half FY2002
Japan	¥1,516,620 (58%)	¥1,551,792 (62%)	¥(35,172) (-4%)	98%	¥3,340,491 (62%)	\$12,330,243
Overseas	1,118,443 (42%)	958,895 (38%)	159,548 (4%)	117%	2,053,542 (38%)	\$9,093,033
North America	453,539 (17%)	377,678 (15%)	75,861 (2%)	120%	825,902 (15%)	3,687,309
Asia	381,698 (14%)	308,731 (12%)	72,967 (2%)	124%	659,820 (12%)	3,103,236
Europe	234,356 (9%)	214,162 (9%)	20,194 (-)	109%	453,093 (9%)	1,905,333
Others	48,850 (2%)	58,324 (2%)	(9,474) (-)	84%	114,727 (2%)	397,155
Net Sales	¥2,635,063 (100%)	¥2,510,687 (100%)	¥124,376	105%	¥5,394,033 (100%)	\$21,423,276

2. Second Quarter ended September 30 (Unaudited) (¥ in millions, US\$ in thousands)

	Three months ended September 30				
	2002(A)	2001(B)	(A)-(B)	(A)/(B)	2002
Japan	¥836,327 (58%)	¥840,899 (63%)	¥(4,572) (-5%)	99%	\$6,799,406
Overseas	607,617 (42%)	504,308 (37%)	103,309 (5%)	120%	\$4,939,976
North America	250,450 (17%)	202,622 (15%)	47,828 (2%)	124%	2,036,179
Asia	208,774 (14%)	160,066 (12%)	48,708 (2%)	130%	1,697,350
Europe	124,136 (9%)	108,506 (8%)	15,630 (1%)	114%	1,009,236
Others	24,257 (2%)	33,114 (2%)	(8,857) (-)	73%	197,211
Net Sales	¥1,443,944 (100%)	¥1,345,207 (100%)	¥98,737	107%	\$11,739,382

Notes:

- 1) Segment information is based on Japanese accounting standards.
- 2) Net sales by region is determined based upon the locations of the customers.