

FOR IMMEDIATE RELEASE

January 29, 2003

Toshiba Announces Consolidated Results
for the Third Quarter of Fiscal Year Ending in March 2003

TOKYO--Toshiba Corporation today announced its consolidated results for the third quarter of fiscal year 2002.

1) General Overview of the Third Quarter of Fiscal Year 2002

In the third quarter of fiscal year 2002, the business environment remained severe, as global deflation deepened, capital expenditures showed no signs of recovery, and Japanese domestic consumption continued to be sluggish.

Consolidated Results

Despite these circumstances, Toshiba Corporation enhanced its operations through an emphasis on growth areas, growth products and growing customers. This approach, supported by demand for semiconductors, digital consumer products and positive demand from Asian markets, saw Toshiba Corporation's consolidated net sales increase by 8 percent over the same period a year ago, to 1,314.3 billion yen (US\$10,953 million).

Operating income was 2.4 billion yen (US\$20 million), an increase of 72.1 billion yen compared to the same period a year ago, due in the main to significant improvements in Electronic Devices & Components, which increased by 56.4 billion yen to record an operating income of 9.8 billion yen. Loss before income taxes, minority interest and equity in earnings of affiliates improved by 126.8 billion yen over the same period last year to minus 16.8 billion yen (minus US\$140 million). The increase is partly explained by a 65.0 billion yen restructuring charge posted in the third quarter of last year. The net loss was minus 6.9 billion yen (minus US\$57 million), an improvement of 78.0 billion yen compared to the same period a year ago.

2) Breakdown of FY 2002 Third Quarter Consolidated Results by Industry Segment

Net Sales

Net sales of **Information & Communications Systems** were up 2 percent over the same period a year ago, to 191.0 billion yen (US\$1,592 million). Sales of multi-functional printers

in the U.S. and European markets contributed to this growth.

Net sales of **Social Infrastructure Systems** declined by 2 percent over the same period a year ago, to 177.0 billion yen (US\$1,475 million). Although Medical Systems saw steady business in X-ray Computer Tomography Systems, and Elevator Systems posted increased sales, continued curbs on public sector capital expenditure outweighed growth areas.

Net sales in **Power Systems** decreased 10 percent over the same period a year ago, to 97.5 billion yen (US\$813 million), as a result of spinning off the Power Transmission and Distribution business.

Digital Media sales increased by 19 percent over the same period a year ago, to 443.2 billion yen (US\$3,693 million). Sales of portable PCs were strong in the U.S., European and Japanese markets. Sales of DVD players in overseas market, domestic sales of DVD recorders equipped with a hard disk drive, and of cellular phones in the domestic market, also contributed to this positive result.

In **Home Appliances**, net sales decreased 2 percent over the same period a year ago, to 158.5 billion yen (US\$1,321 million). The decline is mainly attributable to price erosion in refrigerators and washing machines.

Electronic Devices & Components recorded a boost of 26 percent over the same period a year ago, to 325.9 billion yen (US\$2,716 million). Demand for NAND flash memory and space-saving Multi-Chip Packages (MCPs) for cellular phones were strong.

Others decreased 3 percent over the same period a year ago, to 98.7 billion yen (US\$823 million).

Operating Income

Information & Communications Systems saw income increase by 8.2 billion yen over the same period a year ago, to minus 5.9 billion yen (minus US\$49 million). Restructuring and efforts to focus on higher margin contracts contributed to this improved result.

Social Infrastructure Systems decreased 1.8 billion yen over the same period a year ago, to minus 10.5 billion yen (minus US\$88 million).

Power Systems increased 2.1 billion yen over the same period a year ago, to 0.1 billion yen (US\$1 million), as a result of the restructuring of the Power Transmission and Distribution business.

Digital Media increased 7.0 billion yen over the same period a year ago, to 4.1 billion yen

(US\$34 million).

In **Home Appliances**, operating income decreased 2.7 billion yen to minus 0.3 billion yen (minus US\$2 million).

Electronic Devices & Components saw a 56.4 billion yen increase over the same period a year ago, to 9.8 billion yen (US\$82 million). Effect of restructuring contributed to this improved performance.

Others increased 98 percent over the same period a year ago, to 5.1 billion yen (US\$42 million).

3) Forecast for FY2002

The forecast for consolidated result for FY2002 remain unchanged from previous projections (released on October 25, 2002), as shown below.

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

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	-

by Industry Segment

	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	-114.4
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 third quarter results are valued at 120 yen to the dollar.

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Toshiba Corporation and its Subsidiaries

Consolidated Financial Statements

For the Third Quarter and the Nine Months ended December 31, 2002

1. Third Quarter Results

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

	Three months ended December 31				
	2002 (A)	2001 (B)	(A)-(B)	(A)/(B)	2002
Net sales	¥1,314,347	¥1,213,312	¥101,035	108%	\$10,952,892
Operating income (loss)	2,427	(69,712)	72,139	—	20,225
Loss before income taxes, minority interest and equity in earnings of affiliates	(16,756)	(143,591)	126,835	—	(139,633)
Net loss	(6,899)	(84,873)	77,974	—	(57,492)
Basic earnings per share	¥(2.14)	¥(26.37)	¥24.23	—	\$(0.02)

2. Nine Months Results

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

	Nine months ended December 31				
	2002(A)	2001(B)	(A)-(B)	(A)/(B)	2002
Net sales	¥3,949,410	¥3,723,999	¥225,411	106%	\$32,911,750
Operating income (loss)	5,301	(168,104)	173,405	—	44,175
Loss before income taxes, minority interest and equity in earnings of affiliates	(60,569)	(340,144)	279,575	—	(504,742)
Net loss	(33,306)	(208,010)	174,704	—	(277,550)
Basic earnings per share	¥(10.35)	¥(64.62)	¥54.27	—	\$(0.09)

Notes:

- 1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
- 2) The company has 311 consolidated subsidiaries.
- 3) The U.S.dollar is valued at ¥120 throughout this statement for convenience only.
- 4) The figures in the Consolidated Financial Statements are unaudited.

Comparative Consolidated Statements of Operations

1. Third Quarter ended December 31

(¥ in millions, US\$ in thousands)

	Three months ended December 31				
	2002 (A)	2001 (B)	(A)-(B)	(A)/(B)	2002
Sales and other income					
Net sales	¥1,314,347	¥1,213,312	¥101,035	108%	\$10,952,892
Interest	951	1,315	(364)	72%	7,925
Dividends	1,442	1,055	387	137%	12,017
Other income	7,269	15,093	(7,824)	48%	60,575
Costs and expenses					
Cost of sales	970,511	934,617	35,894	104%	8,087,592
Selling, general and administrative	341,409	348,407	(6,998)	98%	2,845,075
Interest	6,240	7,204	(964)	87%	52,000
Other	22,605	84,138	(61,533)	27%	188,375
Loss before income taxes, minority interest and equity in earnings of affiliates	(16,756)	(143,591)	126,835	—	(139,633)
Income taxes	(5,791)	(55,934)	50,143	—	(48,258)
Minority interest in income (loss) of consolidated subsidiaries	(2,272)	(2,757)	485	—	(18,933)
Equity in earnings of affiliates	1,794	27	1,767	6,644%	14,950
Net loss	¥(6,899)	¥(84,873)	¥77,974	—	\$(57,492)

Note: Comprehensive loss for the third quarter of FY2002 and FY2001 was ¥13,830 million and ¥66,619 million, respectively.

2. Nine Months ended December 31

(¥ in millions, US\$ in thousands)

	Nine months ended December 31				
	2002 (A)	2001 (B)	(A)-(B)	(A)/(B)	2002
Sales and other income					
Net sales	¥3,949,410	¥3,723,999	¥225,411	106%	\$32,911,750
Interest	3,481	5,742	(2,261)	61%	29,008
Dividends	5,471	4,429	1,042	124%	45,592
Other income	34,592	37,741	(3,149)	92%	288,267
Costs and expenses					
Cost of sales	2,901,721	2,833,361	68,360	102%	24,181,008
Selling, general and administrative	1,042,388	1,058,742	(16,354)	98%	8,686,567
Interest	18,576	23,391	(4,815)	79%	154,800
Other	90,838	196,561	(105,723)	46%	756,984
Loss before income taxes, minority interest and equity in earnings of affiliates	(60,569)	(340,144)	279,575	—	(504,742)
Income taxes	(16,932)	(124,795)	107,863	—	(141,100)
Minority interest in income (loss) of consolidated subsidiaries	(5,465)	(4,366)	(1,099)	—	(45,542)
Equity in earnings of affiliates	4,866	2,973	1,893	164%	40,550
Net loss	¥(33,306)	¥(208,010)	¥174,704	—	\$(277,550)

Note: Comprehensive loss for nine months ended December 31, 2002 and December 31, 2001 was ¥66,492 million and ¥224,480 million, respectively.

Comparative Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	Dec. 31, 2002 (A)	Sep. 30, 2002 (B)	(A)-(B)	Mar.31, 2002	Dec. 31, 2002
Assets					
Current assets	¥2,648,053	¥2,550,605	¥97,448	¥2,674,527	\$22,067,109
Cash and cash equivalents	355,517	311,103	44,414	370,432	2,962,642
Notes and accounts receivable, trade	879,233	897,914	(18,681)	1,086,147	7,326,942
Finance receivables, net	180,764	196,611	(15,847)	190,912	1,506,367
Inventories	814,439	748,614	65,825	693,350	6,786,991
Prepaid expenses and other current assets	418,100	396,363	21,737	333,686	3,484,167
Long-term receivables	13,861	14,034	(173)	14,523	115,508
Long-term finance receivables, net	263,926	273,527	(9,601)	313,058	2,199,383
Investments	388,139	360,088	28,051	363,274	3,234,492
Property, plant and equipment	1,214,090	1,253,757	(39,667)	1,354,322	10,117,417
Other assets	711,348	710,577	771	688,078	5,927,900
Total assets	¥5,239,417	¥5,162,588	¥76,829	¥5,407,782	\$43,661,809
Liabilities and shareholders' equity					
Current liabilities	¥2,697,703	¥2,635,836	¥61,867	¥2,872,493	\$22,480,858
Short-term borrowings and current portion of long-term debt	838,278	833,231	5,047	929,778	6,985,650
Notes and accounts payable, trade	956,313	892,958	63,355	978,020	7,969,275
Other current liabilities	903,112	909,647	(6,535)	964,695	7,525,933
Accrued pension and severance costs	737,835	714,607	23,228	709,233	6,148,625
Long-term debt and other liabilities	979,660	970,816	8,844	931,079	8,163,834
Minority interest in consolidated subsidiaries	186,161	188,873	(2,712)	189,663	1,551,342
Shareholders' equity	638,058	652,456	(14,398)	705,314	5,317,150
Common stock	274,926	274,926	0	274,926	2,291,050
Additional paid-in capital	285,736	285,736	0	285,736	2,381,133
Retained earnings	410,249	417,148	(6,899)	443,555	3,418,742
Accumulated other comprehensive income (loss)	(331,978)	(325,047)	(6,931)	(298,792)	(2,766,483)
Treasury stock	(875)	(307)	(568)	(111)	(7,292)
Total liabilities and shareholders' equity	¥5,239,417	¥5,162,588	¥76,829	¥5,407,782	\$43,661,809

Breakdown of accumulated other comprehensive income (loss)

Unrealized gains on securities	¥19,136	¥19,245	¥(109)	¥25,186	\$159,467
Foreign currency translation adjustments	(66,995)	(65,769)	(1,226)	(41,951)	(558,291)
Minimum pension liability adjustment	(281,795)	(275,801)	(5,994)	(279,939)	(2,348,292)
Unrealized loss on derivative instruments	(2,324)	(2,722)	398	(2,088)	(19,367)
Total debt	¥1,770,976	¥1,753,359	¥17,617	¥1,818,533	\$14,758,133

Comparative Consolidated Statements of Cash Flows

1. Third Quarter ended December 31

(¥ in millions, US\$ in thousands)

		Three months ended December 31			
		2002 (A)	2001 (B)	(A)-(B)	2002
Cash flows from operating activities					
	Net (loss)	¥(6,899)	¥(84,873)	¥77,974	\$(57,492)
	Depreciation and amortization	67,401	77,774	(10,373)	561,675
	Equity in income of affiliates	(1,794)	(27)	(1,767)	(14,950)
	Decrease in notes and accounts receivable, trade	44,546	74,846	(30,300)	371,217
	Increase in inventories	(103,613)	(61,020)	(42,593)	(863,441)
	Increase (Decrease) in notes and accounts payable, trade	62,185	(38,221)	100,406	518,208
	Others	333	(89,791)	90,124	2,775
	Adjustments to reconcile net loss to net cash provided by (used in) operating activities	69,058	(36,439)	105,497	575,484
	Net cash provided by (used in) operating activities	62,159	(121,312)	183,471	517,992
Cash flows from investing activities					
	Proceeds from sale of property and securities	8,739	17,005	(8,266)	72,825
	Acquisition of property and equipment	(48,486)	(87,979)	39,493	(404,050)
	Purchase of securities	(5,395)	(4,897)	(498)	(44,958)
	Increase in investments in affiliates	(2,318)	(6,601)	4,283	(19,317)
	Others	(9,141)	829	(9,970)	(76,175)
	Net cash used in investing activities	(56,601)	(81,643)	25,042	(471,675)
Cash flows from financing activities					
	Proceeds from long-term debt	96,169	27,549	68,620	801,408
	Repayment of long-term debt	(97,621)	(91,382)	(6,239)	(813,508)
	Increase in short-term borrowings	41,468	280,008	(238,540)	345,567
	Dividends paid	(187)	(26)	(161)	(1,558)
	Others	(568)	(54)	(514)	(4,734)
	Net cash provided by financing activities	39,261	216,095	(176,834)	327,175
Effect of exchange rate changes on cash and cash equivalents		(405)	9,397	(9,802)	(3,375)
Net increase in cash and cash equivalents		44,414	22,537	21,877	370,117
Cash and cash equivalents at beginning of period		311,103	355,495	(44,392)	2,592,525
Cash and cash equivalents at end of period		¥355,517	¥378,032	¥(22,515)	\$2,962,642

2. Nine Months ended December 31

(¥ in millions, US\$ in thousands)

		Nine months ended December 31			
		2002 (A)	2001 (B)	(A)-(B)	2002
Cash flows from operating activities					
	Net (loss)	¥(33,306)	¥(208,010)	¥174,704	\$(277,550)
	Depreciation and amortization	193,858	245,544	(51,686)	1,615,483
	Equity in income of affiliates	(4,866)	(2,973)	(1,893)	(40,550)
	Decrease in notes and accounts receivable, trade	253,768	366,099	(112,331)	2,114,733
	Increase in inventories	(163,496)	(81,634)	(81,862)	(1,362,467)
	Decrease in notes and accounts payable, trade	(16,768)	(199,916)	183,148	(139,733)
	Others	(90,676)	(126,447)	35,771	(755,633)
	Adjustments to reconcile net (loss) to net cash provided by (used in) operating activities	171,820	200,673	(28,853)	1,431,833
	Net cash provided by (used in) operating activities	138,514	(7,337)	145,851	1,154,283
Cash flows from investing activities					
	Proceeds from sale of property and securities	146,782	44,764	102,018	1,223,183
	Acquisition of property and equipment	(186,120)	(264,952)	78,832	(1,551,000)
	Purchase of securities	(16,083)	(15,541)	(542)	(134,025)
	(Increase) Decrease in investments in affiliates	(7,620)	6,027	(13,647)	(63,500)
	Others	(23,957)	(18,374)	(5,583)	(199,641)
	Net cash used in investing activities	(86,998)	(248,076)	161,078	(724,983)
Cash flows from financing activities					
	Proceeds from long-term debt	293,905	147,086	146,819	2,449,209
	Repayment of long-term debt	(199,868)	(245,672)	45,804	(1,665,567)
	(Decrease) Increase in short-term borrowings	(152,481)	254,636	(407,117)	(1,270,675)
	Dividends paid	(204)	(16,029)	15,825	(1,700)
	Others	(484)	(54)	(430)	(4,033)
	Net cash (used in) provided by financing activities	(59,132)	139,967	(199,099)	(492,766)
Effect of exchange rate changes on cash and cash equivalents		(7,299)	5,883	(13,182)	(60,825)
Net decrease in cash and cash equivalents		(14,915)	(109,563)	94,648	(124,291)
Cash and cash equivalents at beginning of period		370,432	487,595	(117,163)	3,086,933
Cash and cash equivalents at end of period		¥355,517	¥378,032	¥(22,515)	\$2,962,642

Industry Segment Information

1. Third Quarter ended December 31

(¥ in millions, US\$ in thousands)

		Three months ended December 31				
		2002 (A)	2001 (B)	(A)-(B)	(A)/(B)	2002
Net sales (Share of total sales)	Information & Communications Systems	¥191,021 (13%)	¥187,679 (14%)	¥3,342 (-1%)	102%	\$1,591,842
	Social Infrastructure Systems	176,995 (12%)	181,114 (13%)	(4,119) (-1%)	98%	1,474,958
	Power Systems	97,504 (6%)	108,698 (8%)	(11,194) (-2%)	90%	812,533
	Digital Media	443,194 (30%)	373,532 (27%)	69,662 (3%)	119%	3,693,284
	Home Appliances	158,469 (11%)	160,925 (12%)	(2,456) (-1%)	98%	1,320,575
	Electronic Devices & Components	325,938 (22%)	259,216 (19%)	66,722 (3%)	126%	2,716,150
	Others	98,709 (6%)	101,617 (7%)	(2,908) (-1%)	97%	822,575
	Total	1,491,830 (100%)	1,372,781 (100%)	119,049	109%	12,431,917
	Eliminations	(177,483)	(159,469)	(18,014)	—	(1,479,025)
Consolidated		¥1,314,347	¥1,213,312	¥101,035	108%	\$10,952,892
Operating income (loss)	Information & Communications Systems	¥(5,924)	¥(14,173)	¥8,249	—	\$(49,367)
	Social Infrastructure Systems	(10,524)	(8,713)	(1,811)	—	(87,700)
	Power Systems	126	(1,960)	2,086	—	1,050
	Digital Media	4,115	(2,918)	7,033	—	34,292
	Home Appliances	(265)	2,423	(2,688)	—	(2,208)
	Electronic Devices & Components	9,839	(46,564)	56,403	—	81,991
	Others	5,079	2,561	2,518	198%	42,325
	Total	2,446	(69,344)	71,790	—	20,383
	Eliminations	(19)	(368)	349	—	(158)
Consolidated		¥2,427	¥(69,712)	¥72,139	—	\$20,225

2. Nine Months ended December 31

(¥ in millions, US\$ in thousands)

		Nine months ended December 31				
		2002 (A)	2001 (B)	(A)-(B)	(A)/(B)	2002
Net sales (Share of total sales)	Information & Communications Systems	¥597,591 (13%)	¥627,624 (15%)	¥(30,033) (-2%)	95%	\$4,979,925
	Social Infrastructure Systems	550,027 (12%)	568,201 (13%)	(18,174) (-1%)	97%	4,583,559
	Power Systems	335,023 (7%)	368,986 (9%)	(33,963) (-2%)	91%	2,791,858
	Digital Media	1,238,753 (28%)	1,049,043 (25%)	189,710 (3%)	118%	10,322,942
	Home Appliances	491,172 (11%)	511,392 (12%)	(20,220) (-1%)	96%	4,093,100
	Electronic Devices & Components	967,560 (22%)	805,916 (19%)	161,644 (3%)	120%	8,063,000
	Others	303,985 (7%)	310,154 (7%)	(6,169) (-)	98%	2,533,208
	Total	4,484,111 (100%)	4,241,316 (100%)	242,795	106%	37,367,592
	Eliminations	(534,701)	(517,317)	(17,384)	—	(4,455,842)
Consolidated		¥3,949,410	¥3,723,999	¥225,411	106%	\$32,911,750
Operating income (loss)	Information & Communications Systems	¥(16,371)	¥(16,845)	¥474	—	\$(136,425)
	Social Infrastructure Systems	(23,014)	(23,939)	925	—	(191,783)
	Power Systems	6,698	7,252	(554)	92%	55,817
	Digital Media	7,549	(13,974)	21,523	—	62,908
	Home Appliances	2,175	11,979	(9,804)	18%	18,125
	Electronic Devices & Components	14,881	(140,168)	155,049	—	124,008
	Others	13,647	7,378	6,269	185%	113,725
	Total	5,565	(168,317)	173,882	—	46,375
	Eliminations	(264)	213	(477)	—	(2,200)
Consolidated		¥5,301	¥(168,104)	¥173,405	—	\$44,175

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				2002
	2002 (A)	2001 (B)	(A)-(B)	(A)/(B)	
Japan	¥729,746 (56%)	¥710,772 (59%)	¥18,974 (-3%)	103%	\$6,081,217
Overseas	584,601 (44%)	502,540 (41%)	82,061 (3%)	116%	4,871,675
North America	211,330 (16%)	207,214 (17%)	4,116 (-1%)	102%	1,761,084
Asia	212,259 (16%)	155,823 (13%)	56,436 (3%)	136%	1,768,825
Europe	139,609 (10%)	115,187 (9%)	24,422 (1%)	121%	1,163,408
Others	21,403 (2%)	24,316 (2%)	(2,913) (-)	88%	178,358
Net Sales	¥1,314,347 (100%)	¥1,213,312 (100%)	¥101,035	108%	\$10,952,892

2. Nine Months ended December 31

(¥ in millions, US\$ in thousands)

	Nine months ended December 31				2002
	2002 (A)	2001 (B)	(A)-(B)	(A)/(B)	
Japan	¥2,246,366 (57%)	¥2,262,564 (61%)	¥(16,198) (-4%)	99%	\$18,719,717
Overseas	1,703,044 (43%)	1,461,435 (39%)	241,609 (4%)	117%	14,192,033
North America	664,869 (17%)	584,892 (16%)	79,977 (1%)	114%	5,540,575
Asia	593,957 (15%)	464,554 (12%)	129,403 (3%)	128%	4,949,641
Europe	373,965 (9%)	329,349 (9%)	44,616 (-)	114%	3,116,375
Others	70,253 (2%)	82,640 (2%)	(12,387) (-)	85%	585,442
Net Sales	¥3,949,410 (100%)	¥3,723,999 (100%)	¥225,411	106%	\$32,911,750

Notes:

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

*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.