

FOR IMMEDIATE RELEASE

July 30, 2003

Toshiba Announces Consolidated Results
for the First Quarter of Fiscal Year Ending in March 2004

TOKYO--Toshiba Corporation today announced its consolidated results for the first quarter (April-June) of fiscal year (FY) 2003 to March 2004.

1) General Overview of the First Quarter of FY 2003

The first quarter of fiscal year 2003 opened under a cloud of uncertainty about the impact of the war in Iraq on the U.S. economy and the impact of SARS on Asian markets. Signs of economic recovery emerged as the quarter progressed, but the overall business environment remained severe, as global deflation continued, corporate capital expenditure failed to gain momentum, and domestic consumption remained sluggish.

In Electronic Devices, sales of NAND flash memory saw robust growth, though total segment sales declined slightly, due to the transfer of cathode-ray tube business to a joint venture. Sales of Digital Products declined 34.9 billion yen against the same period a year ago, largely as a result of lower sales from personal computers in overseas markets, despite increased unit sales. Social Infrastructure saw sales decline by 36 billion yen from the year-earlier period, on sluggish sales for plant maintenance in Japan and declines in sales of power equipment in North America. The sector's decrease also reflected the transfer of the power transmission and distribution business to a joint venture.

Toshiba's overall consolidated sales were 1,117.2 billion yen (US\$9,310 million), a decrease of 73.9 billion yen from the same period of the previous year. Of this decline, 60%, approximately 41.5 billion yen, was attributable to transfers of businesses from the parent company to joint ventures or other companies that are not consolidated in Toshiba's results.

Operating income (loss) declined by 15 billion yen from a year earlier to minus 41.3 billion yen (minus US\$344 million). Electronic Devices increased operating income by 13.1 billion yen against the year-earlier period, but operating income for Digital Products declined by 20 billion yen, largely as a result of significant sales price erosion. Social Infrastructure and Home Appliances also saw operating income (loss) decline.

2) Breakdown by Industry Segment

Digital Products:

Net Sales		Operating Income (Loss)	
431.1	(-7%)	-17.3	(-20.0)

(billion yen; figures in parenthesis indicate year-on-year comparison)

Domestic sales of personal computers were flat compared to the same period a year ago and decreased significantly overseas, largely as a result of severe price erosion that could not be offset by increased unit sales both in Japan and overseas. Sales of television sets also declined, as prices of projection televisions substantially fell in North America and domestic sales declined. Overall sales of cellular phones increased slightly over the same period a year ago, as cellular phones with cameras saw growth in Japan that compensated for lower sales in North America.

Electronic Devices:

Net Sales		Operating Income (Loss)	
287.0	(-3%)	7.0	(+13.1)

(billion yen; figures in parenthesis indicate year-on-year comparison)

Semiconductor sales increased 7 billion yen over the same period a year ago to 192.5 billion yen, on the strength of continued healthy demand for NAND flash memory and growing demand for multi-chip packages memories for cellular phones. Sales of LCDs increased 11.2 billion yen to 67.6 billion yen, thanks to growth in the area of Toshiba's main product focus, small- to medium-size high resolution low temperature polysilicon LCDs.

The decline in net sales reflects the absence of the cathode-ray tube business, which has been transferred to a joint venture with Matsushita Electric Industrial Co., Ltd. In the same period last year, the CRT business contributed sales of 23.5 billion yen. Net sales from other businesses reported in the segment actually increased by approximately 15 billion yen against the same period a year ago. Segment operating income increased by 13.1 billion yen, as operating income from semiconductors climbed by 13.6 billion yen to 15.9 billion yen.

Social Infrastructure:

Net Sales		Operating Income (Loss)	
265.7	(-12%)	-32.2	(-3.8)

(billion yen; figures in parenthesis indicate year-on-year comparison)

Sales of Industrial and Power Systems & Services decreased by 45.2 billion yen against the same period a year ago to 121.8 billion yen. Demand for upgrades and maintenance of power plants in Japan remained sluggish, and sales of thermal power plant in North America were lower. The net sales decline also reflects a 12 billion yen reduction resulting from the transfer of the power transmission and distribution business to TM T&D Corporation, a joint venture with Mitsubishi Electric Corporation.

e-Solutions decreased 1.4 billion yen in sales from the year-earlier period to 49.7 billion yen, due to lower sales to customers in banking, government and public infrastructure. In Medical Systems, sales of multi-slice CT system and diagnostic X-ray equipment increased from the same period in previous year. Sales of elevators and escalators saw slight decrease.

Overall operating income (loss) for the segment as a whole decreased by 3.8 billion yen, on declines in Industrial and Power Systems & Services and e-Solutions and despite increases in Medical Systems and Elevators and Escalators.

Home Appliances:

Net Sales		Operating Income (Loss)	
155.9	(-3%)	-1.5	(-4.0)

(billion yen; figures in parenthesis indicate year-on-year comparison)

A decline in net sales and operating income is largely attributable to sluggish demand and price erosion in air conditioners and refrigerators.

3) Forecast for FY2003

The consolidated forecast for FY2003 remains unchanged from the projection released on April 25, 2003.

Note: For convenience only, all dollar figures used in reporting fiscal year 2003 first quarter results are valued at 120 yen to the dollar.

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Toshiba Corporation and its Subsidiaries
Consolidated Financial Statements
For the First Quarter ended June 30, 2003

First Quarter Results

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

	Three months ended June 30				
	2003 (A)	2002 (B)	(A)-(B)	(A)/(B)	2003
Net sales	¥1,117,226	¥1,191,119	¥(73,893)	94%	\$9,310,217
Operating income (loss)	(41,310)	(26,261)	(15,049)	-	(344,250)
Income (loss) before income taxes, minority interest and equity in earnings of affiliates	(50,910)	(33,266)	(17,644)	-	(424,250)
Net income (loss)	(36,847)	(18,795)	(18,052)	-	(307,058)
Basic earnings per share	¥(11.45)	¥(5.84)	¥(5.61)	/	\$(0.10)

Notes:

- 1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
- 2) The company has 320 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

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

	Three months ended June 30				
	2003 (A)	2002 (B)	(A)-(B)	(A)/(B)	2003
Sales and other income					
Net sales	¥1,117,226	¥1,191,119	¥(73,893)	94%	\$9,310,217
Interest	771	1,460	(689)	53%	6,425
Dividends	2,519	2,376	143	106%	20,992
Other income	6,701	11,652	(4,951)	58%	55,842
Costs and expenses					
Cost of sales	819,732	869,450	(49,718)	94%	6,831,100
Selling, general and administrative	338,804	347,930	(9,126)	97%	2,823,367
Interest	5,357	6,032	(675)	89%	44,642
Other	14,234	16,461	(2,227)	86%	118,617
Income (loss) before income taxes, minority interest and equity in earnings of affiliates	(50,910)	(33,266)	(17,644)	—	(424,250)
Income taxes	(14,909)	(10,545)	(4,364)	—	(124,242)
Minority interest in income (loss) of consolidated subsidiaries	(1,190)	(131)	(1,059)	—	(9,917)
Equity in earnings of affiliates	(2,036)	3,795	(5,831)	—	(16,967)
Net income (loss)	¥(36,847)	¥(18,795)	¥(18,052)	—	\$(307,058)

Note: Comprehensive loss for the first quarter of FY2003 and FY2002 was ¥14,721 million and ¥36,493 million, respectively.

Comparative Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	June 30, 2003 (A)	Mar. 31, 2003 (B)	(A)-(B)	June 30, 2003
Assets				
Current assets	¥2,559,691	¥2,621,216	¥(61,525)	\$21,330,758
Cash and cash equivalents	324,955	327,098	(2,143)	2,707,958
Notes and accounts receivable, trade	837,067	1,089,540	(252,473)	6,975,558
Finance receivables, net	169,946	166,190	3,756	1,416,217
Inventories	778,205	629,659	148,546	6,485,042
Prepaid expenses and other current assets	449,518	408,729	40,789	3,745,983
Long-term receivables	21,137	27,153	(6,016)	176,142
Long-term finance receivables, net	237,947	260,361	(22,414)	1,982,892
Investments	415,735	396,059	19,676	3,464,458
Property, plant and equipment	1,184,230	1,199,285	(15,055)	9,868,583
Other assets	727,662	734,862	(7,200)	6,063,850
Total assets	¥5,146,402	¥5,238,936	¥(92,534)	\$42,886,683
Liabilities and shareholders' equity				
Current liabilities	¥2,557,019	¥2,618,777	¥(61,758)	\$21,308,492
Short-term borrowings and current portion of long-term debt	799,725	771,342	28,383	6,664,375
Notes and accounts payable, trade	911,687	981,970	(70,283)	7,597,392
Other current liabilities	845,607	865,465	(19,858)	7,046,725
Accrued pension and severance costs	947,663	950,997	(3,334)	7,897,192
Long-term debt and other liabilities	922,786	922,153	633	7,689,883
Minority interest in consolidated subsidiaries	172,267	175,945	(3,678)	1,435,558
Shareholders' equity	546,667	571,064	(24,397)	4,555,558
Common stock	274,926	274,926	0	2,291,050
Additional paid-in capital	285,736	285,736	0	2,381,133
Retained earnings	415,555	462,058	(46,503)	3,462,958
Accumulated other comprehensive loss	(428,649)	(450,775)	22,126	(3,572,075)
Treasury stock	(901)	(881)	(20)	(7,508)
Total liabilities and shareholders' equity	¥5,146,402	¥5,238,936	¥(92,534)	\$42,886,683

Breakdown of accumulated other comprehensive income (loss)

Unrealized gains on securities	¥25,692	¥15,636	¥10,056	\$214,100
Foreign currency translation adjustments	(54,594)	(59,589)	4,995	(454,950)
Minimum pension liability adjustment	(396,904)	(405,069)	8,165	(3,307,533)
Unrealized losses on derivative instruments	(2,843)	(1,753)	(1,090)	(23,692)
Total debt	¥1,664,395	¥1,653,368	¥11,027	\$13,869,958

Comparative Consolidated Statements of Cash Flows

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

		Three months ended June 30			
		2003 (A)	2002 (B)	(A)-(B)	2003
Cash flows from operating activities					
Net income (loss)		¥(36,847)	¥(18,795)	¥(18,052)	\$(307,058)
Depreciation and amortization		55,892	59,737	(3,845)	465,767
Equity in income of affiliates		2,036	(3,795)	5,831	16,967
Decrease in notes and accounts receivable, trade		282,427	238,386	44,041	2,353,558
Increase in inventories		(137,508)	(107,771)	(29,737)	(1,145,900)
Decrease in notes and accounts payable, trade		(79,722)	(15,402)	(64,320)	(664,350)
Others		(41,156)	(143,041)	101,885	(342,967)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		81,969	28,114	53,855	683,075
Net cash provided by operating activities		45,122	9,319	35,803	376,017
Cash flows from investing activities					
Proceeds from sale of property and securities		6,037	43,954	(37,917)	50,308
Acquisition of property and equipment		(45,176)	(57,475)	12,299	(376,466)
Purchase of securities		(6,026)	(2,415)	(3,611)	(50,217)
Decrease (increase) in investments in affiliates		2,904	(5,585)	8,489	24,200
Others		(6,164)	(11,788)	5,624	(51,367)
Net cash used in investing activities		(48,425)	(33,309)	(15,116)	(403,542)
Cash flows from financing activities					
Proceeds from long-term debt		37,211	146,770	(109,559)	310,091
Repayment of long-term debt		(44,949)	(70,226)	25,277	(374,575)
Increase (decrease) in short-term borrowings		14,981	(76,604)	91,585	124,842
Dividends paid		(8,269)	(9)	(8,260)	(68,908)
Others		73	1,924	(1,851)	608
Net cash (used in) provided by financing activities		(953)	1,855	(2,808)	(7,942)
Effect of exchange rate changes on cash and cash equivalents		2,113	(7,699)	9,812	17,608
Net decrease in cash and cash equivalents		(2,143)	(29,834)	27,691	(17,859)
Cash and cash equivalents at beginning of the first quarter		327,098	370,432	(43,334)	2,725,817
Cash and cash equivalents at end of the first quarter		¥324,955	¥340,598	¥(15,643)	\$2,707,958

Industry Segments Information

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

		Three months ended June 30				2003
		2003(A)	2002(B)	(A)-(B)	(A)/(B)	
Net sales (Share of total sales)	Digital Products	431,075 (34%)	465,999 (35%)	(34,924) (-1%)	93%	3,592,292
	Electronic Devices	287,001 (23%)	295,228 (22%)	(8,227) (1%)	97%	2,391,675
	Social Infrastructure	265,744 (21%)	301,768 (23%)	(36,024) (-2%)	88%	2,214,533
	Home Appliances	155,870 (13%)	161,327 (12%)	(5,457) (1%)	97%	1,298,917
	Others	111,320 (9%)	108,573 (8%)	2,747 (1%)	103%	927,666
	Total	1,251,010 (100%)	1,332,895 (100%)	(81,885)	94%	10,425,083
	Eliminations	(133,784)	(141,776)	7,992	—	(1,114,866)
Consolidated		¥1,117,226	¥1,191,119	¥(73,893)	94%	\$9,310,217
Operating income (loss)	Digital Products	(17,346)	2,605	(19,951)	—	(144,550)
	Electronic Devices	6,983	(6,149)	13,132	—	58,192
	Social Infrastructure	(32,170)	(28,337)	(3,833)	—	(268,084)
	Home Appliances	(1,479)	2,492	(3,971)	—	(12,325)
	Others	2,211	2,732	(521)	81%	18,425
	Total	(41,801)	(26,657)	(15,144)	—	(348,342)
	Eliminations	491	396	95	—	4,092
Consolidated		¥(41,310)	¥(26,261)	¥(15,049)	—	\$(344,250)

Net Sales by Region

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

	Three months ended June 30				2003
	2003 (A)	2002 (B)	(A)-(B)	(A)/(B)	
Japan	¥697,164 (62%)	¥680,293 (57%)	¥16,871 (5%)	102%	\$5,809,700
Overseas	420,062 (38%)	510,826 (43%)	(90,764) (-5%)	82%	3,500,517
North America	142,674 (13%)	203,089 (17%)	(60,415) (-4%)	70%	1,188,950
Asia	159,675 (14%)	172,924 (15%)	(13,249) (-1%)	92%	1,330,625
Europe	96,981 (9%)	110,220 (9%)	(13,239) (-)	88%	808,175
Other	20,732 (2%)	24,593 (2%)	(3,861) (-)	84%	172,767
Net Sales	¥1,117,226	¥1,191,119 (100%)	¥(73,893)	94%	\$9,310,217

Notes:

- 1) Segment information is based on Japanese accounting standards.
- 2) Net sales by region are 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.

Supplementary Data for FY2003 - 1Q

Consolidated Business Results

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Toshiba Corporation

1. Outline

(billion yen)

	FY01		FY02		FY03	
	1Q	FY01	1Q	FY02	1Q	FY03 Plan
Net Sales	1,165.5	5,394.0	1,191.1	5,655.8	1,117.2	5,700.0
YoY	88%	91%	102%	105%	94%	101%
Operating Income (Loss)	-40.2	-113.6	-26.3	115.5	-41.3	170.0
YoY	-	-	-	-	-	147%
Income (Loss) before income taxes, minority interest and equity in earnings of affiliates	-52.6	-376.7	-33.3	53.1	-50.9	90.0
YoY	-	-	-	-	-	169%
Net Income (Loss)	-33.4	-254.0	-18.8	18.5	-36.8	40.0
YoY	-	-	-	-	-	216%
Earnings Per Share (yen)	-10.39	-78.91	-5.84	5.75	-11.45	12.43
No. of Consolidated Companies including Toshiba Corp.	338	330	337	316	321	-
Financial Balance	-4.4	-15.2	-2.2	-10.9	-2.1	-10.0

2. Yen-Dollar, Yen-Euro Exchange Rate (Average)

US Dollar

	FY01		FY02		FY03	
	1Q	FY01	1Q	FY02	1Q	FY03 Plan
Sales Rate (Yen)	123	126	128	122	119	120
Settlement Rate (Yen)	120	124	128	122	119	120

Euro

	FY01		FY02		FY03	
	1Q	FY01	1Q	FY02	1Q	FY03 Plan
Sales Rate (Yen)	108	110	116	120	134	125
Settlement Rate (Yen)	107	109	116	118	128	125

3.Detail of Digital Products Segment

3-①.Personal Computer Sales and Shipment

1) Sales

(billion yen)

		FY01	FY02	FY03	
				1Q	FY03 Plan
Sales		610.0	740.0	142.0	785.0
	YoY	86%	121%	88%	106%

2) Shipment

(thousand units)

		FY01	FY02	FY03 Plan
Japan		900	1,000	1,100
	YoY	90%	111%	110%
Overseas		2,350	2,950	3,400
	YoY	87%	126%	115%
Total		3,250	3,950	4,500
	YoY	88%	122%	114%

3-②.Cellular Phone Sales and Shipment

1) Sales

(billion yen)

		FY01	FY02	FY03	
				1Q	FY03 Plan
Sales		192.0	210.0	47.2	210.0
	YoY	94%	109%	101%	100%

2) Shipment

(thousand units)

		FY01	FY02	FY03(Plan)
Japan		3,300	4,650	5,000
	YoY	100%	141%	108%
Overseas		2,750	1,950	1,600
	YoY	57%	71%	82%
Total		6,050	6,600	6,600
	YoY	75%	109%	100%

4.Detail of Electronic Devices Segment

4-①.Semiconductor Sales, Capital Expenditures, Products Configuration, and Production Level of Major Products

1) Sales and Capital Expenditures (Commitment Basis)

(billion yen)

	FY01	FY02			FY03			
		02A	02B	Total	1Q	03A(Plan)	03B(Plan)	Total (Plan)
Sales	725.0	406.5	422.1	828.6	192.5	420.0	480.0	900.0
YoY	66%	108%	121%	114%	104%	103%	114%	109%

* Capital Expenditures FY02 : 66 Billion Yen, FY03 : 118 Billion Yen (plan)

2) Products Configuration

(billion yen)

	FY01	FY02	FY03(Plan)
Discrete	200.0	218.7	225.0
System LSI	374.0	424.0	440.0
Memory	151.0	185.9	235.0

3) Production Level of Major Products

NAND Flash Memory Production

(million units per month)

	June '02	Sept. '02	Dec. '02	Mar. '03	June '03	Sept.'03 Plan	Dec.'03 Plan
64M	1.50	1.50	1.40	2.60	1.60	0.50	0.60
128M	0.90	1.80	1.50	2.80	3.20	3.10	2.50
256M	0.50	0.70	0.90	0.75	1.10	1.15	1.05
512M	1.00	0.90	1.00	0.90	0.90	1.10	1.10
1G	0.15	0.80	0.90	0.70	1.50	2.15	2.30
2G	-	0.01	0.15	0.17	0.20	0.50	0.70
4G	-	-	-	-	0.05	0.05	0.10
128M Equivalent TTL	7.85	14.10	17.50	17.50	26.60	37.00	42.10

4-②.LCD Sales and Capital Expenditures

(billion yen)

	FY01*	FY02	FY03	
			1Q	FY03 (Plan)
Sales	125.0	235.0	67.6	305.0
YoY	83%	188%	120%	130%
Capital Expenditures	35.0	20.0	-	20.0
YoY	31%	57%	-	100%

* Toshiba results only.