

FOR IMMEDIATE RELEASE

July 30, 2004

Toshiba Announces Consolidated Results
for the First Quarter of Fiscal Year Ending in March 2005
Revises First Half FY2004 Forecast

TOKYO--Toshiba Corporation today announced its consolidated results for the first quarter (April-June) of fiscal year (FY) 2004 ended March 2005.

1) Overview

Toshiba's overall consolidated sales were 1,247.9 billion yen (US\$11,555 million), an increase of 130.7 billion yen from the same period of the previous year. Digital Products, Electronic Devices and Social Infrastructure, three major business domains, all recorded higher sales than in the year-earlier period.

Consolidated operating income (loss) improved by 55.4 billion yen from the same period a year ago to 14.1 billion yen (US\$131 million). Electronic Devices saw operating income rise significantly and both Digital Products and Social Infrastructure reported improved operating income (loss) compared to the same period a year ago.

Income before income taxes, minority interest and equity in earnings of affiliates was 0.3 billion yen (US\$2.4 million), a 51.2 billion yen improvement over the year-earlier period. The net loss narrowed by 29.0 billion yen from the same period a year ago to minus 7.8 billion yen (minus US\$72 million).

2) Breakdown by Industry Segment

Digital Products:

Net Sales	Operating Income (Loss)
487.1 (+13%)	-10.6 (+6.7)

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

Sales of Digital Products rose on higher overseas sales of PCs, mainly in the U.S. and in Europe, on growth in sales of cellular phones for the Japanese market, and on increased

sales resulting from the April 1, 2004 establishment of a Toshiba-consolidated joint venture with Samsung Electronics Co., Ltd. in optical-disk drives. The operating loss of Digital Products improved from the year-earlier period, as a series of restructuring measures taken over the last year produced solid improvement in PC business performance, even though the storage devices business saw operating income undermined by price erosion.

Electronic Devices:

Net Sales	Operating Income (Loss)
330.0 (+15%)	38.8 (+31.8)

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

Electronic Devices saw higher sales and substantial increase in operating income against the same period a year ago. Semiconductors achieved a solid increase in sales on the strength of continued demand from the digital consumer market. The LCD display business improved sales on continuing demand for high-value-added, small- to medium-sized LCDs, particularly displays for mobile PC applications.

Social Infrastructure:

Net Sales	Operating Income (Loss)
304.0 (+14%)	-15.8 (+16.4)

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

Sales of Social Infrastructure were bolstered by increased orders of maintenance services for power plants and higher sales of transportation systems, and surpassed sales for the year-earlier period that included the industrial electric and automation systems business that was transferred to Toshiba Mitsubishi-Electric Industrial Systems Corporation in October 2003 and no longer consolidated. The operating loss for the segment improved over the same period a year ago through increased sales and reduced costs.

Home Appliances:

Net Sales	Operating Income (Loss)
155.9 (+/- 0%)	-2.7 (-1.2)

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

Sales of Home Appliances were flat compared to the same period of the previous year, while the operating loss widened on price erosion, mainly in white goods.

Others:

Net Sales	Operating Income (Loss)
85.0 (-24%)	3.9 (+1.7)

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

Sales of Others decreased mainly as a result of the transfer of consolidated subsidiaries to affiliated companies accounted by the equity method, including Shibaura Mechatronics Corporation. Operating income increased.

3) Financial Position and Cash Flows for the First Quarter of FY2004

Total assets decreased by 35.0 billion yen from the end of March 2004 to 4,427.2 billion yen (US\$40,992 million), as a result of reduction of notes and accounts receivable as of the end of FY2003 through collecting them during the first quarter. Total debt stood at 1,169.9 billion yen (US\$10,832 million), 29.6 billion yen lower than at the end of FY2003. As a result, the debt to equity ratio was 156%. Shareholders' equity declined by 4.5 billion yen from the end of March 2004 to 750.5 billion yen (US\$6,949 million) and the shareholders' equity ratio was 17.0%. Free cash flows increased by 5.7 billion yen from the year-earlier period to 2.4 billion yen.

4) Revised Business Forecasts for the First Half of FY2004

Firm signs of recovery are visible in the Japanese economy, while overseas economies, especially the U.S. and China, are expected to continue favorable growth. For the first half of FY2004, Toshiba's businesses are moving forward at a brisker pace than originally envisaged, and this will be reflected in operating income. Accordingly, Toshiba Corporation will revise the original forecast for the first half of FY2004, announced on April 27, 2004 with the report of FY2003 results. Full-year forecast for FY2004, however, will remain unchanged.

(1) Consolidated forecast

First Half FY2004 (Apr. 1, 2004 - Sept. 30, 2004)

(billion yen)

	Net Sales	Income (Loss) Before Income Taxes, Minority Interest and Equity in Earnings of Affiliates	Net Income (Loss)
(A) Original Forecast (April 27, 2004)	2,660.0	-20.0	-30.0
(B) Revised Forecast (July 30, 2004)	2,800.0	5.0	-5.0
(B) - (A)	+140.0	+25.0	+25.0
First Half FY2003	2,608.3	-17.6	-32.2

(2) Non-consolidated forecast

First Half FY2004 (Apr. 1, 2004 - Sept. 30, 2004)

(billion yen)

	Net Sales	Recurring Profit (Loss)	Net Income (Loss)
(A) Original Forecast (April 27,2004)	1,300.0	-10.0	-15.0
(B) Revised Forecast (July 30, 2004)	1,370.0	5.0	-10.0
(B) - (A)	+70.0	+15.0	+5.0
First Half FY2003	1,459.6	-14.0	-2.5

Note:

Business projections for the first half and full-year of FY2004 are forward-looking statements based on certain assumptions that we now believe to be reasonable. Actual result may differ substantially.

Major risk factors that may cause changes in results include:

- Changes in political and economic conditions in Japan and abroad; unexpected regulatory changes;
- Rapid changes in the supply/demand situations in major markets and intensified price competition;
- Material capital expenditure for production facilities and rapid changes in the marketplace;
- Success or failure of alliances or joint ventures promoted in collaboration with other companies;
- Success or failure of new businesses or R&D investment.
- Changes in the financial market, including fluctuations in interest rates and exchange rates.

For convenience only, all dollar figures used in reporting fiscal year 2004 first quarter results are valued at 108 yen to the dollar.

###

Toshiba Corporation and its Subsidiaries

Consolidated Financial Statements

For the First Quarter ended June 30, 2004

First Quarter Results

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

	Three months ended June 30				
	2004(A)	2003(B)	(A)-(B)	(A)/(B)	2004
Net sales	¥1,247.9	¥1,117.2	¥130.7	112%	\$11,554.7
Operating income (loss)	14.1	(41.3)	55.4	—	131.0
Income (loss) before income taxes, minority interest and equity in earnings of affiliates	0.3	(50.9)	51.2	—	2.4
Net income (loss)	(7.8)	(36.8)	29.0	—	(72.0)
Basic earnings per share	¥(2.42)	¥(11.45)	¥9.03	/	\$(0.02)

Notes:

- 1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
- 2) The company has 316 consolidated subsidiaries.
- 3) The U.S.dollar is valued at ¥108 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				
	2004(A)	2003(B)	(A)-(B)	(A)/(B)	2004
Sales and other income					
Net sales	¥1,247,909	¥1,117,226	¥130,683	112%	\$11,554,713
Interest	781	771	10	101%	7,231
Dividends	2,001	2,519	(518)	79%	18,528
Other income	11,859	6,701	5,158	177%	109,806
Costs and expenses					
Cost of sales	902,054	819,732	82,322	110%	8,352,352
Selling, general and administrative	331,712	338,804	(7,092)	98%	3,071,407
Interest	5,013	5,357	(344)	94%	46,417
Other	23,514	14,234	9,280	165%	217,722
Income (loss) before income taxes, minority interest and equity in earnings of affiliates	257	(50,910)	51,167	—	2,380
Income taxes	5,112	(14,909)	20,021	—	47,334
Minority interest in income (loss) of consolidated subsidiaries	3,008	(1,190)	4,198	—	27,852
Equity in earnings of affiliates	84	(2,036)	2,120	—	778
Net income (loss)	¥(7,779)	¥(36,847)	¥29,068	—	\$(72,028)

Note: Comprehensive income for the first quarter of FY2004 was ¥5,289 million, and comprehensive loss for the first quarter of FY2003 was ¥14,721 million.

Comparative Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	June 30, 2004 (A)	Mar. 31, 2004 (B)	(A)-(B)	June. 30, 2004
Assets				
Current assets	¥2,304,508	¥2,352,419	¥(47,911)	\$21,338,037
Cash and cash equivalents	280,691	319,277	(38,586)	2,598,991
Notes and accounts receivable, trade	894,876	1,036,158	(141,282)	8,285,889
Finance receivables, net	16,671	17,271	(600)	154,361
Inventories	730,099	629,044	101,055	6,760,176
Prepaid expenses and other current assets	382,171	350,669	31,502	3,538,620
Long-term receivables	19,558	21,808	(2,250)	181,093
Long-term finance receivables, net	30,124	29,887	237	278,926
Investments	397,298	389,292	8,006	3,678,685
Property, plant and equipment	1,125,634	1,118,245	7,389	10,422,537
Other assets	550,048	550,549	(501)	5,093,037
Total assets	¥4,427,170	¥4,462,200	¥(35,030)	\$40,992,315
Liabilities and shareholders' equity				
Current liabilities	¥2,268,077	¥2,199,628	¥68,449	\$21,000,713
Short-term borrowings and current portion of long-term debt	564,488	497,532	66,956	5,226,741
Notes and accounts payable, trade	897,168	877,421	19,747	8,307,111
Other current liabilities	806,421	824,675	(18,254)	7,466,861
Accrued pension and severance costs	596,002	601,566	(5,564)	5,518,537
Long-term debt and other liabilities	674,983	770,217	(95,234)	6,249,843
Minority interest in consolidated subsidiaries	137,611	135,799	1,812	1,274,176
Shareholders' equity	750,497	754,990	(4,493)	6,949,046
Common stock	274,926	274,926	0	2,545,611
Additional paid-in capital	285,736	285,736	0	2,645,704
Retained earnings	463,798	481,227	(17,429)	4,294,426
Accumulated other comprehensive loss	(272,826)	(285,894)	13,068	(2,526,167)
Treasury stock	(1,137)	(1,005)	(132)	(10,528)
Total liabilities and shareholders' equity	¥4,427,170	¥4,462,200	¥(35,030)	\$40,992,315

Breakdown of accumulated other comprehensive income (loss)

Unrealized gains on securities	¥31,085	¥26,825	¥4,260	\$287,824
Foreign currency translation adjustments	(73,690)	(79,290)	5,600	(682,315)
Minimum pension liability adjustment	(230,694)	(234,283)	3,589	(2,136,056)
Unrealized gain on derivative instruments	473	854	(381)	4,380
Total debt	¥1,169,866	¥1,199,456	¥(29,590)	\$10,832,093

Comparative Consolidated Statements of Cash Flows

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

	Three months ended June 30			
	2004(A)	2003(B)	(A)-(B)	2004
Cash flows from operating activities				
Net income (loss)	¥(7,779)	¥(36,847)	¥29,068	\$(72,028)
Depreciation and amortization	54,647	55,892	(1,245)	505,991
Equity in income of affiliates	(84)	2,036	(2,120)	(778)
Decrease in notes and accounts receivable, trade	147,487	282,427	(134,940)	1,365,620
Increase in inventories	(98,279)	(137,508)	39,229	(909,991)
Increase (decrease) in notes and accounts payable, trade	19,561	(79,722)	99,283	181,120
Others	(55,251)	(41,156)	(14,095)	(511,583)
Adjustments to reconcile net income (loss) to net cash provided by operating activities	68,081	81,969	(13,888)	630,379
Net cash provided by operating activities	60,302	45,122	15,180	558,351
Cash flows from investing activities				
Proceeds from sale of property and securities	2,232	6,037	(3,805)	20,667
Acquisition of property and equipment	(48,417)	(45,176)	(3,241)	(448,306)
Purchase of securities	(2,811)	(6,026)	3,215	(26,028)
Decrease in investments in affiliates	1,454	2,904	(1,450)	13,463
Others	(10,311)	(6,164)	(4,147)	(95,472)
Net cash used in investing activities	(57,853)	(48,425)	(9,428)	(535,676)
Cash flows from financing activities				
Proceeds from long-term debt	10,738	37,211	(26,473)	99,426
Repayment of long-term debt	(24,346)	(44,949)	20,603	(225,426)
(Decrease) increase in short-term borrowings	(17,629)	14,981	(32,610)	(163,231)
Dividends paid	(9,170)	(8,269)	(901)	(84,907)
Others	(3,164)	73	(3,237)	(29,296)
Net cash used in provided by financing activities	(43,571)	(953)	(42,618)	(403,434)
Effect of exchange rate changes on cash and cash equivalents	2,536	2,113	423	23,481
Net decrease in cash and cash equivalents	(38,586)	(2,143)	(36,443)	(357,278)
Cash and cash equivalents at beginning of the first quarter	319,277	327,098	(7,821)	2,956,269
Cash and cash equivalents at end of the first quarter	¥280,691	¥324,955	¥(44,264)	\$2,598,991

Industry Segment Information

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

		Three months ended June 30				
		2004(A)	2003(B)	(A)-(B)	(A)/(B)	2004
Net sales (Share of total sales)	Digital Products	¥487,097 (36%)	431,075 (34%)	56,022 (2%)	113%	\$4,510,157
	Electronic Devices	330,034 (24%)	287,001 (23%)	43,033 (1%)	115%	3,055,870
	Social Infrastructure	304,008 (22%)	265,744 (21%)	38,264 (1%)	114%	2,814,889
	Home Appliances	155,919 (12%)	155,870 (13%)	49 (-1%)	100%	1,443,695
	Others	84,969 (6%)	111,320 (9%)	(26,351) (-3%)	76%	786,750
	Total	1,362,027 (100%)	1,251,010 (100%)	111,017	109%	12,611,361
	Eliminations	(114,118)	(133,784)	19,666	—	(1,056,648)
Consolidated		¥1,247,909	¥1,117,226	¥130,683	112%	\$11,554,713
Operating income (loss)	Digital Products	(10,598)	(17,346)	6,748	—	(98,130)
	Electronic Devices	38,770	6,983	31,787	555%	358,981
	Social Infrastructure	(15,762)	(32,170)	16,408	—	(145,944)
	Home Appliances	(2,719)	(1,479)	(1,240)	—	(25,176)
	Others	3,895	2,211	1,684	176%	36,065
	Total	13,586	(41,801)	55,387	—	125,796
	Eliminations	557	491	66	113%	5,158
Consolidated		¥14,143	¥(41,310)	¥55,453	—	\$130,954

Notes:

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

Geographic Segment Information

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

		Three months ended June 30				
		2004(A)	2003(B)	(A)-(B)	(A)/(B)	2004
Net sales (Share of total sales)	Japan	¥1,091,349 (64%)	1,015,876 (67%)	75,473 (-3%)	107%	\$10,105,083
	Asia	334,797 (19%)	250,789 (17%)	84,008 (2%)	133%	3,099,972
	North America	155,671 (9%)	137,248 (9%)	18,423 (-)	113%	1,441,398
	Europe	122,086 (7%)	94,548 (6%)	27,538 (1%)	129%	1,130,426
	Others	14,648 (1%)	13,179 (1%)	1,469 (-)	111%	135,630
	Total	1,718,551 (100%)	1,511,640 (100%)	206,911	114%	15,912,509
	Eliminations	(470,642)	(394,414)	(76,228)	—	(4,357,796)
Consolidated		¥1,247,909	¥1,117,226	¥130,683	112%	\$11,554,713
Operating income (loss)	Japan	15,823	(24,859)	40,682	—	146,509
	Asia	3,058	(588)	3,646	—	28,315
	North America	470	(6,002)	6,472	—	4,352
	Europe	(1,413)	(8,006)	6,593	—	(13,083)
	Others	691	(341)	1,032	—	6,398
	Total	18,629	(39,796)	58,425	—	172,491
	Eliminations	(4,486)	(1,514)	(2,972)	—	(41,537)
Consolidated		¥14,143	¥(41,310)	¥55,453	—	\$130,954

Notes:

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

Net Sales by Region

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

	Three months ended June 30				2004
	2004(A)	2003(B)	(A)-(B)	(A)/(B)	
Japan	¥693,828 (56%)	¥697,164 (62%)	¥(3,336) (-6%)	100%	\$6,424,333
Overseas	554,081 (44%)	420,062 (38%)	134,019 (6%)	132%	5,130,380
Asia	228,430 (18%)	159,675 (14%)	68,755 (4%)	143%	2,115,093
North America	163,961 (13%)	142,674 (13%)	21,287 (-)	115%	1,518,157
Europe	119,784 (10%)	96,981 (9%)	22,803 (1%)	124%	1,109,111
Others	41,906 (3%)	20,732 (2%)	21,174 (1%)	202%	388,019
Net Sales	¥1,247,909 (100%)	¥1,117,226 (100%)	¥130,683	112%	\$11,554,713

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.

Supplementary Data for FY2004 First Quarter Consolidated Business Results

1. Outline

(billion yen)

	FY02		FY03		FY04	
	1Q	Full Year	1Q	Full Year	1Q	Previous (4/27)
Net sales	1,191.1	5,655.8	1,117.2	5,579.5	1,247.9	5,800.0
YoY	102%	105%	94%	99%	112%	104%
Operating income (loss)	-26.3	115.5	-41.3	174.6	14.1	190.0
Income (loss) before income taxes, minority interest and equity in earnings of affiliates	-33.3	53.1	-50.9	145.0	0.3	110.0
Net income (loss)	-18.8	18.5	-36.8	28.8	-7.8	30.0
Basic earnings per share (yen)	-5.84	5.75	-11.45	8.96	-2.42	9.33
Number of consolidated companies, including Toshiba Corporation	337	316	321	320	317	-
Financial balance	-2.2	-10.9	-2.1	-10.4	-2.2	-10.0

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

US Dollar

	FY02		FY03		FY04
	1Q	FY02	1Q	FY03	1Q
Sales Rate (Yen)	128	122	119	113	109
Settlement Rate (Yen)	128	122	119	114	109

Euro

	FY02		FY03		FY04
	1Q	FY02	1Q	FY03	1Q
Sales Rate (Yen)	116	120	134	133	132
Settlement Rate (Yen)	116	118	128	130	133

* Forecasted exchange rates after 2Q, 2004 : U.S.1 dollar=¥105, 1 Euro=¥120

3. PC Sales, Operating Income(Loss) and Shipment

1) Sales

(billion yen)

	FY03		FY04	
	1Q	Full Year	1Q	Previous (4/27)
Sales	142.0	696.0	162.0	720.0
YoY	88%	94%	114%	103%
Operating Income (Loss)	-11.8	-	-3.6	-

3) Shipment

(thousand units)

	FY03	FY04
	Full Year	Previous(4/27)
Japan	1,100	1,300
YoY	110%	118%
Overseas	3,400	4,200
YoY	115%	124%
Total	4,500	5,500
YoY	114%	122%

4. Products Configuration, and Production Level of NAND Flash Memory

1) Sales, Operating Income(Loss) and Capital Expenditures (Commitment Basis)

(billion yen)

	FY03		FY04	
	1Q	Full Year	1Q	Previous(4/27)
Sales	192.5	898.8	231.4	980
YoY	104%	108%	120%	109%
Operating Income(loss)	15.9	118.4	36.9	110.0
Capital Expenditures	-	168.0	-	154

2) Products Configuration

(billion yen)

	FY03	FY04
	Full Year	Previous(4/27)
Discrete	219.1	232.3
System LSI	420.5	442.1
Memory	259.2	305.6

3) Production Level of NAND Flash Memory

(million units per month)

	June '03	Sept.'03	Dec.'03	Mar. '04	June.'04	Sep.'04 Plan	Dec.'04 Plan
64M	1.60	0.50	0.60	0.40	0.70	0.45	0.40
128M	3.20	3.10	3.90	3.00	3.10	3.00	3.45
256M	1.10	1.15	1.75	2.00	2.00	2.20	2.30
512M	0.90	1.10	1.30	1.70	1.50	1.70	2.45
1G	1.50	2.15	1.85	1.90	2.90	2.25	2.25
2G	0.20	0.50	0.90	1.00	1.47	1.90	2.10
4G	0.05	0.05	0.06	0.06	0.12	0.50	1.10
8G						0.02	0.05
512M Equivalent TTL	6.65	9.25	11.00	11.75	16.00	20.00	27.00

5. LCD Sales, Operating Income(loss) and Capital Expenditures

(billion yen)

	FY03		FY04	
	1Q	Full Year	1Q	Previous (4/27)
Sales	67.6	285.6	79.8	340.0
YoY	120%	122%	118%	119%
Operating Income(loss)	-6.8	-6.3	4.4	9.0
Capital Expenditures	-	20	-	20.0

6. Industrial and Power Systems & Services Sales, Operating Income (loss)

(billion yen)

	FY03		FY04	
	1Q	Full Year	1Q	Previous (4/27)
Sales	123.4	857.4	155.7	863.0
YoY	74%	88%	126%	101%
Operating income (loss)	-18.9	13.5	-5.3	22.0