

FOR IMMEDIATE RELEASE

July 28, 2005

Toshiba Announces Consolidated Results
for the First Quarter of Fiscal Year Ending March 2006

TOKYO--Toshiba Corporation today announced its consolidated results for the first quarter (April-June) of fiscal year (FY) 2005 ending March 2006.

1) Overview

The Japanese economy continued a gradual recovery in the first quarter of FY2005, despite continuing concerns about unemployment, as corporate profitability improved and capital expenditure increased. Overseas, the US, China and other Asian countries continued economic expansion, while Europe saw steady recovery.

In these circumstances, Toshiba's overall consolidated sales were 1,298.8 billion yen (US\$11,701 million), an increase of 50.9 billion yen from the same period of the previous year. Digital Products, Social Infrastructure and Home Appliances recorded higher sales than in the year-earlier period, while Electronic Devices saw a sales decrease.

Consolidated operating income (loss) was minus 1.9 billion yen (minus US\$17 million), a decrease of 16.0 billion yen from the same period a year ago. Digital Products and Social Infrastructure saw improvement in operating income (loss) compared to the same period a year ago, while Electronic Devices saw lower operating income than in the year-earlier period, the result of price erosion.

Income (loss) before income taxes and minority interest was minus 3.6 billion yen (minus US\$32 million), down by 3.9 billion yen from the year-earlier period. The net loss widened by 1.1 billion yen from the same period a year ago to minus 8.9 billion yen (minus US\$80 million).

(Note) From FY2005, income (loss) before income taxes and minority interest includes equity in earnings of affiliates, which was not included until FY2004. The impact of this change of presentation is zero billion yen for the first quarter of FY2004 and plus 3.5 billion yen for the first quarter of FY2005. The above comparison with the year-earlier period is based on the new accounting presentation.

2) Consolidated Results for the First Quarter FY2005 by Segment

(billion yen)

	Net Sales		Operating Income (Loss)	
		Change (%)		Change
Digital Products	518.6	+6%	0.6	+11.2
Electronic Devices	294.6	-11%	10.6	-28.2
Social Infrastructure	361.9	+19%	-10.0	+5.8
Home Appliances	161.2	+3%	-4.7	-2.0
Others	81.5	-4%	1.5	-2.4
Eliminations	-119.0	-	0.1	-
Total	1,298.8	+4%	-1.9	-16.0

Digital Products:

Sales of Digital Products rose from the same period a year ago, on higher sales of hard disk drives (HDD) and mobile phones, and increased sales of PCs in overseas markets. The segment operating income (loss) improved significantly against the year-earlier period, as a result of the improved performance and return to profit of the PC business.

Electronic Devices:

Electronic Devices saw significant decreases in net sales and operating income against the previous year, largely due to decreased sales of LCD displays for PCs and lower price of NAND flash memories compared with the same period a year ago, despite a slowdown in price erosion since the beginning of 2005. While operating income in the semiconductor business decreased from the year-earlier period, the business remained profitable. Compared with the third quarter of FY2004 (October to December 2004), the last quarter of FY2004 and this first quarter results actually represent a trend for recovery for semiconductor business.

Social Infrastructure:

Sales of Social Infrastructure increased over the same period of the previous year, as the medical systems business saw higher sales, mainly in CT systems, and as TMT&D Corporation, a joint venture company with Mitsubishi Electric Corporation, was dissolved, and its power transmission and distribution businesses were handed over to the parent companies. The segment operating loss improved against the year-earlier period on improved performance in the medical systems and IT solutions businesses.

Home Appliances:

Sales of Home Appliances increased against the year-earlier period on higher sales of air conditioners, mainly overseas, and washing machines, but the operating loss widened

mainly due to weak performance of refrigerators and lighting equipment.

3) Financial Position and Cash Flows for the First Quarter of FY2005

Total assets decreased by 44.5 billion yen from the end of March 2005 to 4,526.9 billion yen (US\$40,783 million), mainly as a result of a reduction of notes and accounts receivable compared to the end of FY2004, through collection during the first quarter. Shareholders' equity decreased by 8.7 billion yen to 806.8 billion yen (US\$7,269 million) from the end of March 2005, as a result of a dividend payment and net loss for this first quarter. Total debt increased by 7.3 billion yen from the end of FY2004 to 1,118.7 billion yen (US\$10,078 million). Free cash flow decreased by 3.6 billion yen from the year-earlier period to minus 1.2 billion yen. The debt-to-equity ratio was 139%, a 3-point deterioration since the end of March 2005, but a 17-point improvement compared to the year-earlier period.

4) Revised Business Forecasts for the First Half of FY2005

The overall economy is in gradual recovery, though several factors, including increased crude oil prices, make this an uncertain trend. In the first half of FY2005, Toshiba Group's businesses are moving forward more strongly than originally anticipated. Accordingly, Toshiba Corporation will revise the original forecast for the first half of FY2005, announced on April 28, 2005. The full-year forecast for FY2005 remains unchanged.

(1) Consolidated forecast

First Half FY2005 (Apr. 1, 2005 - Sept. 30, 2005) (billion yen)

	Net Sales	Income (Loss) Before Income Taxes and Minority Interest	Net Income (Loss)
(A) Revised Forecast (July 28, 2005)	2,880.0	10.0	0.0
(B) Original Forecast (April 28, 2005)	2,800.0	0.0	-5.0
(A) - (B)	+80.0	+10.0	+5.0
First Half FY2004	2,781.8	21.6	8.4

(2) Non-consolidated forecast

First Half FY2005 (Apr. 1, 2005 - Sept. 30, 2005) (billion yen)

	Net Sales	Recurring Profit (Loss)	Net Income (Loss)
(A) Revised Forecast (July 28, 2005)	1,430.0	0.0	-10.0
(B) Original Forecast (April 28, 2005)	1,350.0	-17.0	-20.0
(A) - (B)	+80.0	+17.0	+10.0
First Half FY2004	1,332.0	15.2	2.3

Disclaimer:

This report of business results contains forward-looking statements concerning future plans, strategies and the performance of Toshiba Group. These statements are based on management's assumptions and beliefs in light of the economic, financial and other data currently available. Furthermore, they are subject to a number of risks and uncertainties. Toshiba therefore wishes to caution readers that actual results may differ materially from our expectations. Major risk factors that may have a material influence on results are indicated below, though this list is not necessarily exhaustive.

- 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 political and economic conditions in Japan and abroad; unexpected regulatory changes;
- Major disasters, including earthquakes and typhoons;
- Rapid changes in the supply/demand situations in major markets and intensified price competition;
- Significant capital expenditure for production facilities and rapid changes in the market;
- Changes in financial markets, including fluctuations in interest rates and exchange rates.

Note:

For convenience only, all dollar figures used in reporting fiscal year 2005 first quarter results are valued at 111 yen to the dollar.

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Toshiba Corporation and its Subsidiaries

Consolidated Financial Statements

For the First Quarter ended June 30, 2005

First Quarter Results

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

	Three months ended June 30				
	2005(A)	2004(B)	(A)-(B)	(A)/(B)	2005
Net sales	¥1,298.8	¥1,247.9	¥50.9	104%	\$11,701.2
Operating income (loss)	(1.9)	14.1	(16.0)	—	(16.7)
Income (loss) before income taxes and minority interest	(3.6)	0.3	(3.9)	—	(32.4)
Net income (loss)	(8.9)	(7.8)	(1.1)	—	(80.4)
Basic earnings per share	¥(2.77)	¥(2.42)	¥(0.35)	/	\$(0.02)

Notes:

- 1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
- 2) For the first quarter of FY2005, equity in earnings of affiliates has been included in income (loss) before income taxes and minority interest. The presentation of prior period has been reclassified accordingly.
- 3) The company has 342 consolidated subsidiaries.
- 4) The U.S.dollar is valued at ¥111 throughout this statement for convenience only.
- 5) 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				2005
	2005(A)	2004(B)	(A)-(B)	(A)/(B)	
Sales and other income					
Net sales	¥1,298,834	¥1,247,909	¥50,925	104%	\$11,701,207
Interest	1,408	781	627	180%	12,685
Dividends	2,787	2,001	786	139%	25,108
Other	11,284	11,943	(659)	94%	101,658
Costs and expenses					
Cost of sales	965,679	902,054	63,625	107%	8,699,811
Selling, general and administrative	335,009	331,712	3,297	101%	3,018,099
Interest	5,616	5,013	603	112%	50,595
Other	11,600	23,514	(11,914)	49%	104,504
Income (loss) before income taxes and minority interest	(3,591)	341	(3,932)	—	(32,351)
Income taxes	4,832	5,112	(280)	95%	43,532
Minority interest in income of consolidated subsidiaries	497	3,008	(2,511)	17%	4,477
Net income (loss)	¥(8,920)	¥(7,779)	¥(1,141)	—	\$(80,360)

Notes:

- 1) Comprehensive income for the first quarter of FY2005 and FY2004 was ¥1,049 million and ¥5,289 million, respectively.
- 2) For the first quarter of FY2005, equity in earnings of affiliates has been included in other income (expenses). The presentation of prior period has been reclassified accordingly.

Comparative Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

	June 30, 2005 (A)	March 31, 2005 (B)	(A)-(B)	June 30, 2005
Assets				
Current assets	¥2,451,728	¥2,474,319	¥(22,591)	\$22,087,640
Cash and cash equivalents	300,862	295,003	5,859	2,710,468
Notes and accounts receivable, trade	979,759	1,120,896	(141,137)	8,826,658
Inventories	768,250	649,998	118,252	6,921,171
Prepaid expenses and other current assets	402,857	408,422	(5,565)	3,629,343
Long-term receivables	17,873	19,090	(1,217)	161,018
Investments	388,747	387,457	1,290	3,502,225
Property, plant and equipment	1,149,954	1,164,183	(14,229)	10,359,946
Other assets	518,622	526,363	(7,741)	4,672,270
Total assets	¥4,526,924	¥4,571,412	¥(44,488)	\$40,783,099
Liabilities and shareholders' equity				
Current liabilities	¥2,255,632	¥2,266,843	¥(11,211)	\$20,321,009
Short-term borrowings and current portion of long-term debt	457,215	428,050	29,165	4,119,054
Notes and accounts payable, trade	935,425	973,539	(38,114)	8,427,252
Other current liabilities	862,992	865,254	(2,262)	7,774,703
Accrued pension and severance costs	580,810	581,598	(788)	5,232,522
Long-term debt and other liabilities	740,448	762,757	(22,309)	6,670,703
Minority interest in consolidated subsidiaries	143,202	144,707	(1,505)	1,290,108
Shareholders' equity	806,832	815,507	(8,675)	7,268,757
Common stock	274,926	274,926	0	2,476,811
Additional paid-in capital	285,736	285,736	0	2,574,198
Retained earnings	492,619	511,185	(18,566)	4,438,009
Accumulated other comprehensive loss	(244,784)	(254,753)	9,969	(2,205,261)
Treasury stock	(1,665)	(1,587)	(78)	(15,000)
Total liabilities and shareholders' equity	¥4,526,924	¥4,571,412	¥(44,488)	\$40,783,099

Breakdown of accumulated other comprehensive income (loss)

Unrealized gains on securities	¥32,591	¥33,479	¥(888)	\$293,613
Foreign currency translation adjustments	(61,844)	(68,849)	7,005	(557,153)
Minimum pension liability adjustment	(216,276)	(219,315)	3,039	(1,948,433)
Unrealized gains (losses) on derivative instruments	745	(68)	813	6,712
Total debt	¥1,118,662	¥1,111,446	¥7,216	\$10,078,036

Comparative Consolidated Statements of Cash Flows

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

		Three months ended June 30			
		2005(A)	2004(B)	(A)-(B)	2005
Cash flows from operating activities					
	Net income (loss)	¥(8,920)	¥(7,779)	¥(1,141)	\$(80,360)
	Depreciation and amortization	57,060	54,647	2,413	514,054
	Equity in (earnings) losses of affiliates	3,409	1,821	1,588	30,712
	Decrease in notes and accounts receivable, trade	141,722	147,487	(5,765)	1,276,775
	Increase in inventories	(116,307)	(98,279)	(18,028)	(1,047,811)
	(Decrease) increase in notes and accounts payable, trade	(36,630)	19,561	(56,191)	(330,000)
	Others	6,940	(57,156)	64,096	62,522
	Adjustments to reconcile net income to net cash provided by operating activities	56,194	68,081	(11,887)	506,252
	Net cash provided by operating activities	47,274	60,302	(13,028)	425,892
Cash flows from investing activities					
	Proceeds from sale of property and securities	20,484	2,232	18,252	184,541
	Acquisition of property, plant and equipment	(64,484)	(48,417)	(16,067)	(580,937)
	Purchase of securities	(1,084)	(2,811)	1,727	(9,766)
	(Increase) decrease in investments in affiliates	(848)	1,454	(2,302)	(7,640)
	Others	(2,564)	(10,311)	7,747	(23,099)
	Net cash used in investing activities	(48,496)	(57,853)	9,357	(436,901)
Cash flows from financing activities					
	Proceeds from long-term debt	1,514	10,738	(9,224)	13,640
	Repayment of long-term debt	(117,977)	(24,346)	(93,631)	(1,062,856)
	Increase (decrease) in short-term borrowings	133,628	(17,629)	151,257	1,203,856
	Dividends paid	(9,351)	(9,170)	(181)	(84,243)
	Others	(2,494)	(3,164)	670	(22,469)
	Net cash provided by (used in) financing activities	5,320	(43,571)	48,891	47,928
Effect of exchange rate changes on cash and cash equivalents		1,761	2,536	(775)	15,864
Net increase (decrease) in cash and cash equivalents		5,859	(38,586)	44,445	52,783
Cash and cash equivalents at beginning of the period		295,003	319,277	(24,274)	2,657,685
Cash and cash equivalents at end of the period		¥300,862	¥280,691	¥20,171	\$2,710,468

Industry Segment Information

First Quarter ended June 30

(¥ in millions, US\$ in thousands)

		Three months ended June 30				
		2005(A)	2004(B)	(A)-(B)	(A)/(B)	2005
Net sales (Share of total sales)	Digital Products	¥518,609 (37%)	¥487,097 (36%)	¥31,512 (1%)	106%	\$4,672,153
	Electronic Devices	294,609 (21%)	330,034 (24%)	(35,425) (-3%)	89%	2,654,135
	Social Infrastructure	361,865 (25%)	304,008 (22%)	57,857 (3%)	119%	3,260,045
	Home Appliances	161,209 (11%)	155,919 (12%)	5,290 (-1%)	103%	1,452,334
	Others	81,482 (6%)	84,969 (6%)	(3,487) (-)	96%	734,072
	Total	1,417,774 (100%)	1,362,027 (100%)	55,747	104%	12,772,739
	Eliminations	(118,940)	(114,118)	(4,822)	—	(1,071,532)
Consolidated		¥1,298,834	¥1,247,909	¥50,925	104%	\$11,701,207
Operating income (loss)	Digital Products	¥635	¥(10,598)	¥11,233	—	\$5,721
	Electronic Devices	10,572	38,770	(28,198)	27%	95,243
	Social Infrastructure	(10,023)	(15,762)	5,739	—	(90,297)
	Home Appliances	(4,666)	(2,719)	(1,947)	—	(42,036)
	Others	1,455	3,895	(2,440)	37%	13,108
	Total	(2,027)	13,586	(15,613)	—	(18,261)
	Eliminations	173	557	(384)	—	1,558
Consolidated		¥(1,854)	¥14,143	¥(15,997)	—	\$(16,703)

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				
		2005(A)	2004(B)	(A)-(B)	(A)/(B)	2005
Net sales (Share of total sales)	Japan	¥1,129,657 (64%)	¥1,091,349 (64%)	¥38,308 (-)	104%	\$10,177,090
	Asia	312,776 (18%)	334,797 (19%)	(22,021) (-1%)	93%	2,817,802
	North America	166,614 (10%)	155,671 (9%)	10,943 (1%)	107%	1,501,027
	Europe	129,650 (7%)	122,086 (7%)	7,564 (-)	106%	1,168,018
	Others	16,066 (1%)	14,648 (1%)	1,418 (-)	110%	144,739
	Total	1,754,763 (100%)	1,718,551 (100%)	36,212	102%	15,808,676
	Eliminations	(455,929)	(470,642)	14,713	—	(4,107,469)
Consolidated		¥1,298,834	¥1,247,909	¥50,925	104%	\$11,701,207
Operating income (loss)	Japan	¥(2,938)	¥15,823	¥(18,761)	—	\$(26,468)
	Asia	4,428	3,058	1,370	145%	39,892
	North America	604	470	134	129%	5,441
	Europe	(2,780)	(1,413)	(1,367)	—	(25,045)
	Others	(131)	691	(822)	—	(1,180)
	Total	(817)	18,629	(19,446)	—	(7,360)
	Eliminations	(1,037)	(4,486)	3,449	—	(9,343)
Consolidated		¥(1,854)	¥14,143	¥(15,997)	—	\$(16,703)

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				
	2005(A)	2004(B)	(A)-(B)	(A)/(B)	2005
Japan	¥715,766 (55%)	¥693,828 (56%)	¥21,938 (-1%)	103%	\$6,448,342
Overseas	583,068 (45%)	554,081 (44%)	28,987 (1%)	105%	5,252,865
Asia	227,596 (17%)	228,430 (18%)	(834) (-1%)	100%	2,050,414
North America	178,205 (14%)	163,961 (13%)	14,244 (1%)	109%	1,605,451
Europe	139,369 (11%)	119,784 (10%)	19,585 (1%)	116%	1,255,577
Others	37,898 (3%)	41,906 (3%)	(4,008) (-)	90%	341,423
Net Sales	¥1,298,834 (100%)	¥1,247,909 (100%)	¥50,925	104%	\$11,701,207

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.

July 28, 2005

Supplementary Data for First Quarter of FY2005
Consolidated Business Results

1.Outline

(billion yen)

	First Quarter			Full Year		
	FY2003	FY2004	FY2005	FY2003	FY2004	FY2005 4/28
Net sales	1,117.2	1,247.9	1,298.8	5,579.5	5,836.1	6,000.0
YoY	94%	112%	104%	99%	105%	103%
Operating income	-41.3	14.1	-1.9	174.6	154.8	170.0
Income (loss) before income taxes and minority interest	-52.9	0.3	-3.6	135.8	111.2	130.0
Net income	-36.8	-7.8	-8.9	28.8	46.0	55.0
Earnings per share (yen)						
Basic	-11.45	-2.42	-2.77	8.96	14.32	17.10
Diluted	-	-	-	-	13.53	-
Exchange rate						
(Yen / US-Dollar)	119	109	108	114	108	105
(Yen / Euro)	128	133	138	130	135	130

* For the fiscal year ended March 31, 2006, equity in earnings of affiliates has been included in income (loss) before income taxes and minority interest. The presentation of other data has been reclassified accordingly.

2-1. Sales by Industry Segment

(billion yen)

	First Quarter			Full Year		
	FY2003	FY2004	FY2005	FY2003	FY2004	FY2005 4/28
Digital Products	431.1	487.1	518.6	2,009.4	2,224.2	2,400.0
YoY	93%	113%	106%	97%	111%	108%
Ratio	34%	36%	37%	33%	35%	36%
Electronic Devices	287.0	330.0	294.6	1,283.6	1,307.2	1,400.0
YoY	97%	115%	89%	101%	102%	107%
Ratio	23%	24%	21%	21%	21%	21%
Social Infrastructure	265.7	304.0	361.9	1,714.1	1,765.3	1,800.0
YoY	88%	114%	119%	94%	103%	102%
Ratio	21%	22%	25%	28%	28%	27%
Home Appliances	155.9	155.9	161.2	637.3	661.0	660.0
YoY	97%	100%	103%	101%	104%	100%
Ratio	13%	12%	11%	10%	10%	10%
Others	111.3	85.0	81.5	472.7	371.6	360.0
YoY	103%	76%	96%	96%	79%	97%
Ratio	9%	6%	6%	8%	6%	6%
Total	1,251.0	1,362.0	1,417.8	6,117.1	6,329.3	6,620.0
Eliminations	-133.8	-114.1	-119.0	-537.6	-493.2	-620.0
Total	1,117.2	1,247.9	1,298.8	5,579.5	5,836.1	6,000.0
YoY	94%	112%	104%	99%	105%	103%

2-2. Operating Income (Loss) by Industry Segment

(billion yen)

	First Quarter			Full Year		
	FY2003	FY2004	FY2005	FY2003	FY2004	FY2005 4/28
Digital Products	-17.3	-10.6	0.6	-23.8	7.3	28.0
Electronic Devices	7.0	38.8	10.6	117.0	92.5	75.0
Social Infrastructure	-32.2	-15.8	-10.0	58.6	48.6	55.0
Home Appliances	-1.5	-2.7	-4.7	3.5	-3.3	2.0
Others	2.2	3.9	1.5	18.8	9.8	10.0
Total	-41.8	13.6	-2.0	174.1	154.9	170.0
Eliminations	0.5	0.5	0.1	0.5	-0.1	0.0
Total	-41.3	14.1	-1.9	174.6	154.8	170.0

3. Personal Computer Sales, Operating Income (Loss) and Units

(billion yen)

	First Quarter			Full Year		
	FY2003	FY2004	FY2005	FY2003	FY2004	FY2005 4/28
Net sales	141.8	162.0	166.9	695.7	760.2	810.0
YoY	88%	114%	103%	94%	109%	107%
Operating income (loss)	-11.1	-3.6	2.3	-47.4	8.1	14.0
Units (thousand units)	-	-	-	4,500	5,550	6,600
Japan	-	-	-	1,100	1,200	1,300
Overseas	-	-	-	3,400	4,350	5,300

4. Semiconductor Sales and Operating Income

(billion yen)

	First Quarter			Full Year		
	FY2003	FY2004	FY2005	FY2003	FY2004	FY2005 4/28
Net sales	192.5	231.4	221.5	898.8	938.9	1,040.0
YoY	104%	120%	96%	108%	104%	111%
Discrete	-	-	-	219.1	227.6	232.8
System LSI	-	-	-	420.5	443.6	477.7
Memory	-	-	-	259.2	267.7	329.5
Operating income	15.9	36.9	14.8	118.4	82.7	75.0

5. LCD Sales and Operating Income (Loss)

(billion yen)

	First Quarter			Full Year		
	FY2003	FY2004	FY2005	FY2003	FY2004	FY2005 4/28
Net sales	67.6	79.8	61.2	285.6	298.8	305.0
YoY	120%	118%	77%	122%	105%	102%
Operating income (loss)	-6.8	4.4	-1.2	-6.3	13.5	10.0

6. Industrial Power Systems & Service Sales and Operating Income (Loss)

(billion yen)

	First Quarter			Full Year		
	FY2003	FY2004	FY2005	FY2003	FY2004	FY2005 4/28
Net sales	123.4	155.7	199.9	861.2	877.4	890.0
YoY	74%	126%	128%	88%	102%	101%
Operating income	-18.9	-5.3	-2.2	9.5	10.5	18.0