

**Business Results  
for  
Third Quarter of Fiscal Year 2003**

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## Forward-looking Statements

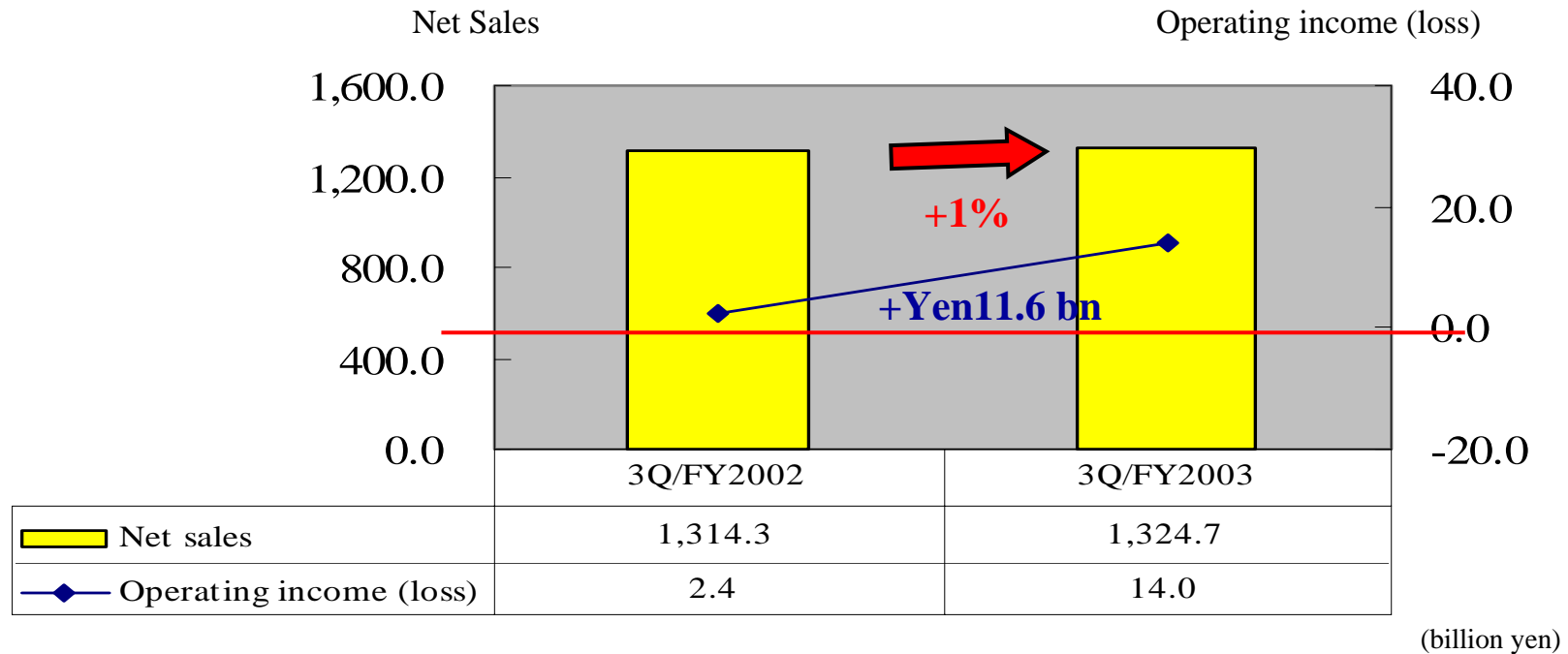
- This presentation contains forward-looking statements concerning Toshiba's future plans, strategies and performance.
- These forward-looking statements are not historical facts, rather they represent assumptions and beliefs based on economic, financial and competitive data currently available.
- Furthermore, 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 readers that actual results may differ materially from our expectations.
- The figures of 3Q in this presentation are unaudited.

**Outline (Consolidated)**

(billion yen)

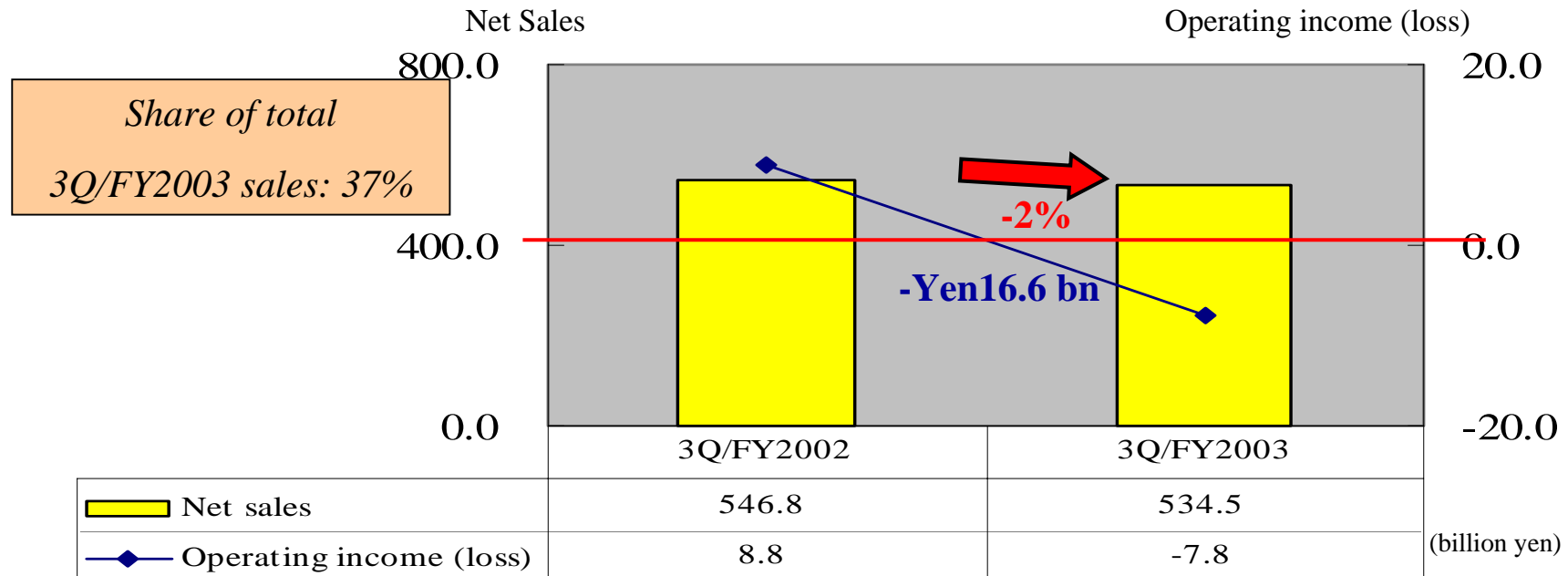
	3Q/FY2003	3Q/FY2002	Y o Y	
Net sales	1,324.7	1,314.3	10.3	101%
Operating income (loss)	14.0	2.4	11.6	578%
Income (loss) before income taxes, minority interest and equity in earnings of affiliates	9.4	(16.8)	26.2	-
Net income (loss)	(9.2)	(6.9)	(2.3)	-
Basic earnings per share	(¥2.87)	(¥2.14)	(¥0.73)	

**Total (Consolidated)**



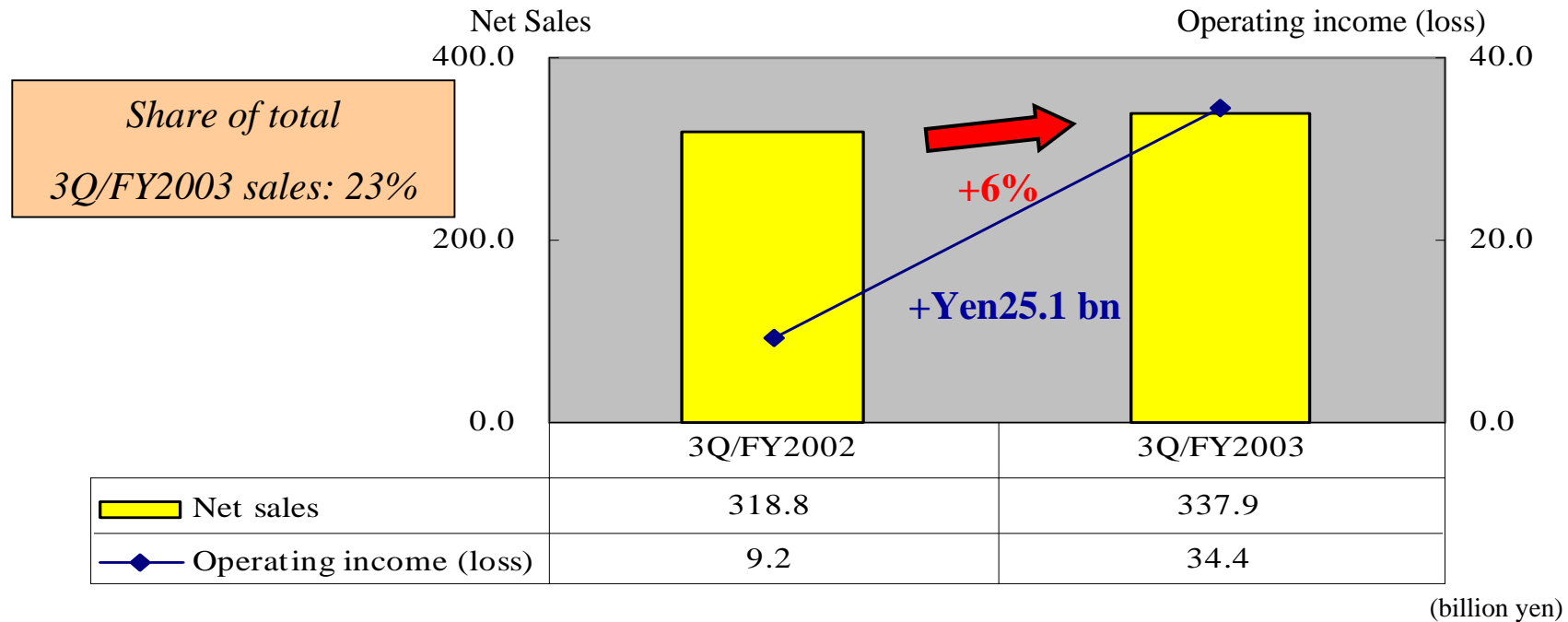
- \* Sales increased in Electronic Devices.
- \* Electronic Devices significantly increased profitability; Social Infrastructure enhanced profit. Digital Products saw profit decline.

## Digital Products (Consolidated)



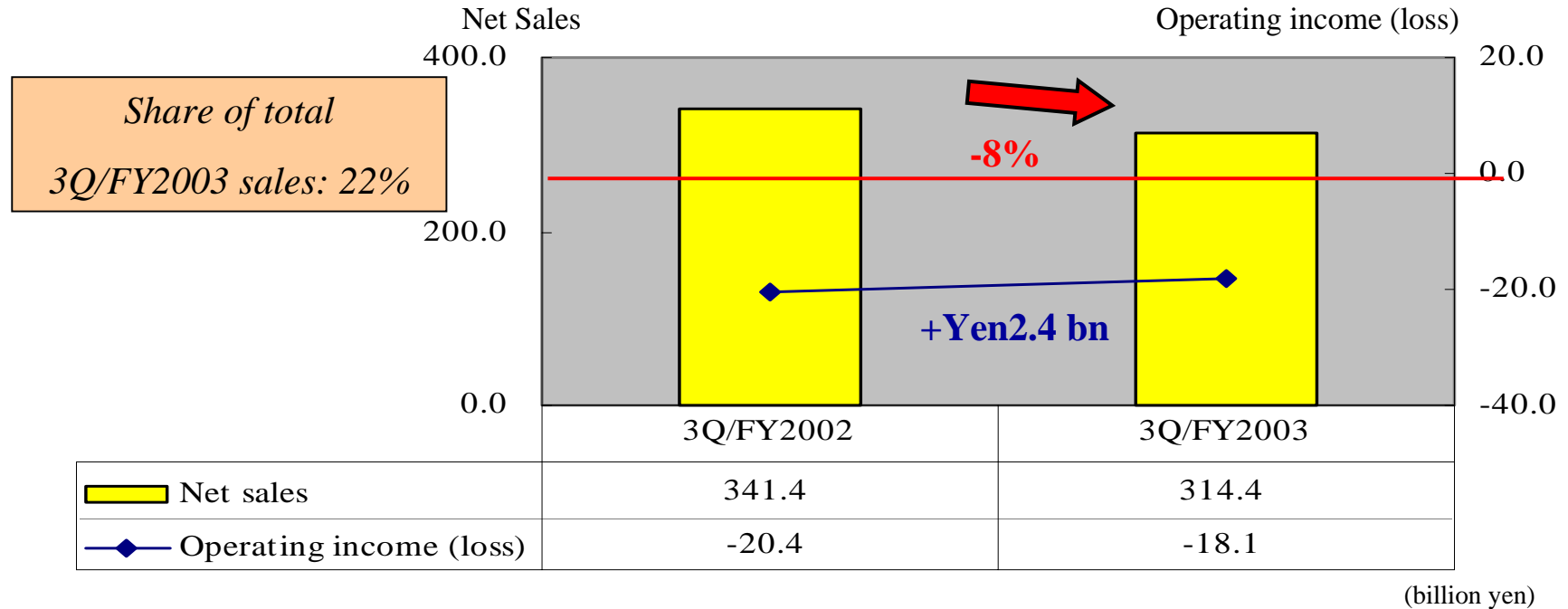
\* Sales of PCs, overseas sales of mobile phones and sales of projection TVs in the USA all declined.  
 \* PC unit sales increased in all markets, but price erosion and a changed product mix had a major impact.  
 \* The operating loss in PCs and peripherals in 3Q/FY2003 was 5.6 billion yen. Material costs remain very high, but restructuring started to show signs of improvement.

## Electronic Devices (Consolidated)



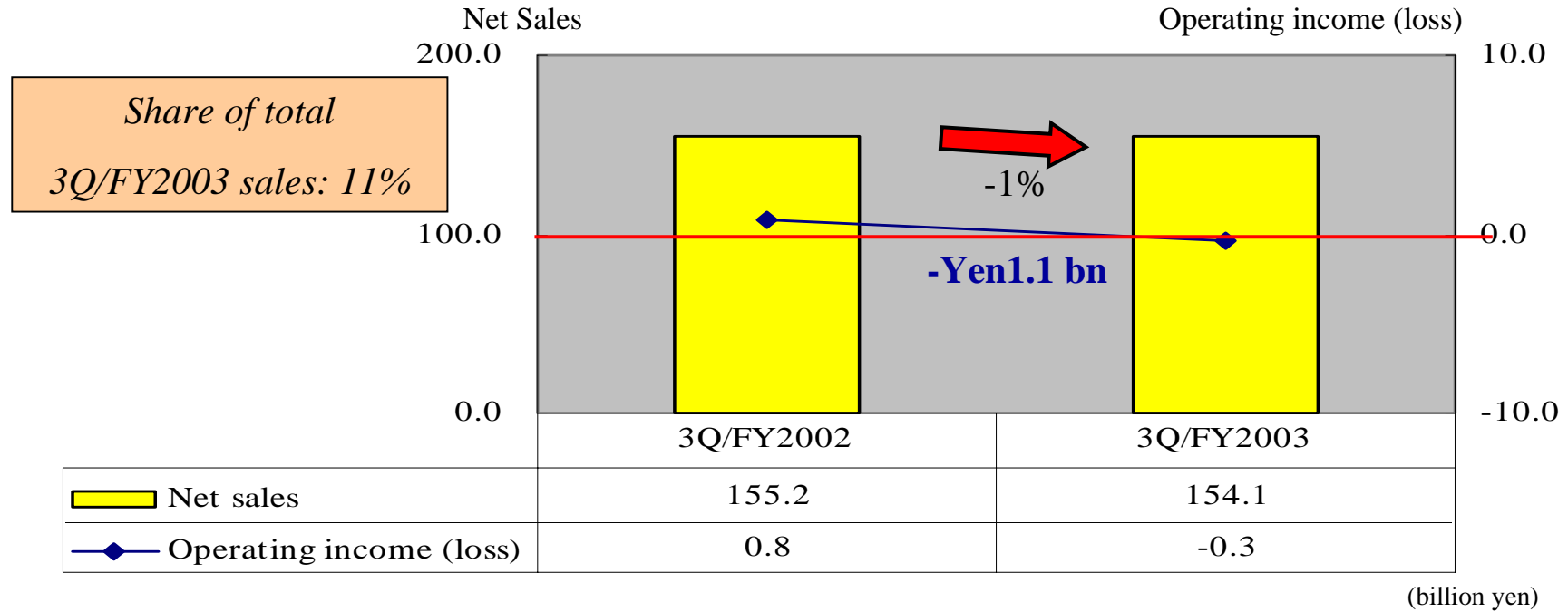
- \* CRT business moved to a JV (23.0 billion yen).
- \* In semiconductors, NAND flash memories and MCPs for mobile phones saw very good sales.
- \* In LCDs, sales focused on small- and mid-sized displays (for mobile phones, mobile PCs, etc.) increased; the business moved into the black.

## Social Infrastructure (Consolidated)



- \* Overseas sales of thermal power plants decreased, and the industrial electric and automation systems moved into a JV (13.3 billion yen).
- \* Price erosion cut into sales and profitability in the IT solutions business.
- \* Medical systems and the elevator business enhanced profitability.

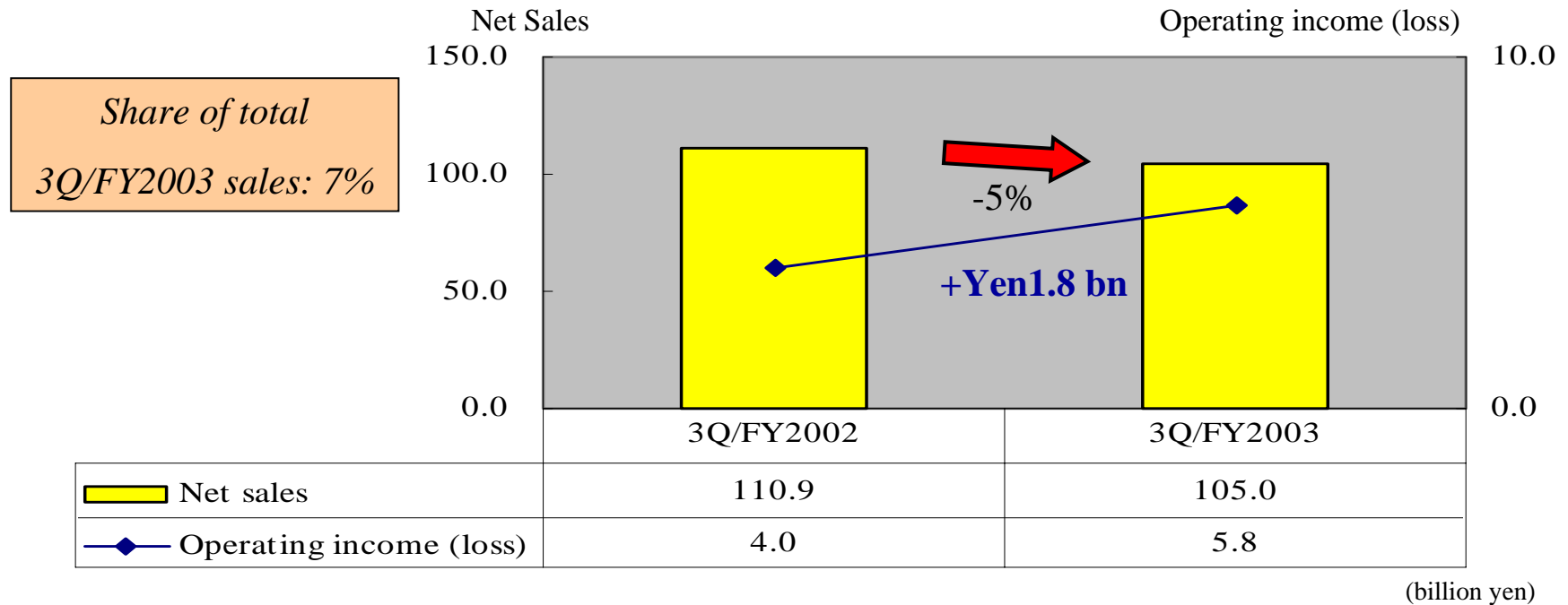
## Home Appliances (Consolidated)



- \* Sales slightly decreased YoY.
- \* Price erosion at home had a major impact in profitability.

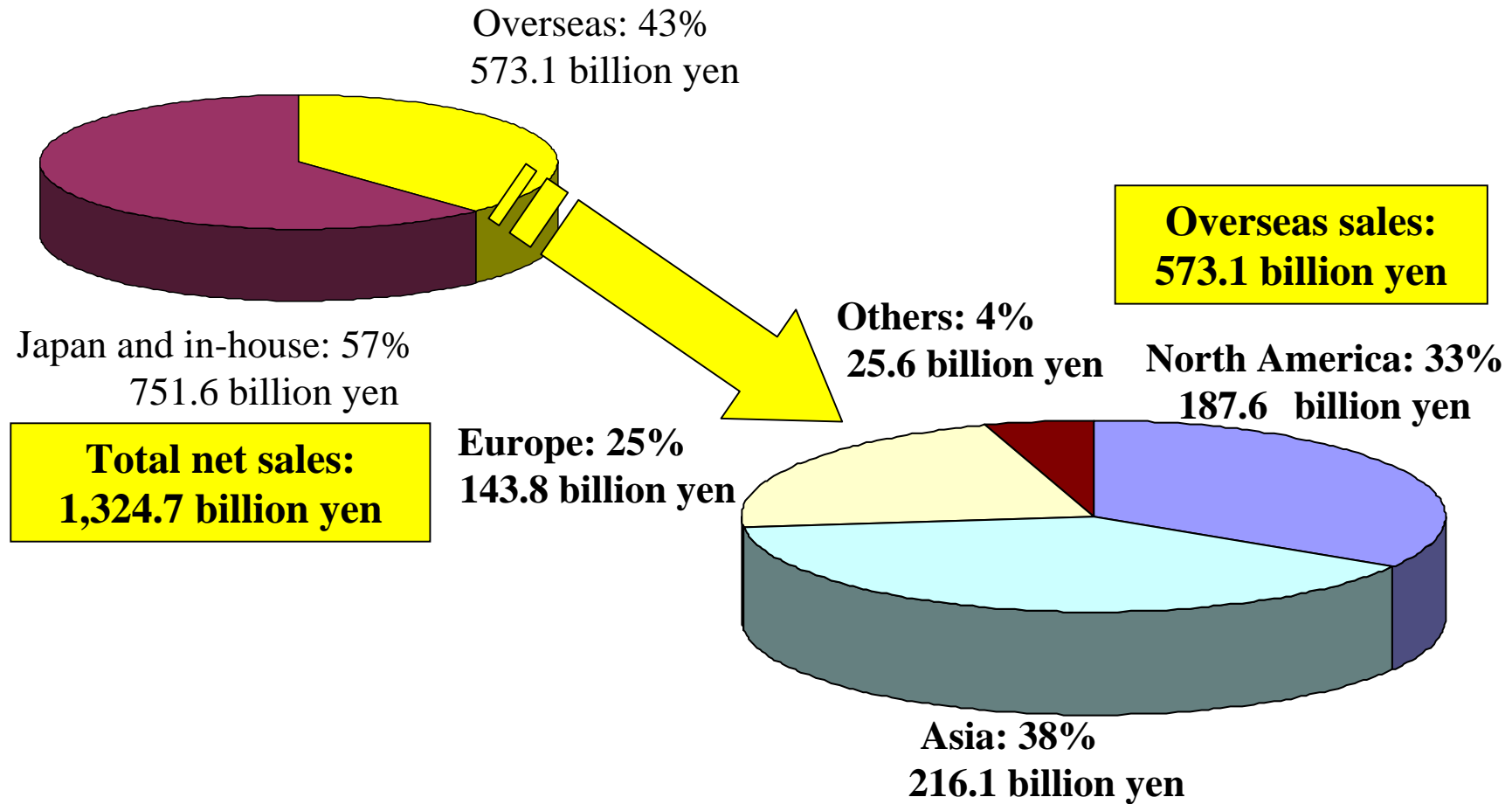


## Others (Consolidated)



\* Shibaura Mechatronics was removed from consolidated results. It is now an affiliate, accounted for by the equity method.

## Overseas Sales (Consolidated)



## Consolidated Statement of Operations

(billion yen)

	3Q/FY2003 (A)	3Q/FY2002 (B)	(A) - (B)	(A) / (B)
Net Sales	<b>1,324.7</b>	1,314.3	10.3	101 %
Cost of sales	<b>969.8</b>	970.5	(0.8)	100
Gross margin	<b>354.9</b>	343.8	11.1	103
Selling, general and administrative	<b>340.9</b>	341.4	(0.5)	100
Operating income (loss)	<b>14.0</b>	2.4	11.6	578
Non-operating income (a)	<b>22.9</b>	9.7	13.3	237
Non-operating expense (b)	<b>27.6</b>	28.8	(1.3)	96
(a) + (b)	<b>(4.6)</b>	(19.2)	14.6	-
Income (loss) before income taxes, minority interest and equity in earnings of affiliates	<b>9.4</b>	(16.8)	26.2	-
Income taxes	<b>11.6</b>	(5.8)	17.4	-
Minority interest in income (loss) of consolidated subsidiaries	<b>2.2</b>	(2.3)	4.5	-
Equity in earnings of affiliates	<b>(4.9)</b>	1.8	(6.7)	-
Net income (loss)	<b>(9.2)</b>	(6.9)	(2.3)	-

Cost reduction efforts (+78.0 billion yen), increased sales and improved production efficiency absorbed loss from price erosion, resulting in +11.6 billion yen YoY.

Gains from sales of assets increased through asset reduction activities.

Increased deduction of minority interests and worsened loss in equity in earnings of affiliates resulted in -2.3 billion yen YoY.

## Consolidated Balance Sheets

(billion yen)

	Dec. 31, 2003 (A)	Sept. 30, 2003 (B)	(A) - (B)
<b>Assets</b>			
Current assets	2,579.0	2,465.3	113.7
(Inventories)	781.1	718.9	62.3
Long-term receivables	21.8	20.9	0.9
Long-term finance receivables, net	206.4	235.9	(29.5)
Investments	370.0	379.9	(9.8)
Property, plant and equipment	1,131.8	1,179.1	(47.3)
Other assets	753.8	766.7	(12.9)
Total assets	5,062.9	5,047.8	15.1
<b>Liabilities and shareholders' equity</b>			
Current liabilities	2,507.7	2,473.8	34.0
Accrued pension and severance costs	932.3	933.0	(0.7)
Long-term debt and other liabilities	944.3	943.5	0.7
Minority interest in consolidated subsidiaries	160.0	170.0	(9.9)
Shareholders' equity	518.5	527.5	(9.0)
Total liabilities and shareholders' equity	5,062.9	5,047.8	15.1

Inventories increased in preparation for end of term sales. Cash and cash equivalents increased on increased net cash flow.

Short-term borrowing was reduced. On the other hand, notes and accounts payable increased significantly.

## Consolidated Statements of Cash Flows

(billion yen)

	3Q/FY2003 (A)	3Q/FY2002 (B)	(A) - (B)
Cash flows from operating activities	73.1	62.2	11.0
Cash flows from investing activities	(8.5)	(56.6)	48.1
Net cash flow	64.6	5.6	59.1
Cash flows from financing activities	(8.7)	39.3	(48.0)
Effect of exchange rate changes on cash and cash equivalents	(2.3)	(0.4)	(1.9)
Net increase in cash and cash equivalents	53.6	44.4	9.2
Cash and cash equivalents at beginning of the period	291.1	311.1	(20.0)
Cash and cash equivalents at end of the period	344.7	355.5	(10.8)

Lower, due to the reduction of interest-bearing debts.

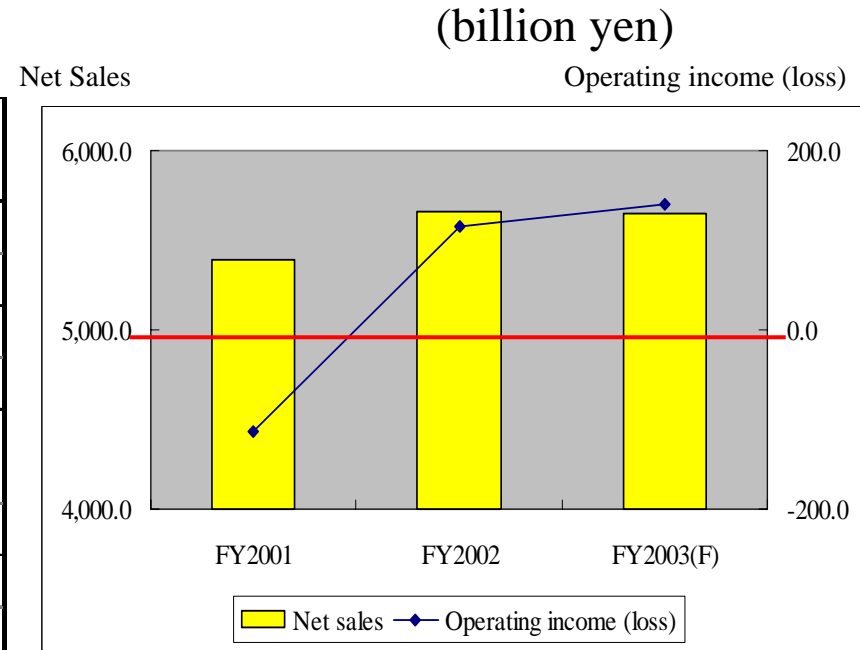
Increased sale of assets through asset reduction activities.

## **Outlook for FY2003**

- \* **Electronic Devices:** Sales of semiconductors, especially memories, remain very healthy, and LCDs moved into the black in 3Q. Expect to exceed previous forecast (OP: 75.0 billion yen).
- \* **Digital Products:** Results in PC business showed signs of improvement, but harsh business conditions continue, especially high material costs.
- \* **Social Infrastructure:** Projection for power-related businesses are achievable, but IT solutions business environment is very severe.
- \* **Home Appliances:** Price erosion continues.

## FY2003 Forecast

	<b>FY2003 (Forecast)</b>	<b>FY2002 (Results)</b>
Net sales	<b>5,650.0</b>	5,655.8
Y o Y	<b>100%</b>	105%
Operating income (loss)	<b>140.0</b>	115.5
Y o Y	<b>121%</b>	-
Income (loss) before income taxes, minority interest and equity in earnings of affiliates	<b>90.0</b>	53.1
Y o Y	<b>169%</b>	-
Net income	<b>25.0</b>	18.5
Y o Y	<b>135%</b>	-



\* Forecast for FY03 remains unchanged since Oct'03.

\* End-of-term dividend: Not decided yet.

**<http://www.toshiba.co.jp/about/ir/index2.htm>**