

FOR IMMEDIATE RELEASE

October 29, 2004

**Toshiba Announces Consolidated and Non-Consolidated Results
for the First Half of the Fiscal Year to March 2005**

TOKYO--Toshiba Corporation today announced its consolidated and non-consolidated results for the first half (April-September) of fiscal year (FY) 2004.

Overview of Consolidated and Non-consolidated Results for First Half of FY 2004

The Japanese economy continued to move toward recovery in the first half of FY2004, despite continuing concerns about unemployment, as consumer spending edged upward and export and capital expenditure increased. Overseas, the US economy continued to expand, as did China and other Asian economies, while Europe saw slow recovery. In these circumstances, Toshiba's consolidated and non-consolidated business result for the first half of FY2004 were as follow:

Consolidated Results

Consolidated sales were 2,781.8 billion yen (US\$25,061 million), an increase of 173.5 billion yen from the same period of the previous year.

Consolidated operating income (loss) improved by 62.7 billion yen from the same period a year ago to 50.7 billion yen (US\$457 million). Electronic Devices saw operating income rise and Digital Products, Social Infrastructure and Home Appliances reported improved operating income (loss) from the same period a year ago.

Income (loss) before income taxes, minority interest and equity in earnings of affiliates rose by 39.1 billion yen from the year-earlier period to 21.5 billion yen (US\$193 million). Net income (loss) advanced by 40.6 billion yen from the same period of the previous year to 8.4 billion yen (US\$75 million).

Non-consolidated Results

Non-consolidated sales declined by 127.6 billion yen from the same period of the previous year to 1,332.0 billion yen (US\$12,000 million). This figure reflects the impact of businesses transferred from the parent company to group companies. If those businesses were included, non-consolidated net sales would increase by 9%. Recurring profit (loss) improved by 29.2 billion yen from the year-earlier period to 15.2 billion yen (US\$137 million). Net income (loss) was 2.3 billion yen (US\$20 million), an increase by 4.8 billion

yen from a year earlier period.

FY2004 First Half Consolidated Results by Industry Segment

(billion yen)

| | Net Sales | | Operating Income (loss) | |
|-----------------------|-----------|------------|----------------------------|--------|
| | | Change (%) | | Change |
| Digital Products | 1,064.9 | 11% | -12.8 | +15.4 |
| Electronic Devices | 683.7 | 9% | 67.4 | +40.8 |
| Social Infrastructure | 765.3 | 5% | -8.7 | +6.4 |
| Home Appliances | 330.0 | 5% | 0 | +4.7 |
| Others | 180.0 | -29% | 4.1 | -5.1 |
| Elimination | -242.1 | - | 0.7 | - |
| Total | 2,781.8 | 7% | 50.7 | +62.7 |

Digital Products: Increased Sales and Improved Operating Income (loss)

Sales of cellular phones business increased from the same period a year ago on the introduction of high-end multifunctional models and models with high design values. Sales of digital media business increased, because Toshiba-consolidated joint venture with Samsung Electronics Co., Ltd. in optical-disk drives started its operation. Sales of personal computer business rose on higher overseas sales, mainly in North America and Europe. Sales in the business equipment business increased on higher demand for POS systems and digital multi-function peripherals.

Electronic Devices: Increased Sales and Increased Operating Income

Semiconductor business sales increased from the same period a year ago, on buoyant demand of system LSIs and discrete devices for digital consumer products, and healthy demand for NAND flash memory. A sales decline in display devices and components business reflected reorganizations of the cathode-ray-tube business and the rechargeable lithium-ion battery business. The LCD display business improved on increased sales of displays for small mobile PC applications and for cellular phones in overseas markets.

Social Infrastructure: Increased Sales and Improved Operating Income (loss)

Sales of Industrial and Power Systems & Services business were bolstered by increased orders for power generation plants that made up for the transfer of the industrial electric and automation systems business to a joint venture. Sales of Social Network & Infrastructure Systems business eased on lower sales of major radio wave systems and terrestrial digital broadcasting systems. Sales increased in the elevator, IT solutions and medical systems businesses.

Home Appliances: Increased Sales and Improved Operating Income (loss)

Sales advanced on increased sales of white goods, particularly home laundry appliances

and air-conditioners.

Others: Sales and operating incomes of Others decreased.

Sales decreased since Shibaura Mechatronics Corporation and others became affiliates accounted for by the equity method.

Projections for FY2004

Economic conditions in Japan in the second half of FY2004 are expected to continue on an upward trend. Projections indicate growth in exports and a firming up of corporate capital expenditure in the domestic market. However, growth in consumer spending is expected to be subdued by risk factors that include soaring crude oil prices. Overseas, economic slowdown is anticipated. Rising oil prices and a policy of credit restraint will make themselves felt in the US, while there may be a reaction to overheating investment in China. Adjustment of electronic devices inventory is also concern. Overall, prospects for the economy remain uncertain.

Consolidated and non-consolidated projections for FY2004 are shown below, revising in part the forecasts that Toshiba issued on April 27, 2004.

1. Consolidated forecast

FY2004 (Apr. 1, 2004 through Mar. 31, 2005) (billion yen)

| | Net Sales | Operating Income (Loss) | Income(Loss) Before Income Taxes, Minority Interest and Equity in Earnings of Affiliates | Net Income (Loss) |
|-------------------------------------|-----------|-------------------------------|---|----------------------|
| Revised Forecast (A) | 5,870.0 | 190.0 | 130.0 | 50.0 |
| Forecast as of April 27 2004 (B) | 5,800.0 | 190.0 | 110.0 | 30.0 |
| (A) - (B) | 70.0 | - | 20.0 | 20.0 |
| FY2003 | 5,579.5 | 174.6 | 145.0 | 28.8 |

2. Non-consolidated forecast

FY2004 (Apr. 1, 2004 through Mar. 31, 2005) (billion yen)

| | Net Sales | Recurring Profit (Loss) | Net Income (Loss) |
|-------------------------------------|-----------|----------------------------|----------------------|
| Revised Forecast (A) | 2,890.0 | 60.0 | 20.0 |
| Forecast as of April 27 2004 (B) | 2,870.0 | 55.0 | 20.0 |
| (A) - (B) | 20.0 | 5.0 | - |
| FY2003 | 3,013.1 | 53.1 | 19.6 |

FY2004 Forecast by Industry Segment

Forecasts for consolidated net sales and operating income (loss) for FY2004 are shown below.

(Unit: billion yen)

| Segment | Net Sales | | Operating Income (Loss) | |
|-----------------------|-----------------|--------------------|-------------------------|--------------------|
| | FY2004 Forecast | Change from FY2003 | FY2004 Forecast | Change from FY2003 |
| Digital Products | 2,230.0 | 11% | 10.0 | +33.8 |
| Electronic Devices | 1,340.0 | 4% | 105.0 | -12.0 |
| Social Infrastructure | 1,790.0 | 4% | 60.0 | +1.4 |
| Home Appliances | 660.0 | 4% | 5.0 | +1.5 |
| Others | 370.0 | -22% | 10.0 | -8.8 |
| Elimination | -520.0 | - | 0.0 | -0.5 |
| Total | 5,870.0 | 5% | 190.0 | +15.4 |

Digital Products: Sales are expected to be higher than for the previous year, largely owing to the operation of the joint venture with Samsung Electronics Co., Ltd. in optical-disk drives. Operating income (loss) is expected to improve as a result of the ongoing renovation of PC business.

Electronic Devices: Operating income is expected to decrease mainly due to price erosion of NAND flash memory.

Social Infrastructure: Sales and operating income are expected to increase primarily as a result of higher sales of thermal power plants overseas.

Home Appliances: Operating income is expected to increase mainly owing to improvement of the air conditioner business.

Others: Sales and operating income are expected to decrease mainly as Shibaura Mechatronics Corporation became an affiliate accounted for by the equity method.

Dividend Payment for FY ending March, 2005

The Company will pay 2 yen per share for interim dividend. The year end dividend payment is not yet decided.

Financial Position – Cash Flows for FY2004

Total assets increased by 74.3 billion yen from the end of the previous year to 4,536.5 billion yen (US\$40,869 million).

Shareholders' equity increased by 19.1 billion yen from the end of the previous year to 774.1 billion yen (US\$6,973 million). The equity ratio improved by 0.2% from the end of the previous year to 17.1%. Total debt increased by 5.4 billion yen from the end of the previous year to 1,204.9 billion yen (US\$10,855 million). As a result, the debt to equity ratio was 156%, an improvement of 3% from the end of the previous year. Free cash flow decreased by 0.3 billion yen from the year-earlier period to 18.5 billion yen.

Toshiba will further reinforce cash flow management and continue to achieve positive results.

Trend of cash flow index

| | FY2002 first half | FY2002 | FY2003 first half | FY2003 | FY2004 first half |
|--|----------------------|--------|----------------------|--------|----------------------|
| Equity ratio (%) | 12.6 | 10.9 | 10.5 | 16.9 | 17.1 |
| Equity ratio based on market value (%) | 23.2 | 19.2 | 29.9 | 34.0 | 28.7 |
| Debt redemption years (year) | 11.7 | 6.4 | 6.5 | 4.4 | 4.8 |
| Interest coverage ratio | 4.8 | 8.5 | 9.1 | 11.6 | 12.3 |

Formulae:

Equity ratio: shareholders' equity/total assets

Equity ratio based on market value: market value of shareholders' equity*/total assets

* Market value of shareholders' equity is calculated as the (closing stock value at the end of a fiscal period) x (number of shares authorized at the end of a fiscal period without treasury stock)

Debt redemption years: total debt, average value at the beginning and the end of a fiscal period / net cash provided by operating activities

Interest coverage ratio: net cash provided by operating activities / interest payment

Disclaimer: The business result report contains forward-looking statements concerning Toshiba's future plans, strategies and performance. These statements are based on management's assumptions and beliefs in light of economic, financial and competitive data currently available. Further more, 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 on page 8, though the list is not necessarily exhaustive.

This announcement is an English translation of the original Japanese announcement. Toshiba is not responsible for the accuracy of this translation.

Note: For convenience only, all dollar figures used in reporting fiscal year 2004 first half results are valued at 111 yen to the dollar throughout this statement.

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Annex

Business group status

As of the end of September 2004, Toshiba Group, comprising 317 consolidated subsidiaries and 67 affiliates accounted for by the equity method, operates principally in the Digital Products, Electronic Devices, Social Infrastructure and Home Appliances business domains.

65 consolidated subsidiaries are involved in Digital Products, 42 in Electronic Devices, 112 in Social Infrastructure, 50 in Home Appliances and 48 in Others. The number of consolidated subsidiaries is two less than at the end of March 2004.

Management Policy

Basic Management Policy

The Company's management vision stresses the provision of products and services attuned to people's aspirations and beneficial to society. The Company endeavors to anticipate the future, integrate everyone's capabilities and act with agility and flexibility to achieve profitable growth.

In order to achieve sustainable growth and development of the Company, it is essential to vigorously engage in socially beneficial activities and earn the trust of society, as well as to provide excellent products and make profits. The Company considers corporate social responsibility (CSR) to be one of the essential management policies, and accordingly, does its utmost to enhance CSR activities based on its basic commitments.

Basic Policy on Profit Distribution

The Company's policy on distribution of profits is to maintain stable dividend payments, the specific dividend for each period being decided in light of operating results of the period and future periods. The Company intends to effectively utilize retained earnings for capital investment, financial investment and loans, and R&D expenditures for further business expansion.

Medium- to Long-term Business Strategies and Target Performance Indicators

The Company defines three core business domains: Digital Products, Electronic Devices and Social Infrastructure. In Digital Products and Electronic Devices, which are high growth areas, the Company aims to be among the leaders in each field. In Social Infrastructure, the Company intends to reinforce operational stability, to expand international business, especially in Asia, and to cultivate new businesses so that Social Infrastructure businesses become a source of stable profits.

In Digital Products, in addition to improving profitability of the PC business as soon as possible, the Company will promote proactive collaboration with Electronic Devices to reinforce its audio-visual business and establish it as a major source of profits. The

Company intends to attain this goal by taking full advantage of its core technologies in video, storage and semiconductors. The Company will introduce distinctive products with unique attributes, including TVs equipped with next-generation flat screen surface-conduction electron-emitter display (SED) panels and high-density, high-definition DVD (HD DVD) products. Also, the Company will strengthen sales and after-sales service by exploiting the Internet.

In Electronic Devices, the Company will continue to allocate substantial management resources to sharpen its competitive advantages and will enhance collaboration with Digital Products.

In Social Infrastructure, the Company will strengthen businesses in China and Southeast Asia where high demand for social infrastructure facilities is anticipated and will also reinforce after-sales service and maintenance businesses.

In Home Appliances, the Company will respond swiftly to evolving market conditions by deploying a consistent marketing system from product planning and manufacturing through to sales, while reinforcing the international operations.

The Company intends to increase sales and profits by executing these measures. The Company's targets for fiscal year 2006 are consolidated net sales of ¥6.2 trillion and operating income of ¥280 billion. The plans call for a debt/equity ratio (ratio of interest-bearing debt to shareholders' equity) of 100% and ROE (return on equity) of 10% or higher at the end of fiscal year 2006.

Issues to be Addressed

In order to compete successfully in the market and achieve sustainable growth, the Company has formulated a strategic product map by identifying technologies and products that drive growth. Based on this strategic product map, the Company has already introduced the new AV PC "Qosmio", which has been well received, and will continue to introduce distinctive products with unique attribute.

For technologies and products that are related to several business units, corporate management will take the initiative and vigorously support business units so as to accelerate commercialization.

The Company promotes "Time to Market No. 1" activities to accelerate changes by reviewing all business processes from the viewpoints of time, costs and efficiency. Also, the Company promotes the "MI initiative" with the objective of improving operational efficiency and enhancing customer satisfaction and management quality. The Company will strive to implement the strategic plans in line with the MI initiative by setting specific quantitative targets using statistical techniques.

In the Company's main business area, highly advanced technology is required. At the same time, the Company is facing fierce global competition. Therefore, appropriate risk management is indispensable. Major risk factors related to the Company are described below. The Company recognizes these risks and makes every effort to manage them and to minimize any impact.

- 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;
- 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 financial markets, including fluctuations in interest rates and exchange rates.

Basic Policy on Corporate Governance and Implementation of Measures

Basic Policy on Corporate Governance

The Company's fundamental principles and goals for corporate governance are enhancement of management efficiency and transparency and maximization of the Company's value.

Following the introduction of the executive officer system in 1998 and the in-house company system in 1999, the Company established the Nominating Committee and the Compensation Committee in June 2000. In June 2001 the Company appointed three outside directors and shortened terms of office of directors to one year. These moves preceded the revision of the Commercial Code of Japan. In June 2003 the Company adopted the company-with-committees system to reinforce the supervisory function of management, increase transparency, improve management flexibility, and enhance risk management and compliance with laws and regulations.

The Nominating Committee is responsible for preparing proposals on the appointment and dismissal of directors and the Compensation Committee decides compensation of individual directors and executive officers. The Nominating Committee has additional responsibilities unique to the Company: preparation of proposals on the appointment and dismissal of the president & CEO and of committee members.

Regarding management supervision and auditing, the Company has a system in which executive officers and others are required to report to the Board of Directors and/or the Auditing Committee on matters that have significant influence on management and financial performance. Also, the Corporate Audit Division responsible for internal auditing, which reports directly to the president, works in cooperation with the Auditing Committee.

Regarding compliance, The Toshiba Group Standards of Conduct define a clear common set of values and a code of conduct for all officers and employees of The Company Group. Also, the Risk-Compliance Committee has been established to ensure compliance with laws and regulations. The Risk-Compliance Committee is also

responsible for drawing up corporate policies and measures concerning risk management.

Regarding the audit fee, the Company is implementing internal controls to prevent any unjustifiable decisions. For example, revision of the audit fee to be paid to an audit firm requires prior consultation with the Auditing Committee and adherence to prescribed decision-making procedures.

Implementation of Measures concerning Corporate Governance

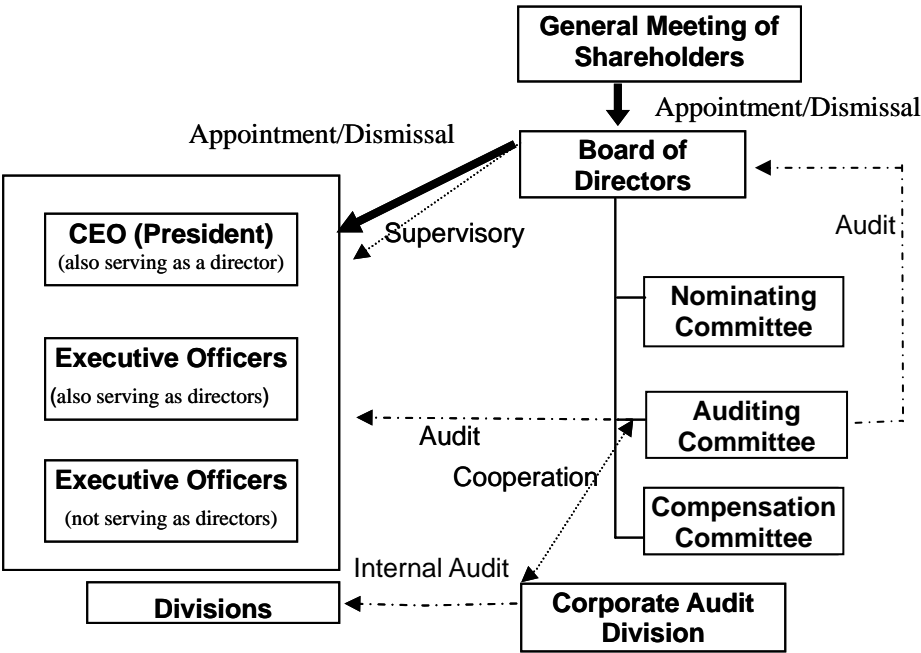
(1) Structures concerning corporate decision-making, execution and supervision and other corporate governance systems

Since June 2003 the Company has adopted the company-with-committees system. Of 14 directors, seven are non-executive officers comprising four outside directors, the chairman of the Board of Directors and two full-time members (internal directors) of the Auditing Committee.

The Nominating Committee consists of one internal director and two outside directors, the Auditing Committee consists of two full-time members (internal directors) and three outside directors, and the Compensation Committee consists of two internal directors and three outside directors. The Nominating Committee and the Compensation Committee are chaired by outside directors.

The Auditing Committee has five staff to support the three outside directors who are members of the Auditing Committee. The secretariat of the Board of Directors provides a briefing on the agenda to the four outside directors prior to the holding of a meeting of the Board of Directors.

The diagram below shows the Company’s structure for execution of operations, supervision and internal control.



At the Company, the Board of Directors is responsible for supervision of directors and executive officers, the Auditing Committee is responsible for auditing of directors and executive officers, and the Corporate Audit Division is responsible for internal auditing.

The Company requests advice from lawyers, accountants and other third parties as necessary whenever any doubt arises in operations.

(2) Overview of the personal, capital or business relationships or any other interest existing between the Company and its outside directors

Not applicable.

(3) Implementation of measures to enhance corporate governance in the last fiscal year and adoption of the company-with-committees system

Since adoption of the company-with-committees system in June 2003, the Company convened the Nominating Committee twice, the Auditing Committee 11 times and the Compensation Committee twice to make decisions on statutory items and for reporting purposes.

Disclaimer:

The business result report contains forward-looking statements concerning Toshiba's future plans, strategies and performance. These statements are based on management's assumptions and beliefs in light of economic, financial and competitive data currently available. Further more, 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 on page 8, though the list is not necessarily exhaustive.

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Toshiba Corporation and its Subsidiaries

Consolidated Interim Financial Statements

For the First Half of Fiscal Year 2004(April 1, 2004 to September 30, 2004)

Outline

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

| | 1st Half FY2004(A) | 1st Half FY2003(B) | (A)-(B) | (A)/(B) | FY2003 | 1st Half FY2004 |
|---|-------------------------------|-----------------------|----------|---------|------------|----------------------------|
| Net sales | ¥2,781,801 | ¥2,608,316 | ¥173,485 | 107% | ¥5,579,506 | \$25,061,270 |
| Operating income (loss) | 50,681 | (11,999) | 62,680 | — | 174,586 | 456,586 |
| Income (loss) before income taxes, minority interest and equity in earnings of affiliates | 21,476 | (17,601) | 39,077 | — | 145,041 | 193,477 |
| Net income (loss) | 8,379 | (32,175) | 40,554 | — | 28,825 | 75,486 |
| Basic earnings per share | ¥2.60 | ¥(10.00) | ¥12.60 | / | ¥8.96 | \$0.02 |

Notes:

- 1) Consolidated Financial Statements are based on generally accepted accounting principles in the U.S.
- 2) The company has 317 consolidated subsidiaries.
- 3) The U.S.dollar is valued at ¥111 throughout this statement for convenience only.

Comparative Consolidated Statements of Operations

1. First Half ended September 30

(¥ in millions, US\$ in thousands)

| | 1st Half FY2004(A) | 1st Half FY2003(B) | (A)-(B) | (A)/(B) | FY2003 | 1st Half FY2004 |
|---|-----------------------|-----------------------|----------|---------|------------|--------------------|
| Sales and other income | | | | | | |
| Net sales | ¥2,781,801 | ¥2,608,316 | ¥173,485 | 107% | ¥5,579,506 | \$25,061,270 |
| Interest | 1,882 | 1,523 | 359 | 124% | 3,196 | 16,955 |
| Dividends | 2,088 | 3,061 | (973) | 68% | 7,274 | 18,811 |
| Other income | 26,337 | 47,432 | (21,095) | 56% | 88,394 | 237,270 |
| Costs and expenses | | | | | | |
| Cost of sales | 2,043,280 | 1,918,769 | 124,511 | 106% | 4,075,336 | 18,407,927 |
| Selling, general and administrative | 687,840 | 701,546 | (13,706) | 98% | 1,329,584 | 6,196,757 |
| Interest | 10,114 | 10,485 | (371) | 96% | 20,832 | 91,117 |
| Other | 49,398 | 47,133 | 2,265 | 105% | 107,577 | 445,028 |
| Income(loss) before income taxes, minority interest and equity in earnings of affiliates | 21,476 | (17,601) | 39,077 | — | 145,041 | 193,477 |
| Income taxes | 9,757 | 9,831 | (74) | 99% | 102,237 | 87,901 |
| Minority interest in income (loss) of consolidated subsidiaries | 3,416 | (1,872) | 5,288 | — | 4,708 | 30,775 |
| Equity in earnings of affiliates | 76 | (6,615) | 6,691 | — | (9,271) | 685 |
| Net income(loss) | ¥8,379 | ¥(32,175) | ¥40,554 | — | ¥28,825 | \$75,486 |

Note: Comprehensive income for the first half of FY2004 was ¥28,919 million, and loss for the first half of FY2003 was ¥33,628 million, respectively.
Comprehensive income for FY2003 was ¥193,706 million.

2. Second Quarter ended September 30 (Unaudited) (¥ in millions, US\$ in thousands)

| | Three months ended September 30 | | | | |
|---|--|----------------|-----------------|----------------|------------------|
| | 2004(A) | 2003(B) | (A)-(B) | (A)/(B) | 2004 |
| Sales and other income | | | | | |
| Net sales | ¥1,533,892 | ¥1,491,090 | ¥42,802 | 103% | \$13,818,847 |
| Interest | 1,101 | 752 | 349 | 146% | 9,919 |
| Dividends | 87 | 542 | (455) | 16% | 784 |
| Other income | 14,478 | 40,731 | (26,253) | 36% | 130,432 |
| Costs and expenses | | | | | |
| Cost of sales | 1,141,226 | 1,099,037 | 42,189 | 104% | 10,281,315 |
| Selling, general and administrative | 356,128 | 362,742 | (6,614) | 98% | 3,208,360 |
| Interest | 5,101 | 5,128 | (27) | 99% | 45,955 |
| Other | 25,884 | 32,899 | (7,015) | 79% | 233,190 |
| Income(loss) before income taxes, minority interest and equity in earnings of affiliates | 21,219 | 33,309 | (12,090) | 64% | 191,162 |
| Income taxes | 4,645 | 24,740 | (20,095) | 19% | 41,847 |
| Minority interest in income (loss) of consolidated subsidiaries | 408 | (682) | 1,090 | — | 3,676 |
| Equity in earnings of affiliates | (8) | (4,579) | 4,571 | — | (71) |
| Net income(loss) | ¥16,158 | ¥4,672 | ¥11,486 | 346% | \$145,568 |

Note: Comprehensive income for the second quarter of FY2004 was ¥23,630 million, and loss for the second quarter of FY2003 was ¥18,907 million, respectively.

Comparative Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

| | FY2004 As of Sept.30,2004 (A) | FY2003 As of Mar.31,2004 (B) | (A)-(B) | FY2004 As of Sept.30,2004 |
|--|-------------------------------------|------------------------------------|----------------|------------------------------|
| Assets | | | | |
| Current assets | ¥2,400,185 | ¥2,352,419 | ¥47,766 | \$21,623,288 |
| Cash and cash equivalents | 323,269 | 319,277 | 3,992 | 2,912,333 |
| Notes and accounts receivable, trade | 959,813 | 1,036,158 | (76,345) | 8,646,964 |
| Finance receivables, net | 16,911 | 17,271 | (360) | 152,351 |
| Inventories | 700,255 | 629,044 | 71,211 | 6,308,604 |
| Prepaid expenses and other current assets | 399,937 | 350,669 | 49,268 | 3,603,036 |
| Long-term receivables | 19,585 | 21,808 | (2,223) | 176,441 |
| Long-term finance receivables, net | 31,065 | 29,887 | 1,178 | 279,865 |
| Investments | 385,837 | 389,292 | (3,455) | 3,476,009 |
| Property, plant and equipment | 1,142,441 | 1,118,245 | 24,196 | 10,292,261 |
| Other assets | 557,400 | 550,549 | 6,851 | 5,021,622 |
| Total assets | ¥4,536,513 | ¥4,462,200 | ¥74,313 | \$40,869,486 |
| Liabilities and shareholders' equity | | | | |
| Current liabilities | ¥2,208,476 | ¥2,199,628 | ¥8,848 | \$19,896,180 |
| Short-term borrowings and current portion of long-term debt | 457,341 | 497,532 | (40,191) | 4,120,189 |
| Notes and accounts payable, trade | 892,982 | 877,421 | 15,561 | 8,044,883 |
| Other current liabilities | 858,153 | 824,675 | 33,478 | 7,731,108 |
| Accrued pension and severance costs | 596,501 | 601,566 | (5,065) | 5,373,883 |
| Long-term debt and other liabilities | 818,268 | 770,217 | 48,051 | 7,371,784 |
| Minority interest in consolidated subsidiaries | 139,211 | 135,799 | 3,412 | 1,254,153 |
| Shareholders' equity | 774,057 | 754,990 | 19,067 | 6,973,486 |
| Common stock | 274,926 | 274,926 | 0 | 2,476,811 |
| Additional paid-in capital | 285,736 | 285,736 | 0 | 2,574,198 |
| Retained earnings | 479,956 | 481,227 | (1,271) | 4,323,928 |
| Accumulated other comprehensive loss | (265,354) | (285,894) | 20,540 | (2,390,577) |
| Treasury stock | (1,207) | (1,005) | (202) | (10,874) |
| Total liabilities and shareholders' equity | ¥4,536,513 | ¥4,462,200 | ¥74,313 | \$40,869,486 |

Breakdown of accumulated other comprehensive income (loss)

| | | | | |
|---|-------------------|-------------------|---------------|---------------------|
| Unrealized gains on securities | ¥25,723 | ¥26,825 | ¥(1,102) | \$231,739 |
| Foreign currency translation adjustments | (63,179) | (79,290) | 16,111 | (569,180) |
| Minimum pension liability adjustment | (227,286) | (234,283) | 6,997 | (2,047,622) |
| Unrealized gains (losses) on derivative instrumen | (612) | 854 | (1,466) | (5,514) |
| Total debt | ¥1,204,931 | ¥1,199,456 | ¥5,475 | \$10,855,234 |

Comparative Consolidated Statements of Cash Flows

(¥ in millions, US\$ in thousands)

| | 1st Half FY2004 (A) | 1st Half FY2003 (B) | (A)-(B) | 1st Half FY2004 |
|---|---------------------------|---------------------------|-----------|--------------------|
| Cash flows from operating activities | | | | |
| Net income (loss) | ¥8,379 | ¥(32,175) | ¥40,554 | \$75,486 |
| Depreciation and amortization | 113,221 | 117,768 | (4,547) | 1,020,009 |
| Equity in income of affiliates | 2,758 | 10,568 | (7,810) | 24,847 |
| Decrease in notes and accounts receivable, trade | 88,702 | 213,144 | (124,442) | 799,117 |
| Increase in inventories | (63,171) | (93,144) | 29,973 | (569,108) |
| Increase(decrease) in notes and accounts payable, trade | 6,926 | (67,510) | 74,436 | 62,396 |
| Others | (32,204) | (22,177) | (10,027) | (290,125) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities | 116,232 | 158,649 | (42,417) | 1,047,136 |
| Net cash provided by operating activities | 124,611 | 126,474 | (1,863) | 1,122,622 |
| Cash flows from investing activities | | | | |
| Proceeds from sale of property and securities | 31,351 | 49,133 | (17,782) | 282,441 |
| Acquisition of property and equipment | (127,171) | (104,565) | (22,606) | (1,145,685) |
| Purchase of securities | (4,660) | (41,530) | 36,870 | (41,982) |
| Decrease in investments in affiliates | 2,155 | 9,995 | (7,840) | 19,414 |
| Others | (7,755) | (20,716) | 12,961 | (69,866) |
| Net cash used in investing activities | (106,080) | (107,683) | 1,603 | (955,676) |
| Cash flows from financing activities | | | | |
| Proceeds from long-term debt | 188,481 | 139,843 | 48,638 | 1,698,027 |
| Repayment of long-term debt | (82,786) | (125,781) | 42,995 | (745,820) |
| Decrease in short-term borrowings | (111,870) | (52,797) | (59,073) | (1,007,838) |
| Dividends paid | (10,377) | (10,876) | 499 | (93,486) |
| Others | (4,849) | (428) | (4,421) | (43,685) |
| Net cash used in financing activities | (21,401) | (50,039) | 28,638 | (192,802) |
| Effect of exchange rate changes on cash and cash equivalents | 6,862 | (4,751) | 11,613 | 61,820 |
| Net increase (decrease) in cash and cash equivalents | 3,992 | (35,999) | 39,991 | 35,964 |
| Cash and cash equivalents at beginning of the period | 319,277 | 327,098 | (7,821) | 2,876,369 |
| Cash and cash equivalents at end of the period | ¥323,269 | ¥291,099 | ¥32,170 | \$2,912,333 |

Industry Segment Information**1. First Half ended September 30**

(¥ in millions, US\$ in thousands)

| | | 1st Half FY2004(A) | 1st Half FY2003(B) | (A)-(B) | (A)/(B) | FY2003 | 1st Half FY2004 |
|---|-----------------------|-------------------------------|-----------------------|-------------------|---------|---------------------|----------------------------|
| Net sales (Share of total sales) | Digital Products | ¥1,064,869 (35%) | 956,793 (33%) | 108,076 (2%) | 111% | 2,009,395 (33%) | \$9,593,414 |
| | Electronic Devices | 683,731 (23%) | 627,467 (22%) | 56,264 (1%) | 109% | 1,283,588 (21%) | 6,159,739 |
| | Social Infrastructure | 765,355 (25%) | 730,034 (25%) | 35,321 (-) | 105% | 1,714,136 (28%) | 6,895,090 |
| | Home Appliances | 329,983 (11%) | 313,467 (11%) | 16,516 (-) | 105% | 637,282 (10%) | 2,972,820 |
| | Others | 179,954 (6%) | 252,861 (9%) | (72,907) (-3%) | 71% | 472,744 (8%) | 1,621,207 |
| | Total | 3,023,892 (100%) | 2,880,622 (100%) | 143,270 | 105% | 6,117,145 (100%) | 27,242,270 |
| | Eliminations | (242,091) | (272,306) | 30,215 | — | (537,639) | (2,181,000) |
| | Consolidated | ¥2,781,801 | ¥2,608,316 | ¥173,485 | 107% | ¥5,579,506 | \$25,061,270 |
| Operating income (loss) | Digital Products | (12,838) | (28,149) | 15,311 | — | (23,810) | (115,658) |
| | Electronic Devices | 67,421 | 26,595 | 40,826 | 254% | 117,002 | 607,397 |
| | Social Infrastructure | (8,681) | (15,131) | 6,450 | — | 58,637 | (78,207) |
| | Home Appliances | (7) | (4,709) | 4,702 | — | 3,474 | (63) |
| | Others | 4,124 | 9,207 | (5,083) | 45% | 18,845 | 37,153 |
| | Total | 50,019 | (12,187) | 62,206 | — | 174,148 | 450,622 |
| | Eliminations | 662 | 188 | 474 | — | 438 | 5,964 |
| | Consolidated | ¥50,681 | ¥(11,999) | ¥62,680 | — | ¥174,586 | \$456,586 |

2. Second Quarter ended September 30(Unaudited) (¥ in millions, US\$ in thousands)

| | | Three months ended September 30 | | | | |
|---|-----------------------|---------------------------------|---------------------|-------------------|---------|--------------|
| | | 2004(A) | 2003(B) | (A)-(B) | (A)/(B) | 2004 |
| Net sales (Share of total sales) | Digital Products | ¥577,772 (35%) | 525,718 (32%) | 52,054 (3%) | 110% | \$5,205,153 |
| | Electronic Devices | 353,697 (21%) | 340,466 (21%) | 13,231 (-) | 104% | 3,186,460 |
| | Social Infrastructure | 461,347 (28%) | 464,290 (28%) | (2,943) (-) | 99% | 4,156,279 |
| | Home Appliances | 174,064 (10%) | 157,597 (10%) | 16,467 (-) | 110% | 1,568,144 |
| | Others | 94,985 (6%) | 141,541 (9%) | (46,556) (-3%) | 67% | 855,721 |
| | Total | 1,661,865 (100%) | 1,629,612 (100%) | 32,253 | 102% | 14,971,757 |
| | Eliminations | (127,973) | (138,522) | 10,549 | — | (1,152,910) |
| Consolidated | | ¥1,533,892 | ¥1,491,090 | ¥42,802 | 103% | \$13,818,847 |
| Operating income (loss) | Digital Products | (2,240) | (10,803) | 8,563 | — | (20,180) |
| | Electronic Devices | 28,651 | 19,612 | 9,039 | 146% | 258,117 |
| | Social Infrastructure | 7,081 | 17,039 | (9,958) | 42% | 63,793 |
| | Home Appliances | 2,712 | (3,230) | 5,942 | — | 24,432 |
| | Others | 229 | 6,996 | (6,767) | 3% | 2,063 |
| | Total | 36,433 | 29,614 | 6,819 | 123% | 328,225 |
| | Eliminations | 105 | (303) | 408 | — | 946 |
| Consolidated | | ¥36,538 | ¥29,311 | ¥7,227 | 125% | \$329,171 |

Notes:

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

Geographic Segment Information

(¥ in millions, US\$ in thousands)

| | | 1st Half FY2004(A) | 1st Half FY2003(B) | (A)-(B) | (A)/(B) | FY2003 | 1st Half FY2004 |
|---|---------------|-------------------------------|-----------------------|-----------------|---------|---------------------|----------------------------|
| Net sales (Share of total sales) | Japan | ¥2,392,057 (63%) | ¥2,302,633 (67%) | 89,424 (-4%) | 104% | ¥4,935,879 (67%) | \$21,550,063 |
| | Asia | 697,787 (19%) | 558,342 (16%) | 139,445 (3%) | 125% | 1,186,193 (16%) | 6,286,369 |
| | North America | 369,642 (10%) | 333,094 (10%) | 36,548 (-) | 111% | 686,883 (9%) | 3,330,108 |
| | Europe | 277,018 (7%) | 218,806 (6%) | 58,212 (1%) | 127% | 504,404 (7%) | 2,495,658 |
| | Others | 30,843 (1%) | 30,322 (1%) | 521 (-) | 102% | 59,749 (1%) | 277,865 |
| | Total | 3,767,347 (100%) | 3,443,197 (100%) | 324,150 | 109% | 7,373,108 (100%) | 33,940,063 |
| | Eliminations | (985,546) | (834,881) | (150,665) | — | (1,793,602) | (8,878,793) |
| | Consolidated | ¥2,781,801 | ¥2,608,316 | ¥173,485 | 107% | ¥5,579,506 | \$25,061,270 |
| Operating income (loss) | Japan | 35,308 | (12,345) | 47,653 | — | 148,729 | 318,090 |
| | Asia | 10,321 | 3,478 | 6,843 | 297% | 13,368 | 92,982 |
| | North America | 6,782 | (270) | 7,052 | — | 6,599 | 61,099 |
| | Europe | 537 | (2,793) | 3,330 | — | 3,875 | 4,838 |
| | Others | 212 | (462) | 674 | — | 756 | 1,910 |
| | Total | 53,160 | (12,392) | 65,552 | — | 173,327 | 478,919 |
| | Eliminations | (2,479) | 393 | (2,872) | — | 1,259 | (22,333) |
| | Consolidated | ¥50,681 | ¥(11,999) | ¥62,680 | — | ¥174,586 | \$456,586 |

Notes:

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

Net Sales by Region

1. First Half ended September 30

(¥ in millions, US\$ in thousands)

| | 1st Half FY2004(A) | 1st Half FY2003(B) | (A)-(B) | (A)/(B) | FY2003 | 1st Half FY2004 |
|---------------|-----------------------------|-----------------------|--------------------|---------|----------------------|---------------------|
| Japan | ¥1,503,065 (54%) | ¥1,593,884 (61%) | ¥(90,819) (-7%) | 94% | ¥3,399,903 (61%) | \$13,541,126 |
| Overseas | 1,278,736 (46%) | 1,014,432 (39%) | 264,304 (7%) | 126% | 2,179,603 (39%) | 11,520,144 |
| Asia | 490,127 (18%) | 390,617 (15%) | 99,510 (3%) | 125% | 829,914 (15%) | 4,415,558 |
| North America | 395,574 (14%) | 344,810 (13%) | 50,764 (1%) | 115% | 710,108 (13%) | 3,563,730 |
| Europe | 274,167 (10%) | 222,633 (9%) | 51,534 (1%) | 123% | 517,235 (9%) | 2,469,973 |
| Others | 118,868 (4%) | 56,372 (2%) | 62,496 (2%) | 211% | 122,346 (2%) | 1,070,883 |
| Net Sales | ¥2,781,801 (100%) | ¥2,608,316 (100%) | ¥173,485 | 107% | ¥5,579,506 (100%) | \$25,061,270 |

2. Second Quarter ended September 30(Unaudited) (¥ in millions, US\$ in thousands)

| | Three months ended September 30 | | | | |
|---------------|---------------------------------|----------------------|--------------------|---------|---------------------|
| | 2004(A) | 2003(B) | (A)-(B) | (A)/(B) | 2004 |
| Japan | ¥809,237 (53%) | ¥896,720 (60%) | ¥(87,483) (-7%) | 90% | \$7,290,424 |
| Overseas | 724,655 (47%) | 594,370 (40%) | 130,285 (7%) | 122% | 6,528,423 |
| Asia | 261,697 (17%) | 230,942 (16%) | 30,755 (1%) | 113% | 2,357,631 |
| North America | 231,613 (15%) | 202,136 (14%) | 29,477 (1%) | 115% | 2,086,603 |
| Europe | 154,383 (10%) | 125,652 (8%) | 28,731 (2%) | 123% | 1,390,838 |
| Others | 76,962 (5%) | 35,640 (2%) | 41,322 (3%) | 216% | 693,351 |
| Net Sales | ¥1,533,892 (100%) | ¥1,491,090 (100%) | ¥42,802 | 103% | \$13,818,847 |

Notes:

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

Toshiba Corporation

Non-Consolidated Interim Financial Statements

For the First Half of Fiscal Year 2004(April 1,2004 to September 30,2004)

Outline

(¥ in millions, US\$ in thousands, except for items marked by asterisk)

| | 1st Half FY2004(A) | 1st Half FY2003(B) | (A)-(B) | (A)/(B) | FY2003 | 1st Half FY2004 |
|----------------------------------|------------------------------------|-----------------------------|------------|---------|------------------------------|----------------------------|
| Net sales | ¥1,332,034 | ¥1,459,616 | ¥(127,582) | 91% | ¥3,013,164 | \$12,000,306 |
| Recurring profit (loss) | 15,227 | (14,014) | 29,241 | - | 53,190 | 137,180 |
| Net income (loss) after taxes | 2,272 | (2,466) | 4,738 | — | 19,683 | 20,468 |
| Net income (loss) per share* | ¥0.71 | ¥(0.77) | ¥1.48 | — | ¥6.12 | \$0.01 |
| Dividend per share* | (Interim dividend) ¥2.00 | (Interim dividend) ¥0.00 | ¥2.00 | - | (Ordinary dividend) ¥3.00 | \$0.02 |

Notes: The U.S.dollar is valued at ¥ 111 throughout this statement for convenience only.

Comparative Non-Consolidated Statement of Income And Retained Earnings

(¥ in millions, US\$ in thousands)

| | 1st Half FY2004(A) | 1st Half FY2003(B) | (A)-(B) | (A)/(B) | FY2003 | 1st Half FY2004 |
|--|-----------------------|-----------------------|------------|---------|------------|---------------------|
| (Ordinary income) | | | | | | |
| Operating income & expenses | | | | | | |
| <u>Net sales</u> | ¥1,332,034 | ¥1,459,616 | ¥(127,582) | 91 | ¥3,013,164 | \$12,000,306 |
| Cost of sales | 1,059,345 | 1,179,933 | (120,588) | 90 | 2,416,044 | 9,543,649 |
| Selling, general & administrative expenses | 251,199 | 308,735 | (57,536) | 81 | 556,814 | 2,263,054 |
| Net operating income (expenses) | 21,489 | (29,052) | 50,541 | - | 40,304 | 193,595 |
| (Non-operating income & expenses) | | | | | | |
| Non-operating income (a) | 30,911 | 48,513 | (17,602) | 64 | 76,871 | 278,477 |
| Non-operating expenses (b) | 37,173 | 33,476 | 3,697 | 111 | 63,985 | 334,892 |
| (a)-(b) | (6,262) | 15,037 | (21,299) | - | 12,886 | (56,414) |
| <u>Recurring profit (loss)</u> | 15,227 | (14,014) | 29,241 | - | 53,190 | 137,180 |
| (Extraordinary gains & losses) | | | | | | |
| Extraordinary gains(c) | 11,910 | 26,130 | (14,220) | 46 | 60,799 | 107,297 |
| Extraordinary losses(d) | 29,541 | 13,955 | 15,586 | 212 | 48,776 | 266,135 |
| (c)-(d) | (17,630) | 12,174 | (29,804) | - | 12,023 | (158,829) |
| <u>Income (loss) before taxes</u> | (2,403) | (1,839) | (564) | - | 65,214 | (21,649) |
| <u>Net income (loss) after taxes</u> | 2,272 | (2,466) | 4,738 | - | 19,683 | 20,468 |
| <u>Unappropriated retained earnings brought from the previous period</u> | 134,489 | 129,449 | 5,040 | 104 | 129,449 | 1,211,613 |
| Increase due to merger | 29 | 0 | 29 | - | 0 | 261 |
| Losses on disposal of treasury stock | (2) | 0 | (2) | - | (50) | (18) |
| <u>Unappropriated retained earnings for the period</u> | ¥136,790 | ¥126,982 | ¥9,808 | 108 | ¥149,082 | \$1,232,342 |

Comparative Non-Consolidated Balance Sheets

(¥ in millions, US\$ in thousands)

| | FY 2004 (A) As of Sept.30,2004 | FY 2003 (B) As of Mar.31,2004 | (A)-(B) | FY 2004 As of Sept.30,2004 |
|---|--|---|----------------|--------------------------------------|
| <u>Assets</u> | | | | |
| <u>Current assets</u> | ¥1,026,158 | ¥1,068,962 | ¥(42,804) | \$9,244,667 |
| <u>Fixed assets</u> | 1,541,802 | 1,518,759 | 23,043 | 13,890,108 |
| (Tangible fixed assets) | 467,567 | 441,331 | 26,236 | 4,212,315 |
| (Intangible fixed assets) | 37,911 | 36,185 | 1,726 | 341,541 |
| (Investments & others) | 1,036,324 | 1,041,242 | (4,918) | 9,336,252 |
| Total assets | 2,567,961 | 2,587,721 | (19,760) | 23,134,784 |
| <u>Liabilities</u> | | | | |
| <u>Current liabilities</u> | 1,030,322 | 1,089,727 | (59,405) | 9,282,180 |
| <u>Long-term liabilities</u> | 829,042 | 781,569 | 47,473 | 7,468,847 |
| Total liabilities | 1,859,365 | 1,871,297 | (11,932) | 16,751,036 |
| <u>Capital</u> | | | | |
| <u>Capital stock</u> | 274,926 | 274,926 | 0 | 2,476,811 |
| <u>Capital surplus</u> | 262,650 | 262,650 | 0 | 2,366,216 |
| <u>Retained earnings</u> | 155,235 | 162,584 | (7,349) | 1,398,514 |
| (Unappropriated retained earnings for the period) | 136,790 | 149,082 | (12,292) | 1,232,342 |
| <u>Unrealized gains on revaluation, net of tax effect</u> | 16,990 | 17,267 | (277) | 153,063 |
| <u>Treasury stock</u> | (1,207) | (1,005) | (202) | (10,874) |
| Total capital | 708,596 | 716,424 | (7,828) | 6,383,748 |
| Total liabilities & capital | ¥2,567,961 | ¥2,587,721 | ¥(19,760) | \$23,134,784 |

Accounting Policy

1 . Method of valuation of securities

Marketable securities are valued at the market value by the moving average method.

2 . Method of valuation of inventories

Finished and semi-finished products are valued at original cost based on the specific identification method, or at lower-of -cost-or-market method based on the moving average method. Work-in-process is valued at original cost based on the specific identification method, or at lower-of -cost-or-market method based on the weighted average method. Raw materials are valued at original cost or lower-of-cost-or-market method, based on the moving average method.

3 . Method of depreciation for tangible fixed assets

Method of depreciation for tangible fixed assets is the declining balance method. However, for buildings acquired on or after April 1, 1998(excluding appurtenant equipment), the straight-line method is applied. For example, the depreciable lives of buildings and structures are 3 to 50 years, and the lives of machines and equipments are 3 to 18 years.

Supplementary Data for First Half of FY2004

1. Outline

Consolidated

(billion yen)

| | FY2002 | | FY2003 | | FY2004 | |
|---|------------|-----------|------------|-----------|------------|--------------------|
| | First Half | Full Year | First Half | Full Year | First Half | Full Year Forecast |
| Net sales | 2,635.1 | 5,655.8 | 2,608.3 | 5,579.5 | 2,781.8 | 5,870.0 |
| YoY | 105% | 105% | 99% | 99% | 107% | 105% |
| Operating income (loss) | 2.9 | 115.5 | -12.0 | 174.6 | 50.7 | 190.0 |
| Income (loss) before income taxes, minority interest and equity in earnings of affiliates | -43.8 | 53.1 | -17.6 | 145.0 | 21.5 | 130.0 |
| Net income (loss) | -26.4 | 18.5 | -32.2 | 28.8 | 8.4 | 50.0 |
| Basic earnings per share (yen) | -8.20 | 5.75 | -10.00 | 8.96 | 2.60 | 15.55 |
| No. of consolidated companies, including Toshiba Corporation | 316 | 316 | 321 | 320 | 318 | - |
| No. of employees (thousand) | 177 | 166 | 167 | 161 | 162 | - |
| Japan | 131 | 127 | 126 | 120 | 120 | - |
| Overseas | 46 | 39 | 41 | 41 | 42 | - |

Non-Consolidated

(billion yen)

| | FY2002 | | FY2003 | | FY2004 | |
|--------------------------|------------|-----------|------------|-----------|------------|--------------------|
| | First Half | Full Year | First Half | Full Year | First Half | Full Year Forecast |
| Net sales | 1,554.9 | 3,408.2 | 1,459.6 | 3,013.1 | 1,332.0 | 2,890.0 |
| YoY | 107% | 107% | 94% | 88% | 91% | 96% |
| (Export sales) | (682.9) | (1,397.2) | (578.7) | (1,231.7) | (681.6) | - |
| (Export ratio) | (44%) | (41%) | (40%) | (41%) | (51%) | - |
| Recurring profit (loss) | -22.4 | 43.3 | -14.0 | 53.1 | 15.2 | 60.0 |
| Net income (loss) | 47.1 | 83.3 | -2.5 | 19.6 | 2.3 | 20.0 |
| Earnings per share (yen) | 14.64 | 25.90 | -0.77 | 6.12 | 0.71 | 6.22 |

2-1. Sales by Industry Segment

(billion yen)

| | FY2002 | | FY2003 | | FY2004 | |
|-----------------------|------------|-----------|------------|-----------|------------|--------------------|
| | First Half | Full Year | First Half | Full Year | First Half | Full Year Forecast |
| Digital Products | 996.6 | 2,073.0 | 956.8 | 2,009.4 | 1,064.9 | 2,230.0 |
| Y o Y | 113% | 110% | 96% | 97% | 111% | 111% |
| Ratio | 34% | 33% | 33% | 33% | 35% | 35% |
| Electronic Devices | 631.8 | 1,274.4 | 627.5 | 1,283.6 | 683.7 | 1,340.0 |
| Y o Y | 118% | 122% | 99% | 101% | 109% | 104% |
| Ratio | 21% | 20% | 22% | 21% | 23% | 21% |
| Social Infrastructure | 759.2 | 1,822.6 | 730.0 | 1,714.1 | 765.3 | 1,790.0 |
| Y o Y | 93% | 94% | 96% | 94% | 105% | 104% |
| Ratio | 26% | 29% | 25% | 28% | 25% | 28% |
| Home Appliances | 320.5 | 633.6 | 313.5 | 637.3 | 330.0 | 660.0 |
| Y o Y | 95% | 97% | 98% | 101% | 105% | 104% |
| Ratio | 11% | 10% | 11% | 10% | 11% | 10% |
| Others | 231.9 | 491.1 | 252.8 | 472.7 | 180.0 | 370.0 |
| Y o Y | 98% | 101% | 109% | 96% | 71% | 78% |
| Ratio | 8% | 8% | 9% | 8% | 6% | 6% |
| Sub Total | 2,940.0 | 6,294.7 | 2,880.6 | 6,117.1 | 3,023.9 | 6,390.0 |
| Eliminations | -304.9 | -638.9 | -272.3 | -537.6 | -242.1 | -520.0 |
| Total | 2,635.1 | 5,655.8 | 2,608.3 | 5,579.5 | 2,781.8 | 5,870.0 |
| Y o Y | 105% | 105% | 99% | 99% | 107% | 105% |

* The figures for FY2002 have been reclassified to conform with the current classification.

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

(billion yen)

| | FY2002 | | FY2003 | | FY2004 | |
|-----------------------|------------|-----------|------------|-----------|------------|--------------------|
| | First Half | Full Year | First Half | Full Year | First Half | Full Year Forecast |
| Digital Products | 9.4 | 24.8 | -28.2 | -23.8 | -12.8 | 10.0 |
| Electronic Devices | 5.8 | 31.9 | 26.6 | 117.0 | 67.4 | 105.0 |
| Social Infrastructure | -21.0 | 39.2 | -15.1 | 58.6 | -8.7 | 60.0 |
| Home Appliances | 2.5 | 4.1 | -4.7 | 3.5 | 0.0 | 5.0 |
| Others | 6.4 | 15.5 | 9.2 | 18.8 | 4.1 | 10.0 |
| Sub Total | 3.1 | 115.5 | -12.2 | 174.1 | 50.0 | 190.0 |
| Eliminations | -0.2 | 0.0 | 0.2 | 0.5 | 0.7 | 0.0 |
| Total | 2.9 | 115.5 | -12.0 | 174.6 | 50.7 | 190.0 |

* The figures for FY2002 have been reclassified to conform with the current classification.

3. Sales by Geographic Segment

(billion yen)

| | FY2002 | | FY2003 | | FY2004 |
|---------------|------------|-----------|------------|-----------|------------|
| | First Half | Full Year | First Half | Full Year | First Half |
| Japan | 2,294.4 | 4,943.1 | 2,302.6 | 4,935.9 | 2,392.1 |
| Asia | 545.3 | 1,085.3 | 558.4 | 1,186.2 | 697.8 |
| North America | 424.1 | 804.7 | 333.1 | 686.9 | 369.6 |
| Europe | 225.3 | 491.8 | 218.8 | 504.4 | 277.0 |
| Others | 29.4 | 57.8 | 30.3 | 59.7 | 30.8 |
| Eliminations | -883.4 | -1,726.9 | -834.9 | -1,793.6 | -985.5 |
| Total | 2,635.1 | 5,655.8 | 2,608.3 | 5,579.5 | 2,781.8 |

4. Overseas Sales by Region

(billion yen)

| | FY2002 | | FY2003 | | FY2004 |
|------------------|------------|-----------|------------|-----------|------------|
| | First Half | Full Year | First Half | Full Year | First Half |
| Asia | 381.7 | 837.8 | 390.6 | 829.9 | 490.1 |
| Ratio | 34% | 36% | 38% | 38% | 38% |
| North America | 453.5 | 860.3 | 344.8 | 710.1 | 395.6 |
| Ratio | 41% | 37% | 34% | 32% | 31% |
| Europe | 234.4 | 509.6 | 222.6 | 517.2 | 274.1 |
| Ratio | 21% | 22% | 22% | 24% | 22% |
| Others | 48.8 | 104.5 | 56.4 | 122.4 | 118.9 |
| Ratio | 4% | 5% | 6% | 6% | 9% |
| Total | 1,118.4 | 2,312.2 | 1,014.4 | 2,179.6 | 1,278.7 |
| % to Total Sales | 42% | 41% | 39% | 39% | 46% |

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

(Yen)

| | FY2002 | | FY2003 | | FY2004 | |
|-----------|------------|-----------|------------|-----------|------------|----------------------|
| | First Half | Full Year | First Half | Full Year | First Half | Second Half Forecast |
| US Dollar | 123 | 122 | 119 | 114 | 109 | 110 |
| Euro | 117 | 118 | 128 | 130 | 133 | 135 |

6. Capital Expenditures by Industry Segment

(billion yen)

| | | FY2002 | | FY2003 | | FY2004 | |
|-----------------------|-------|------------|-----------|------------|-----------|------------|--------------------|
| | | First Half | Full Year | First Half | Full Year | First Half | Full Year Forecast |
| Digital Products | | - | 39.3 | 24.1 | 37.9 | 21.9 | 39.0 |
| | Y o Y | - | 91% | - | 96% | - | 103% |
| Electronic Devices | | - | 86.8 | 100.5 | 195.5 | 134.0 | 215.0 |
| | Y o Y | - | 113% | - | 225% | - | 110% |
| Social Infrastructure | | - | 30.6 | 17.9 | 31.3 | 21.2 | 37.0 |
| | Y o Y | - | 79% | - | 102% | - | 118% |
| Home Appliances | | - | 21.6 | 14.6 | 21.2 | 13.0 | 24.0 |
| | Y o Y | - | 95% | - | 98% | - | 113% |
| Others | | - | 11.9 | 6.5 | 10.1 | 6.8 | 15.0 |
| | Y o Y | - | 118% | - | 85% | - | 148% |
| Total | | 110.7 | 190.2 | 163.6 | 296.0 | 196.9 | 330.0 |
| | Y o Y | 85% | 99% | 148% | 156% | 120% | 111% |

* Commitment basis

* The figures for FY2002 have been reclassified to conform with the current classification.

7. Depreciation

(billion yen)

| | | FY2002 | | FY2003 | | FY2004 | |
|--------------|-------|------------|-----------|------------|-----------|------------|--------------------|
| | | First Half | Full Year | First Half | Full Year | First Half | Full Year Forecast |
| Depreciation | | 126.5 | 260.8 | 117.8 | 248.8 | 113.2 | 272.0 |
| | Y o Y | 75% | 80% | 93% | 95% | 96% | 109% |

8. R&D Expenditures

(billion yen)

| | | FY2002 | | FY2003 | | FY2004 | |
|------------------|------------|------------|-----------|------------|-----------|------------|--------------------|
| | | First Half | Full Year | First Half | Full Year | First Half | Full Year Forecast |
| R&D Expenditures | | 166.2 | 331.5 | 167.9 | 336.7 | 171.3 | 358.0 |
| | % to Sales | 6.3% | 5.9% | 6.4% | 6.0% | 6.2% | 6.1% |
| | Y o Y | 104% | 102% | 101% | 102% | 102% | 106% |

9. Personal Computer Sales , Operating Income(Loss), Shipment**1) Sales and Operating Income(Loss)**

(billion yen)

| | FY02 | | FY03 | | FY04 | |
|------------------------|------------|-----------|------------|-----------|------------|--------------------|
| | First Half | Full Year | First Half | Full Year | First Half | Full Year Forecast |
| Sales | 360.0 | 740.0 | 335.6 | 695.7 | 367.9 | 753.0 |
| YoY | - | 121% | 93% | 94% | 110% | 108% |
| Operating Income(Loss) | - | - | -27.9 | -48.7 | -7.2 | 0.0 |

2) Shipment

(thousand units)

| | FY02 | FY03 | FY04 Forecast |
|----------|-------|-------|---------------|
| Japan | 1,000 | 1,100 | 1,300 |
| YoY | 111% | 110% | 118% |
| Overseas | 2,950 | 3,400 | 4,200 |
| YoY | 126% | 115% | 124% |
| Total | 3,950 | 4,500 | 5,500 |
| YoY | 122% | 114% | 122% |

10. Semiconductor Sales, Operating Income(Loss), Capital Expenditures, Products Configuration and Production Level of Major Products**1) Sales, Operating Income(Loss), Capital Expenditures**

(billion yen)

| | FY02 | | FY03 | | FY04 | |
|------------------------|------------|-----------|------------|-----------|------------|--------------------|
| | First Half | Full Year | First Half | Full Year | First Half | Full Year Forecast |
| Sales | 406.5 | 828.6 | 432.5 | 898.8 | 489.5 | 965.0 |
| YoY | 108% | 114% | 106% | 108% | 113% | 107% |
| Operating Income(Loss) | 18.4 | 65.4 | 44.0 | 118.4 | 64.5 | 100.0 |
| Capital Expenditures | - | 66.0 | - | 168.0 | - | 179.0 |
| YoY | - | 132% | - | 255% | - | 107% |

2) Products Configuration

(billion yen)

| | FY02 | FY03 | FY04 Forecast |
|------------|-------|-------|---------------|
| Discrete | 218.7 | 219.1 | 234.5 |
| System LSI | 424.0 | 420.5 | 443.3 |
| Memory | 185.9 | 259.2 | 287.2 |
| Total | 828.6 | 898.8 | 965.0 |

3) NAND Flash Memory Production Level (Quarter Base)

(million units per month)

| | Sept. '03 | Mar. '04 | June '04 | Sept.'04 | Dec.'04 Forecast | Mar.'05 Forecast |
|---------------------|-----------|----------|----------|----------|------------------|------------------|
| 64M | 0.50 | 0.40 | 0.70 | 0.45 | 0.40 | 0.25 |
| 128M | 3.10 | 3.00 | 3.10 | 3.00 | 3.45 | 2.95 |
| 256M | 1.15 | 2.00 | 2.00 | 2.20 | 2.30 | 2.00 |
| 512M | 1.10 | 1.70 | 1.50 | 1.70 | 2.45 | 3.20 |
| 1G | 2.15 | 1.90 | 2.90 | 2.25 | 2.25 | 3.25 |
| 2G | 0.50 | 1.00 | 1.47 | 1.90 | 2.10 | 3.30 |
| 4G | 0.05 | 0.06 | 0.12 | 0.50 | 1.10 | 1.50 |
| 8G | | | | 0.02 | 0.05 | 0.15 |
| 512M Equivalent TTL | 9.25 | 11.75 | 16.00 | 20.00 | 27.00 | 39.00 |

11.LCD Sales, Operating Income(Loss) and Capital Expenditures

(billion yen)

| | FY02 | | FY03 | | FY04 | |
|------------------------|------------|-----------|------------|-----------|------------|--------------------|
| | First Half | Full Year | First Half | Full Year | First Half | Full Year Forecast |
| Sales | 113.5 | 235.0 | 142.4 | 285.6 | 156.4 | 310.0 |
| YoY | - | 188% | 125% | 122% | 110% | 109% |
| Operating Income(Loss) | - | -32.0 | -7.6 | -6.3 | 8.1 | 13.0 |
| Capital Expenditures | - | 20.0 | - | 20.0 | - | 20.0 |
| YoY | - | 57% | - | 100% | - | 100% |

12. Industrial and Power System&Service Sales and Operating Income(Loss)

(billion yen)

| | FY02 | | FY03 | | FY04 | |
|------------------------|------------|-----------|------------|-----------|------------|--------------------|
| | First Half | Full Year | First Half | Full Year | First Half | Full Year Forecast |
| Sales | 412.5 | 977.5 | 355.2 | 861.1 | 388.8 | 900.0 |
| YoY | 95% | 93% | 86% | 88% | 109% | 105% |
| Operating Income(Loss) | -5.6 | 29.2 | -14.1 | 9.5 | -12.6 | 25.0 |