

May 17, 2005

To Whom It May Concern:

Company Name **Toshiba TEC Corporation**
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Mid-term Management Plan

TOSHIBA TEC Group has been devising measures regarding business structural reform, including the restructuring of business operations in accordance with our Mid-term Management Plan. Our efforts can be viewed through our yielding of positive results: The financial results in fiscal year (FY) 2004 indicates a 3-year increase in sales and profits and a 2-year record high in sales and operating income.

To further promote our business structural reform, the TOSHIBA TEC Group's FY2005–FY2007 Mid-term Management Plan (hereinafter referred to as the “Mid-term Management Plan”) is revealed today.

The main intent of the Mid-term Management Plan is “Establishing A Well-balanced Global Corporation”. Recognizing escalated competition in technical innovations and in the market, while assuming an uncompromising business environment to continue, TOSHIBA TEC Group will continue to implement business structural reforms and cost structural reforms.

By implementing the reforms, our consolidated sales target in FY2007 is 500,000 million yen, operating income target 25,000 million yen, and current net income target 11,000 million yen.

The outline of the Mid-term Management Plan is as follows:

For details, please refer to the attached document.

I. Main Intent of Mid-term Management Plan

1. Basic Policy

To secure a policy entitled, “Establishing A Well-balanced Global Corporation”, our managerial goal is to acquire balance encompassing many aspects: between Japan and other countries, hardware and software, and among services, supplies, and solutions.

2. Major Strategies

(1) Improvement of Merchantability

(Development and employment of growing engines, strengthening of cost competitiveness)

To expand sales, we must strengthen the foundation for growth, by impelling resources such as research and development investment, capital investment, along with human resources into businesses with flourishing and profitability potential in each business area. To develop new products and improve merchantability, we must strengthen our relationship with TOSHIBA in elemental and core technology areas, thus, maximizing TOSHIBA Group's comprehensive

strength.

To strengthen cost competitiveness, we will continue to reduce procurement costs, standardize design, expand central purchasing areas, as well as accelerate a shift in production to outside Japan. The manufacturing base in Shenzhen, China for the Retail Information Systems Company and the Home Electric Appliances Group began operation in July 2004 and will commence full-scale production during FY2005.

(2) Strengthening of Marketability

(Expanding direct sales channels, entering into peripheral and promising markets)

To expand and strengthen direct sales channels for the MFP business in the European and US markets, we will sell our products directly from our sales affiliates, while promoting the acquisition of major dealers. Toshiba America Business Solutions, Inc., a TOSHIBA Group company in the United States, will become a subsidiary company of TOSHIBA TEC from the end of June this year, allowing us to expand the MFP business by uniting manufacturing and sales sections. In China where the market is growing rapidly, our aim is to maintain a leading position by further strengthening our marketing force.

The Retail Information Systems Company is changing their brand name from “TEC” to “TOSHIBA” for the markets outside Japan. With a widely recognized brand name and a close cooperation with TOSHIBA Group, we will expand business areas and acquire new customers. The system from manufacturing to transportation/logistics will be improved to expand the barcode printer business and its sales.

The Home Electric Appliances Group will focus on utilizing its outstanding vacuum cleaner technology and strengthening cost competitiveness by production outside Japan, thus, increasing sales outside Japan.

(3) Promotion of Management Innovation

(Restructuring and increasing resource efficiency)

To further implement structural reforms, we will shift production and development to outside Japan, reorganize and expand sales bases inside and outside Japan, reorganize global logistics system, promote work restructuring by utilizing IT, and efficiently employ resources by maximizing TOSHIBA TEC Group’s comprehensive strength.

To possess strong financial characteristics, we will effectively allocate our resources to growing businesses and new businesses, efficiently utilize resources by reducing inventory resources through the establishment of a global SCM, continue to be a no debt company, while maintaining and raising capital ratios.

