

comprehensive strength.

To strengthen cost competitiveness, we will reduce procurement cost and development cost in accordance with the reduction in market price, while improving marketing efficiency and reducing logistics costs.

(2) Strengthening of Marketability

(Enhancement of quality in marketing, improvement of marketing efficiency, entering into peripheral and promising markets.)

Our retail business will continue to dominate the Japanese market and expand the market share by promoting area-marketing and improving solution ability of marketing and sales engineers. While, the business structure will be strengthened recognizing the retail business as a steadily growing business. In addition, the sales network will be strengthened and scale of operation will be expanded for promising bar code and RFID businesses.

Recognizing the imaging business as a fast growing business, a direct sales network will be developed by acquiring a dealer outside Japan and management efficiency of the acquired subsidiary will be further improved. We will also focus on the ink jet head business and special equipment business as their marketing is expected to expand.

Sales of home electric appliances business will be increased globally by strengthening product competitiveness and having a consistent manufacturing system in China.

(3) Promotion of Management Innovation

(Improvement of management quality, acceleration of structural reform, and increase in resource efficiency.)

In order to improve global management quality, operating process innovation will be implemented for development, procurement, manufacturing, and marketing by boldly promoting process innovation called “I-cube” through the entire TOSHIBA TEC Group companies.

In addition, aiming to possess strong financial characteristics, we will implement strategic capital and financial investment plans for continuous business growth, and efficiently utilize resources by reducing inventory resources and accounts receivables.

II. Financial Target for FY2006–FY2008 Mid-term Management Plan (Consolidated)

(100 million yen)

Fiscal Year (ending March 31)		2005 (Actual)	2006 (Expected)	2007 (Target)	2008 (Target)
Remarks					
Sales		4,434	4,950	5,150	5,400
Company	Retail Information Systems Company	1,737	1,850	1,860	1,960
	Document Processing & Telecommunication Systems Company	2,636	3,030	3,220	3,460
	Home Electric Appliances Group and others	151	147	147	162
Operating Income		172	200	250	270
Company	Retail Information Systems Company	79	83	86	96
	Document Processing & Telecommunication Systems Company	95	113	157	165
	Home Electric Appliances Group and others	△2	4	7	9
Ordinary Profit		148	170	200	220
Net Income		60	80	110	120

Note: Sales of each division are shown prior to the crossing off of sales between divisions.

III. Resource Investment Plan

Capital and financial investment plan Approx. 62,000 million yen for three (3) years

R&D investment plan Approx. 90,000 million yen for three (3) years

Human resource plan

By (time)	End of FY2005 (Actual)	End of FY2008 (Target)
Remarks		
Consolidated	19,601	22,000

The data in this Mid-term Management Plan is based on the information available at the time of creating this document. The actual financial results may change subject to various factors.