

Mid-term Business Plan

In fiscal year 2006, TOSHIBA TEC Group increased both sales and profit for five straight years and set a record on sales, operating income, ordinary income and net income for the fiscal year, by implementing measures such as the launch of new products, strengthening and expansion of sales channels and restructuring, based on the previous Mid-term Business Plan. TOSHIBA TEC also announced its fiscal year 2007-2009 Group Mid-term Business Plan aiming at further growth.

The main point of this plan is “Realize sustained growth with profit”. So TOSHIBA TEC shall continuously implement business reorganizing and cost restructuring, recognizing that the business environment has become more severe owing to increasing global market competition including technology innovation and price competition.

Accordingly, our consolidated targets for fiscal year 2009 are as follows,

Sales: 550 billion Yen, operating income: 31 billion Yen, Net income: 13 billion Yen.

Outline of Mid-term Business Plan is as bellow. For further details, please refer to presentation materials.

I. Outline of Mid-term Business Plan

1. Basic Policies

The basic policies of this Mid-term Business Plan are “Realize sustained growth with profit”. We will aim at growth exceeding market expansion including the creation and development of new markets, and also strive after strengthened profitability by establishing global low-cost operation. We will also practice CSR management to be a company trusted by society in all business activities.

2. Major Strategies

1) Strengthen Product Development

(Development and launch the engine for growth. Strengthen manufacturing)

To expand sales and ensure profits, we will establish a basis for growth by focusing resources such as research & development, investment and human resources on business with growth and profit potential in each domain. To develop new products and improve technologies, we will strengthen the relationship with the TOSHIBA

Group in elemental and core technologies and maximize the Toshiba Group comprehensive strength.

To enhance basic competitiveness, i.e. cost, quality and delivery, we will proactively develop group-wide activities that strengthen manufacturing.

2) Reinforce Sales Force

(Improve quality of sales force and expand business base. Strengthen regional marketing strategy and improve sales efficiency)

Our Retail Information System Business will maintain and reinforce its top position in the domestic POS market and improve profitability by developing solution capability. In introducing the auto ID (barcode, RFID) business, we aim at the expansion of our business scale by enlarging sales in the distribution business of the retail industry and strengthening solution proposals to manufacturers and distribution industries.

We will make the Document Processing Business accelerate its restructuring into a high-profit business by implementing a growth strategy and reorganization. We will focus on the expansion of color equipment sales, efficiency improvement of direct channels and reinforcement of solution sales structure in major markets (North America, Europe, Japan). We will enforce the expansion of monochrome equipment sales and enhancement of bases in growing markets (Brazil, Russia, India, etc.)

We will expand business by focusing on promising printer equipment such as double-sided thermal printers and ink-jet heads.

3) Improve the Company's Constitution

(Accelerate restructuring and improve management quality. Promote asset efficiency)

In order to reform the business in development, procurement, production and sales for improvement of global management quality, we are strongly promoting process innovation activities through the TOSHIBA TEC Group.

In addition, we will maximize financial strength by implementing a strategic investment and loan plan for sustained growth and improvement of asset efficiency such as compression of inventories and account receivables.

II. Financial Targets for fiscal year 2007-2009 Mid-term Business Plan (Consolidated)

(100 million Yen)

Fiscal year	FY06 (Result)	FY07 (Forecast)	FY08 (Target)	FY09 (Target)
Net Sales	5,108	4,900	5,200	5,500
Retail Information System	1,964	1,860	1,960	2,040
Document Processing System	3,111	3,160	3,400	3,600
Home Appliance and others	142	25	0	0
Operating Income	227	235	270	310
Retail Information System	90	90	96	105
Document Processing System	133	145	174	205
Home Appliance and others	4	0	0	0
Ordinary Income	196	200	220	260
Net Income for the fiscal year	108	90	120	130

Notes: Sales by segment shows the numbers before elimination.

The above plan is based on exchange rate of 110 Yen per 1 USD and 140 Yen per 1 Euro.

The above numbers include revision of depreciation rules

The home appliance business is going to be transferred to Toshiba HA Products Co., Ltd on June. 1st. 2007.

III. Resource Investment Plan

Investment and loan plan Approx. 62.1 billion Yen for three years

R&D investment plan Approx. 97.4 billion Yen for three years

Manpower plan

Time	End of FY06 (Result)	End of FY09 (Target)
Remarks		
Consolidated	19,958	22,500

Note: This Mid-term Business Plan is based on information currently available. Therefore, Toshiba TEC wishes to caution that actual results may differ materially from this presentation.

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