STRATA® SALES BULLETIN

SBDK-0003 November 8, 1995

Page 1 of 3

Key/Hybrid System Products Country of Origin Comparison

Introduction

Many prospective buyers ask where various products are designed and manufactured. For some, it is an important decision factor in choosing which products to buy, if they have a strong "Buy American" sentiment. Providers of foreign-made products are often at a disadvantage if they don't have a strong image and presence in the U.S. marketplace and make a positive influence upon it. Toshiba dealers have an excellent story to tell about the positive impact they and the Toshiba products they sell have upon the telecommunications marketplace in the United States.

Companies like AT&T and Comdial stress the "Buy American" sentiment and use it as part of their sales strategy. Nortel (Northern Telecom), a Canadian company, also benefits from this because Americans tend to think of Canadian products as American products, or "close enough." However, there are several other important points to stress in this type of discussion.

Most people agree that "Buy American" is important in creating jobs for Americans and making a positive overall impact on the U.S. economy. What most people don't realize is that the manufacturing process is only one small part of the overall creation and distribution process of foreign products sold in the United States. This is the case with Toshiba Telecommunications products.

The bulk of the effort for Toshiba product creation goes into designing, creating, packaging, promoting, distributing, and supporting these products, all of which is done in the U.S. by American employees. A very small portion of the overall effort goes into just the overseas factory manufacturing part of creating these Toshiba products. Toshiba has a very positive influence in the U.S., not only by providing thousands of American jobs, and positively impacting the American economy, but also by providing quality products for American consumers.

These days, no one can dispute the high quality of Japanese products, especially in electronics. Toshiba is a leader in this area. While most Americans prefer to buy American products, they will typically only do so if they get equal value. If foreign products provide better value, based upon quality and price, buyers will usually choose the foreign product.

Other Asian manufacturers do not enjoy the quality product reputation of many Japanese manufacturers. This is the case of Korean and Taiwanese products. These products are often thought of as cheap and low quality by comparison. Their only appeal is being the "low cost alternative." Buyers of these products pay less in the initial purchase price, but often end up paying more in the long term because of extra service costs, or from replacing products earlier than originally anticipated because of quality and performance issues.

The following is a listing of key/hybrid systems sold in the U.S. and, to the best of our knowledge, where they are made. We hope you find this information useful.

Key/Hybrid System Products Country of Origin Comparison

Company	Products	Manufacturer	Manufacturer Location
AT&T	Legend KSU	AT&T	U.S.A.
	Legend power supply	AT&T	Mexico
	Partner	AT&T	U.S.A.
Comdial	Digitech (Impact)	Comdial	U.S.A.
	Executech	Comdial	U.S.A.
	DXP (Impact)	Comdial	U.S.A.
Cortelco	Millennium	Taisel	Taiwan
Executone	Encore CX	Goldstar	Korea
	IDS	OPC	Korea
Inter-Tel	Axxess	Samsung	Korea/U.S.A.
	GLX, GMX, IMX	Samsung	Korea
lwatsu	ZT-S, ZT-D	lwatsu	Japan
	Adix	lwatsu	Japan
MacroTel	MT-16H	Samsung	Korea
	MT-360	T-Com	Taiwan
	MTH-32	Samsung	Korea
	MTH-128	Samsung	Korea
Mitel	SX50, SX200	Mitel	Canada
NEC	Professional	Nitsuko	Japan/Taiwan
	Electra Mark II	Nitsuko	Japan/Taiwan
	Electra 824	Nitsuko	Japan/Taiwan
Nitsuko	Onyx, Onyx VS	Nitsuko	Japan/Taiwan
	Businesscom DS01	Nitsuko	Japan/Taiwan
	Ultracom	Nitsuko	Japan/Taiwan
Nortel	Norstar	Northern	Canada
(Northern Telecom)	Option 11	Northern	Canada
Panasonic	DBS	Matsushita	Japan
	KXT	Matsushita	Japan/England
Samsung	Prostar 816, 1224	Samsung	Korea
	Prostar56EX,120MX	Samsung	Korea
	DCS	Samsung	Korea
Southwestern Bell	Freedom Phone	Samsung	Korea
Sprint (Premier)	ESP 1224 & 2460	Samsung	Korea
	ESPMDX & ESPDX	Samsung	Korea
	Sprint 824	T-Com	Taiwan
	Protoge	Samsung	Korea

Key/Hybrid System Products Country of Origin Comparison

Company	Products	Manufacturer	Manufacturer Location
Sun Moon Star (Taiwan)	Solstar DKTS	Sun Moon Star	Taiwan
Telrad	Key Bx	Telrad	Israel
	Symphony	Telrad	Israel
	Digital 400	Telrad	Israel
Toshiba	Strata DK8	Toshiba	Malaysia
	Strata DK16	Toshiba	Singapore
	Strata DK280	Toshiba	Japan
	2000-Phones	Toshiba	Malaysia
	6500-Phones	Toshiba	Malaysia
Vodavi	Starplus	Goldstar	Korea
	Infinite	Goldstar	Korea
WIN Communications	WIN 24A & 24D	Meisei	Japan
	WIN 100D & 200D	Meisei	Japan

Notes:

The country listed as the manufacturer's location is the primary location for that manufacturer. Many of them have multiple manufacturing facilities in various Asian countries, and in fact, many were relocated in 1990 to avoid paying anti-dumping import duty. Some have even relocated parts of their manufacturing or assembly to the United States, causing some to claim their products are made in the U.S.A. However, like Toshiba who also did some manufacturing in the U.S. during the last three years, most have minimized manufacturing activity here because higher costs make it more advantageous to manufacture current products in Asia.

Even the products that are made in the U.S.A. (AT&T and Comdial) contain many foreign components. Open up the phone, or look at the cards in the KSU, and you are likely to find many electrical components from foreign sources, including Toshiba, who is known as one of the world's leading makers of microelectronics components.

SUMMARY

Toshiba has built a solid reputation of manufacturing high quality, reliable, and long lasting products. It is also important to note the positive influence Toshiba has in the U.S., not only by providing quality products, but by providing thousands of American jobs, positively impacting the American and worldwide economy.

When encountering a strong "Buy American" situation, Toshiba has a good story to tell. Even though Toshiba products are not manufactured in the U.S., they are designed specifically for the American marketplace. They are sold and serviced by a nationwide group of independently owned interconnect dealers who are well established, well trained, professional companies with good track records in the industry. This strong dealer network, with over 500 sales and service locations, provides nationwide service and support in an ongoing business relationship with the customer. This is backed up with strong dealer support by Toshiba, assuring customers of getting the most out of their business telephone system.