



News Release Dated May 28, 2004

Company name: PHOENIX Electric Co., Ltd.
President: Sadaichi Saito
Stock code: 6927
Stock exchange listing: JASDAQ
Contact: Youichi Kawasaka, Director, Manager, Administration Dept.
Tel: +81-792-64-5711

Notification Concerning a Gratis Stock Split

PHOENIX Electric Co., Ltd. hereby serves notice that, at a meeting held on May 28, 2004, the Board of Directors approved a resolution to conduct a gratis stock split. Details are as follows:

1. Rationale

The stock split will enhance the liquidity of the Company's shares and reduce the amount of investment required per share, thus helping to expand the shareholder base.

2. Details of the stock split

(1) Method of split

For shareholders and beneficial shareholders on record as of September 30, 2004 (Thursday), each share will be split into three shares.

(2) Increase in the number of shares due to stock split

Number of shares outstanding before the stock split:	7,102,300 shares
Increase in the number of shares due to the stock split:	14,204,600 shares
Number of shares outstanding after the stock split:	21,306,900 shares
Capital stock after the stock split:	59,400,000 shares

3. Schedule

Reference date:	September 30, 2004 (Thursday)
Dividend calculation date:	October 1, 2004 (Friday)
Effective date:	November 19, 2004 (Friday)

4. Other items

Other items regarding this stock split will be determined in the future by the Board of Directors.

(supplementary information)

1. There will be no increase in paid-in capital due to this split.

Paid-in capital as of May 28, 2004 was ¥877,177,400.

2. Management plans to declare an interim dividend of ¥7.5 per common share and a year-end dividend of ¥2.5 per common share (¥7.5 per common share based on the number of shares outstanding before the stock split) applicable to the current fiscal year ending March 31, 2005.