

News Release Dated January 21, 2005

Company name: PHOENIX Electric Co., Ltd.
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Stock exchange listing: JASDAQ
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Phoenix Introduces a Shareholders' Benefit Program

Phoenix Co., Ltd. is introducing a shareholders' benefit program in accordance with the resolution approved by its Board of Directors on January 21, 2005.

1. Shareholder benefit system

Gifts will be distributed every year to shareholders on record on March 31 and September 30.

(1) Eligible shareholders

Shareholders and beneficial shareholders on record on March 31 and September 30 holding at least 100 shares (one trading unit) are eligible for shareholder benefits.

(2) Description of shareholder benefits

Shareholders holding at least 100 shares (one trading unit) will receive gifts or QUO card (gift certificates) valued at 2,500 yen.

2. Date of effectiveness

The new shareholder benefit system will be effective beginning with shareholders and beneficial shareholders on record on March 31, 2005.
