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**Revisions to Consolidated and Non-Consolidated Forecasts
 for the Fiscal Year Ending March 2006**

PHOENIX Electric Co., Ltd. has revised its interim/full year consolidated and non-consolidated forecasts for the fiscal year ending March 2006 (April 1, 2005 – March 31, 2006).

1. Revision to consolidated interim forecasts (Apr. 1, 2005 - Sep. 30, 2005)

Yen in millions, %

	Net sales	Recurring profit	Net income
Revised forecast (A)	6,065	1,576	887
Previous forecast (B) (May 13, 2005)	5,999	1,269	779
Change (A-B)	66	307	108
Pct. Change (%)	1.1	24.2	13.9
[Reference] Interim previous fiscal period (Interim ended Sep. 2004)	5,284	1,265	745

2. Revision to non-consolidated interim forecasts (Apr. 1, 2005 - Sep. 30, 2005)

Yen in millions, %

	Net sales	Recurring profit	Net income
Revised forecast (A)	5,416	1,520	856
Previous forecast (B) (May 13, 2005)	5,443	1,228	754
Change (A-B)	(27)	292	102
Pct. Change (%)	(0.5)	23.8	13.5
[Reference] Interim previous fiscal period (Interim ended Sep. 2004)	4,725	1,204	710

3. Revision to consolidated forecasts (Apr. 1, 2005 – Mar. 31, 2006)

Yen in millions, %

	Net sales	Recurring profit	Net income
Revised forecast (A)	11,794	2,675	1,561
Previous forecast (B) (May 13, 2005)	14,071	3,353	2,057
Change (A-B)	(2,277)	(678)	(496)
Pct. Change (%)	(16.2)	(20.2)	(24.1)
[Reference] Previous fiscal year (Year ended Mar. 2005)	11,051	2,538	1,520

4. Revision to non-consolidated forecasts (Apr. 1, 2005 – Mar. 31, 2006)

Yen in millions, %

	Net sales	Recurring profit	Net income
Revised forecast (A)	10,415	2,581	1,504
Previous forecast (B) (May 13, 2005)	12,928	3,257	2,000
Change (A-B)	(2,513)	(676)	(496)
Pct. Change (%)	(19.4)	(20.8)	(24.8)
[Reference] Interim previous fiscal period (Year ended Mar. 2005)	10,004	2,455	1,470

5. Reasons for revisions

During the first half of the fiscal year, there was a slow increase in output of projectors and rear-projection TVs following the completion of inventory reductions. As a result, PHOENIX Electric posted year-on-year increases in lamp sales of 28% in terms of unit volume and 17.8% on a monetary basis. In addition, the yen has been weaker relative to the U.S. dollar than the 105 yen rate on which company's initial plans were based. Consequently, interim consolidated net sales are expected to be 6,065 million yen, 14.8% higher than one year earlier. This is about the same as the sales of 5,999 million yen that the company had forecast for the first half of the fiscal year. Including the effects of foreign exchange movements and an improvement in production yields, among other items, the company is forecasting interim recurring profit of 1,576 million yen (up 24.6% year on year and 24.2% above plan) and interim net income of 887 million yen (up 19.1% year on year and 13.9% above plan).

In the fiscal year's second half, the company initially forecast a year-on-year increase of 39% in projector sales in terms of unit volume. However, based on current market trends, the company believes that a forecast for 15% growth is more realistic. One cause of this reduction in the growth forecast is the company's establishment of an initial projected year-on-year growth rate that was too high. Another cause is a decline in sales volumes to major customers due to an increase in sales of lower-priced projectors by manufacturers based in Taiwan.

In the rear-projection TV market, the company had expected fiscal year sales volume to be 72% higher than in the prior fiscal year. However, based on current market trends, the company believes that a growth forecast of about 35% is more realistic. The lower growth forecast is mainly due to a temporary slowdown in growth of rear-projection TV sales because of competition from plasma TVs.

Following a careful analysis of the above factors, the company has revised its projections for lamp sales volumes and unit prices in accordance with current market conditions. The company has also reduced its sales and earnings forecasts for the fiscal year. Despite these revisions, the company is still projecting year-on-year growth in sales and earnings. The revised forecasts are based on an exchange rate of 111 yen to the U.S. dollar.

In response to these market trends, the company is taking a number of actions to further increase sales and earnings. Initiatives include placing greater emphasis on companies selling competitive products, establishing relationships with new customers, and introducing new products that precisely match customer needs in a timely manner and at reasonable prices.

Note: The above forecasts are based on information currently available. Actual results may differ from these forecasts for a number of reasons.
