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Company name: PHOENIX Electric Co., Ltd.
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 Stock exchange listing: Tokyo Stock Exchange, Second Section, and JASDAQ
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Notice Regarding Extraordinary Loss and Revision of Business Forecasts

PHOENIX Electric Co., Ltd. recently found out that certain lamps it had delivered in the fiscal year ended March 2006 did not fully meet the basic specifications under special operating conditions. After extensive consultations with the customer, the Company came to the conclusion that as a manufacturer specializing in lamps it was responsible from a technical standpoint and decided to bear a part of the cost of the recall of the lamps from the market.

The 383 million yen cost of the recall will be recognized as an extraordinary loss applicable to the fiscal year ended March 2006.

The Company is revising its forecasts of consolidated and non-consolidated operating results for the fiscal year ended March 2006 as follows to factor in the above loss.

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

	<i>Yen in millions, %</i>		
	Net sales	Recurring profit	Net income
Revised forecast (A)	11,792	2,757	1,354
Previous forecast (B) (November 14, 2005)	11,794	2,675	1,561
Change (A-B)	(1)	81	(206)
Pct. Change (%)	(0.0)	3.0	(13.2)
[Reference] Previous fiscal year (Year ended Mar. 31, 2005)	11,051	2,538	1,520

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

	<i>Yen in millions, %</i>		
	Net sales	Recurring profit	Net income
Revised forecast (A)	10,531	2,653	1,297
Previous forecast (B) (November 14, 2005)	10,415	2,581	1,504
Change (A-B)	116	71	(207)
Pct. Change (%)	1.1	2.8	(13.8)
[Reference] Previous fiscal year (Year ended Mar. 31, 2005)	10,004	2,455	1,470