

June 28, 2005

**Welcoming a New President**  
**The New PHOENIX Electric – Poised for a New Era of Growth**

In 1995, PHOENIX Electric was essentially bankrupt. Since then, we have made a complete recovery by building a sound base for profitability and sustained growth. Our shares are traded on JASDAQ and the second section of the Tokyo Stock Exchange. Now that ten years have passed, we have reached a point in our development where we can aim for even greater accomplishments.

I was appointed trustee to oversee the operations of PHOENIX Electric during the bankruptcy period, and then became president. I am proud of the role that I played at that time and over the following decade to restore the vitality of this company. With PHOENIX Electric having reached this point, the time is right for a new president to take over. This is why Hiroya Tahara has been named president. Mr. Tahara is an executive who will forcefully execute the new medium-term business plan and do what is needed to further enlarge the scale of our operations.

Mr. Tahara has been as my sword arm for some time, playing a central role in rebuilding PHOENIX Electric. In fact, he was responsible for formulating the new medium-term management plan. He has also taken the lead in planning highly promising new businesses that we plan to start this year.

Mr. Tahara is an executive who has gone through a bankruptcy. He has first-hand knowledge of failure. No one is better suited to achieving growth while ensuring that our operations remain firmly grounded in sound management practices.

I ask shareholders and other stakeholders to extend to Mr. Tahara the same support and guidance that it was my privilege to receive during my tenure as president.

Sadaichi Saito

Chairman  
PHOENIX Electric Co., Ltd.

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## **Aiming for Even Greater Accomplishments**

I have been selected to take on the challenge of following in the footsteps of former president Sadaichi Saito. As the new president of PHOENIX Electric, I am well aware of the great responsibilities that I now bear.

Our operating results currently reflect favorable market conditions that are highlighted by solid growth in demand for front projectors and lamps for rear projection televisions. From another perspective, though, this environment is tempting us to lose sight of sound management practices. We must avoid this trap, instead using this period to become a company that is even tougher yet more flexible. That means taking on the challenge of vigorously enacting structural reforms in our businesses. We must take our operations to a higher level.

Our recovery phase is over and we are a publicly owned company. Having accomplished this, our next task is to develop new businesses with the goal of establishing a third core business.

PHOENIX Electric has gone through a bankruptcy, rebirth and IPO. Few companies have a background like this. Now we need to use the knowledge gained through this process and our many successes to move on to a new stage of growth. As the new management team, I will focus all of my energy on achieving this goal.

I look forward to working with shareholders and all other stakeholders, and respectfully ask for your understanding and support in the years ahead.

Hiroya Tahara

President  
PHOENIX Electric Co., Ltd.