

Densei-Lambda K.K.

FY2003 Interim Results Presentation

(period ended September 30, 2003)

Current Environment and Future Prospects of Densei-Lambda

November 28, 2003

SANKEI PLAZA

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1. Introduction

Managerial Issues after the Merger

- (1) Core and non-core businesses**
- (2) Cleaning up of the balance sheet and odds**
- (3) Restructuring and future orientation of the core businesses**
 - Switching Power Supplies (SPS)**
 - Secure Power (SP) --- incl. Maintenance Service**
- (4) Integration and rationalization of information systems**
- (5) Business Philosophies, Corporate Culture, Action Guidelines**

Measures against Environmental Changes

- (1) Management during the downsizing process of the Parent Company**
- (2) Management assuming the largest shareholder (Parent Company) will change**
- (3) Measures against the changing market environment**

Environmental Changes inside Densei-Lambda Group

- (1) Shift from labor-intensive to manufacturing automation**
- (2) Benchmark**
- (3) Focus on specified markets (R&D, Market Channel, Opportunities)**

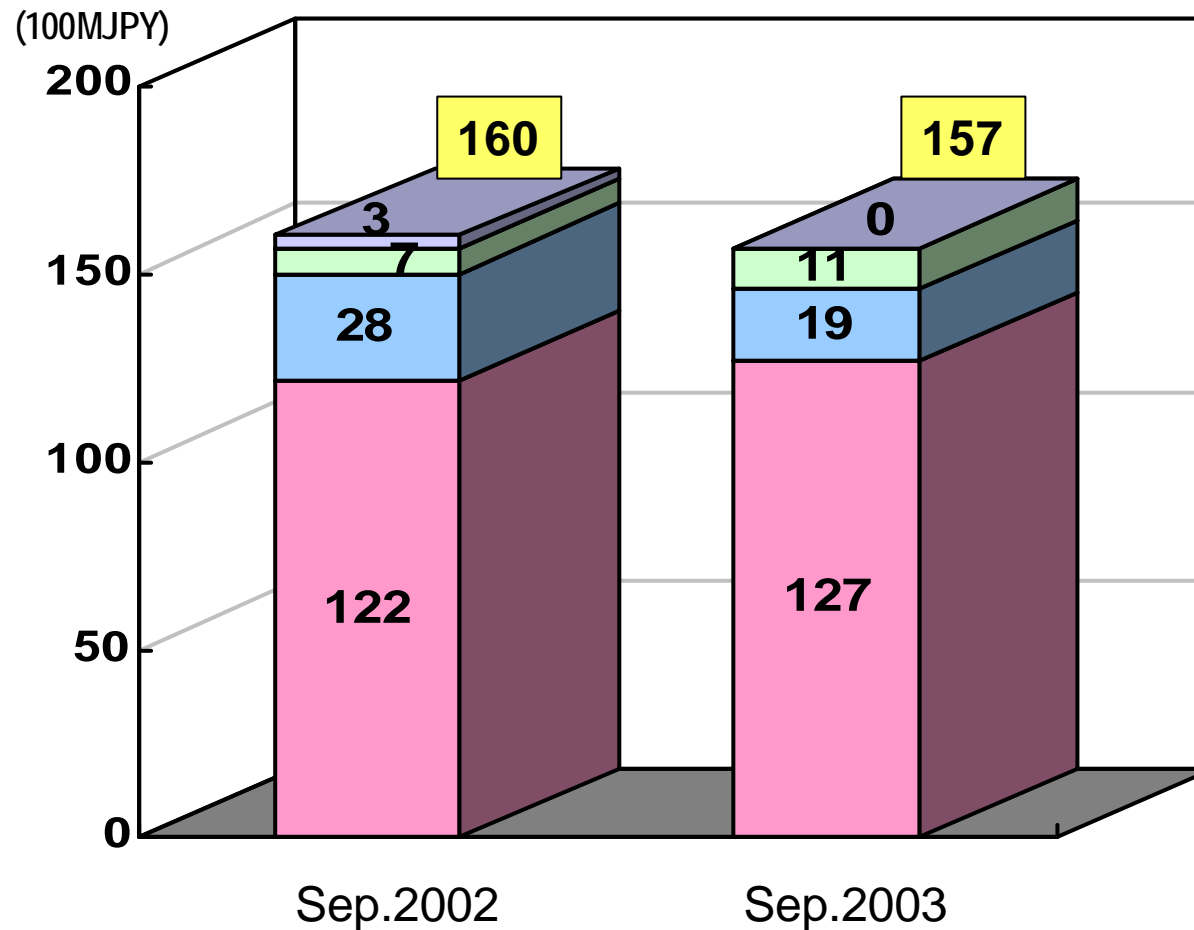
1. FY2003 1H Financial Highlights (Consolidated)

Key Figures

(Million of Yen)	Year ended Sep.2002	Year ended Sep.2003	Change (%)	Revision of Forecast (Oct.23,2003)
Sales	16,008	15,705	-1.9	15,700
Operating income/loss	-188	530	-	-
Ordinary income/loss	-218	465	-	470
Net income/loss	-286	33	-	30
Investment *	162	294	81.5	-
Depreciation	308	305	- 1.0	-
R&D	1,246	1,091	- 14.6	-
*Investment for software (ERP system) etc.	350	299		

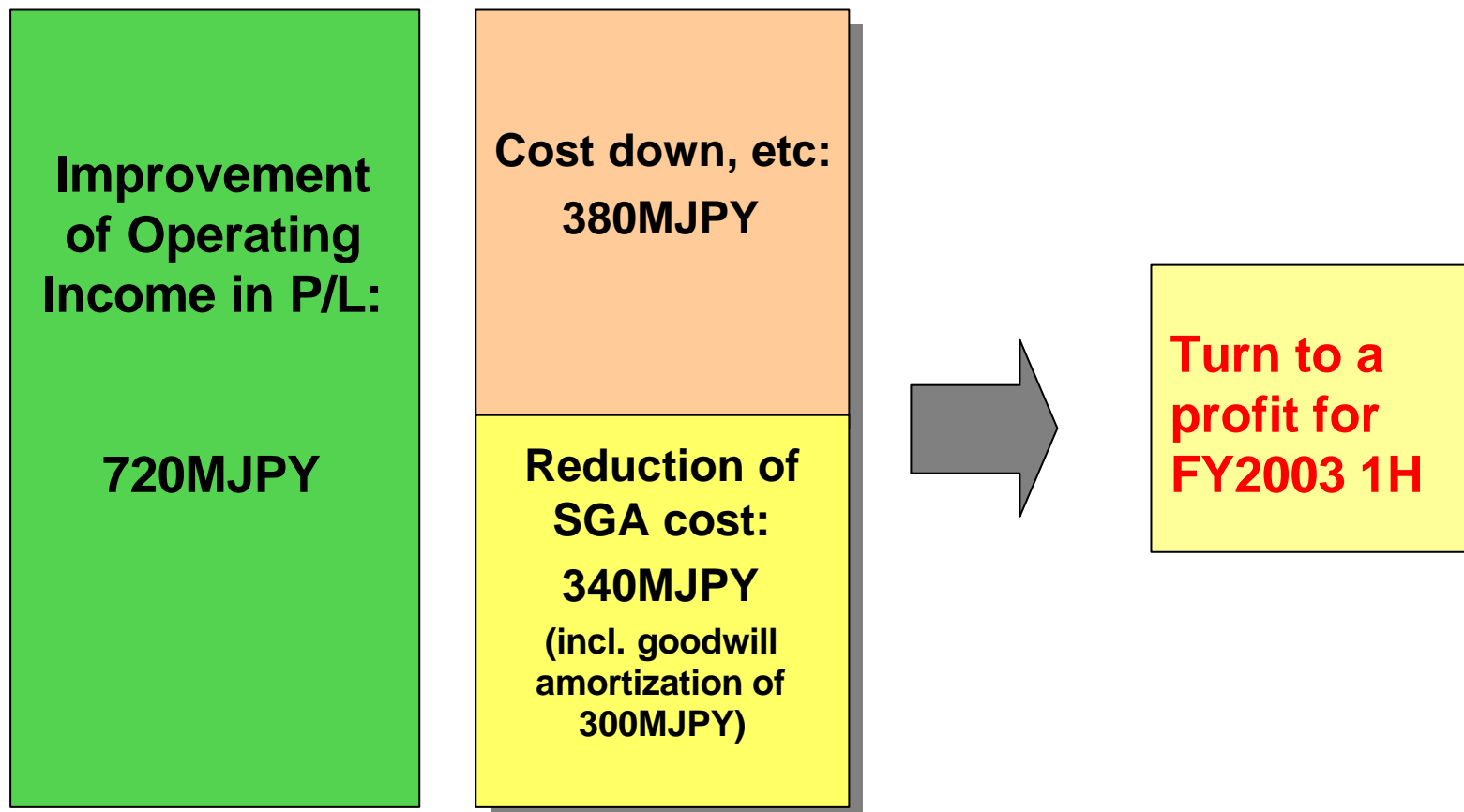
Sales Turnover by Segment

- Switching Power Supply(SPS)
- Secure Power(SP) Products
- SP--- Maintenance
- Battery



Key Points in P/L for 1H

Lower breakeven point: sales 32BJPY



3. 1H Accomplishments

Major Actions for FY2003--- Going

SPS sales increase --- Full-year target: 2BJPY, 1H results: 500MJPY
SPS cost down ----- Full-year target: 850MJPY, 1H results: 260MJPY

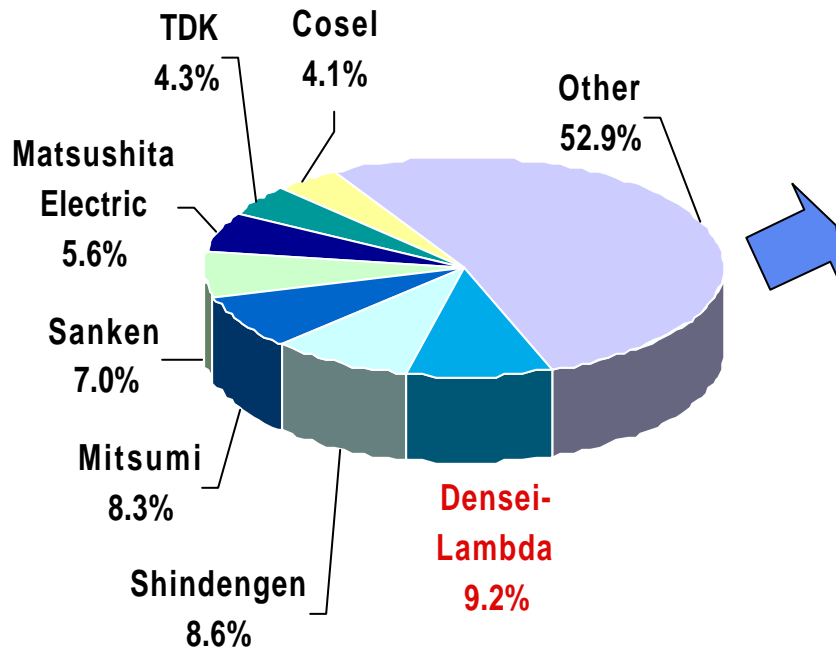
	Major Actions	FY2003 1H Results	FY2003 Full-year Target
Sales Increase	<ul style="list-style-type: none"> *Release of new SPS products *Launch of sales expansion projects for new markets and key SPS products *Improvement of SPS sales in North America *Support for sales agents to be strengthened. 	<p>5 products were released in April.</p> <p>Orders: 580MJPY</p> <p>170MJPY</p> <p>Will be implemented in 2H.</p>	<p>1BJPY</p> <p>500MJPY</p> <p>500MJPY</p>
Cost Down	<ul style="list-style-type: none"> *Manufacturing Innovation Movement *Material cost savings <ul style="list-style-type: none"> -VA/VE activities -Reduction in purchase cost of parts and components *Measures for loss-making products 	<p>*Started in November</p> <p>-230MJPY</p> <p>-30MJPY</p>	<p>Double working efficiency</p> <p>-800MJPY</p> <p>-50MJPY</p>
Enhanced Management Bases	<ul style="list-style-type: none"> *Introduction of a division-based organization *Baan ERP single run *Future orientation of SPS and SP businesses 	<p>Done in April</p> <p>Started in October on a consolidated basis</p>	

4. Current Environment and Future Prospect of Densei-Lambda

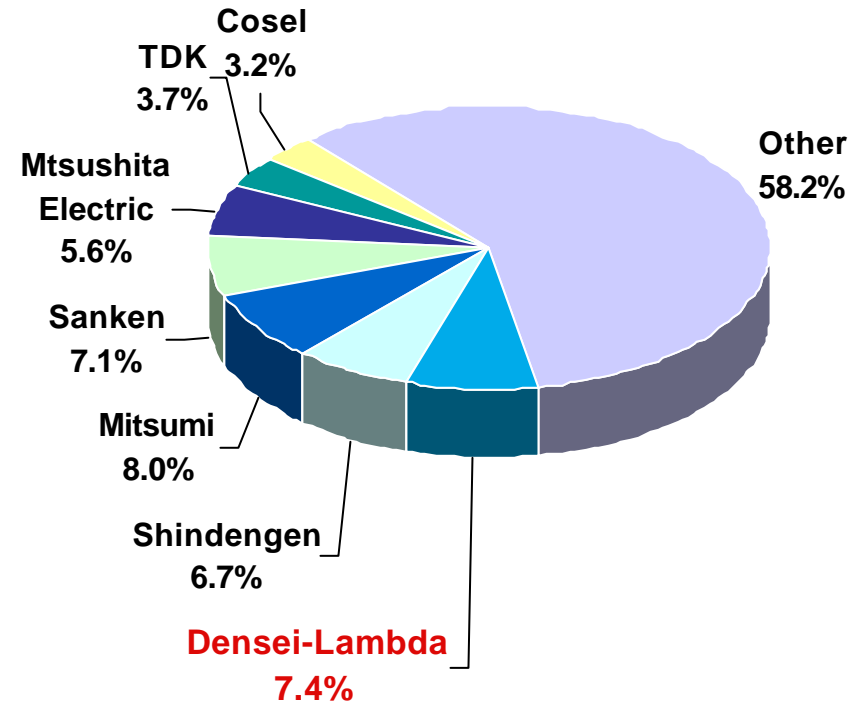
Switching Power Supply (SPS) Japan Market

FY2002 Market Size: 303.5BJPY
Densei-Lambda's Share: 8%

FY2000 Market Size: 394.1BJPY



FY2001 Market Size: 326.4BJPY

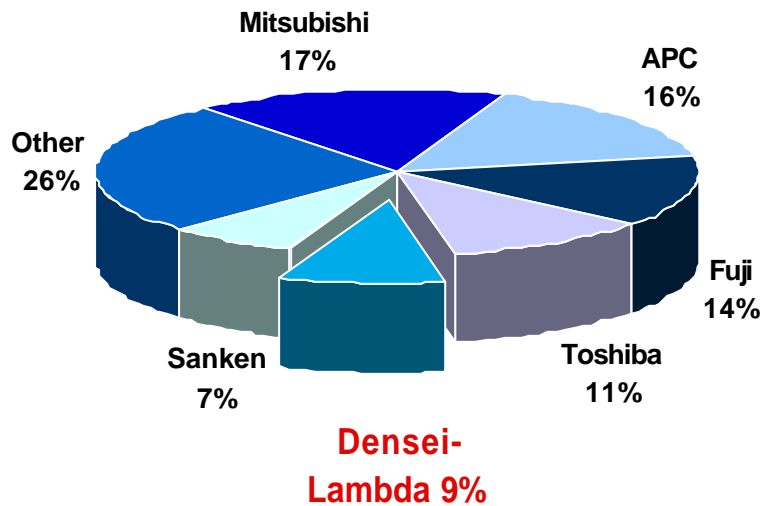


(Source: Densei-Lambda)

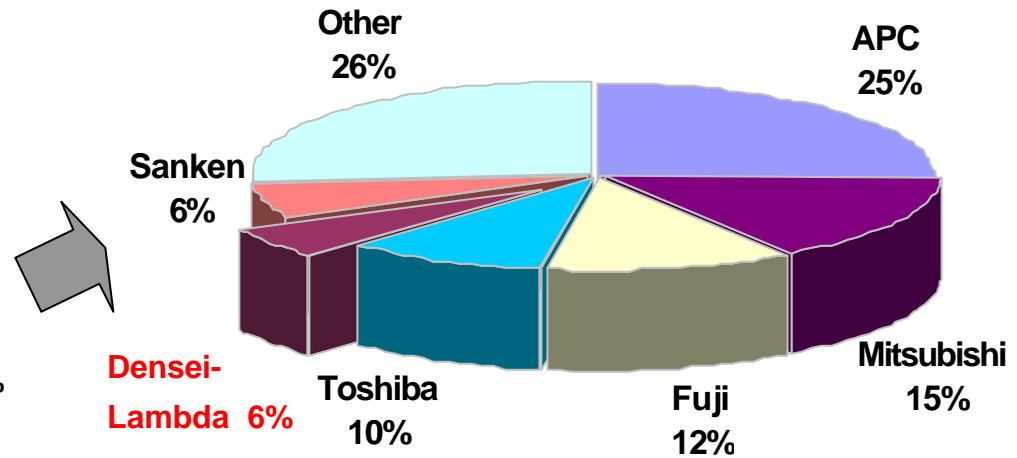
Uninterruptible Power System (UPS) Japan Market

Business alliance has been accelerating.
 03.10 Toshiba-Mitsubishi tie-up
 04.04 GS-YUASA merger

FY2001 Market Size: 64.3BJPY



FY2002 Market Size: 63.7BJPY



(Source: Densai-Lambda internal data)

Reorganization of Invensys Group



*Global conglomerate based in London
 *Sales revenue: approx. £4.3B (820BJPY)
 *63,000 employees in 60 countries
 *Holding 58.21% shares of Densei-Lambda
 *Non-core businesses were sold for total £1.6B (304BJPY) last year.
 *Future sale of the group's 2/3 businesses was announced on April 15, 2003.

Invensys Group

Core Businesses

Divesting Business

Production Management
 Revenue: £1.3B (247BJPY)
Process System
APV
Eurotherm
M & I
Wonderware
ArchestrA
IMServ

Rail Systems
 Revenue: £400M (76BJPY)

Development
 Revenue: £2.6B (494BJPY)

< Sold businesses >

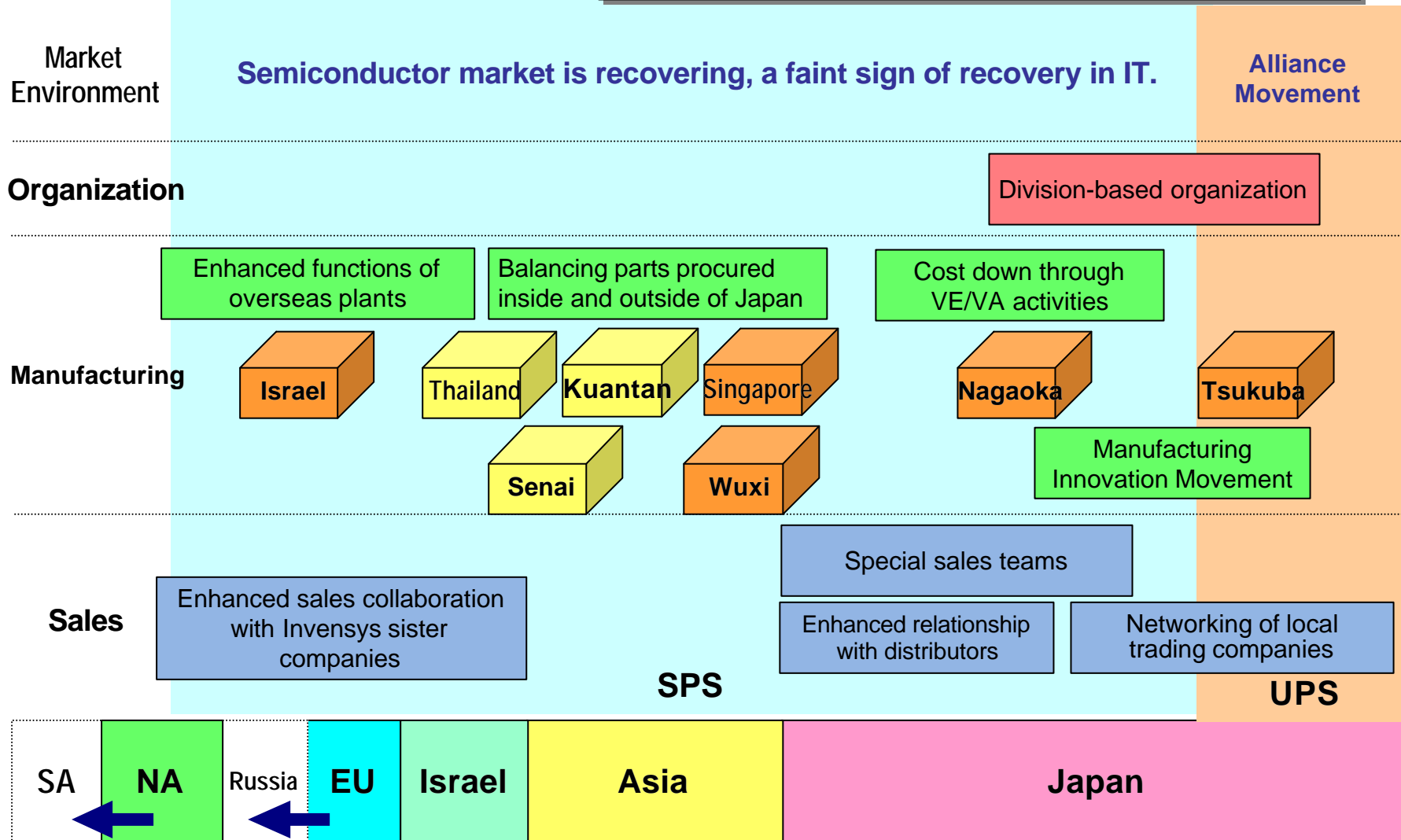
Powerware	Baan	03.7	£ 84M	(16BJPY)
Power Components	Teccor	03.7	£ 27M	(5.1BJPY)
APV Baker	Metering	03.10	£388M	(73.7BJPY)
Appliance				
Climate				
Hansen Transmission				

(1£=190JPY)

Business Development for 2H or later

Densei-Lambda Group

Development of new products: new added values different from competitors



5. FY2003 Full-Year Forecast (Consolidated)

FY2003 Key Figures

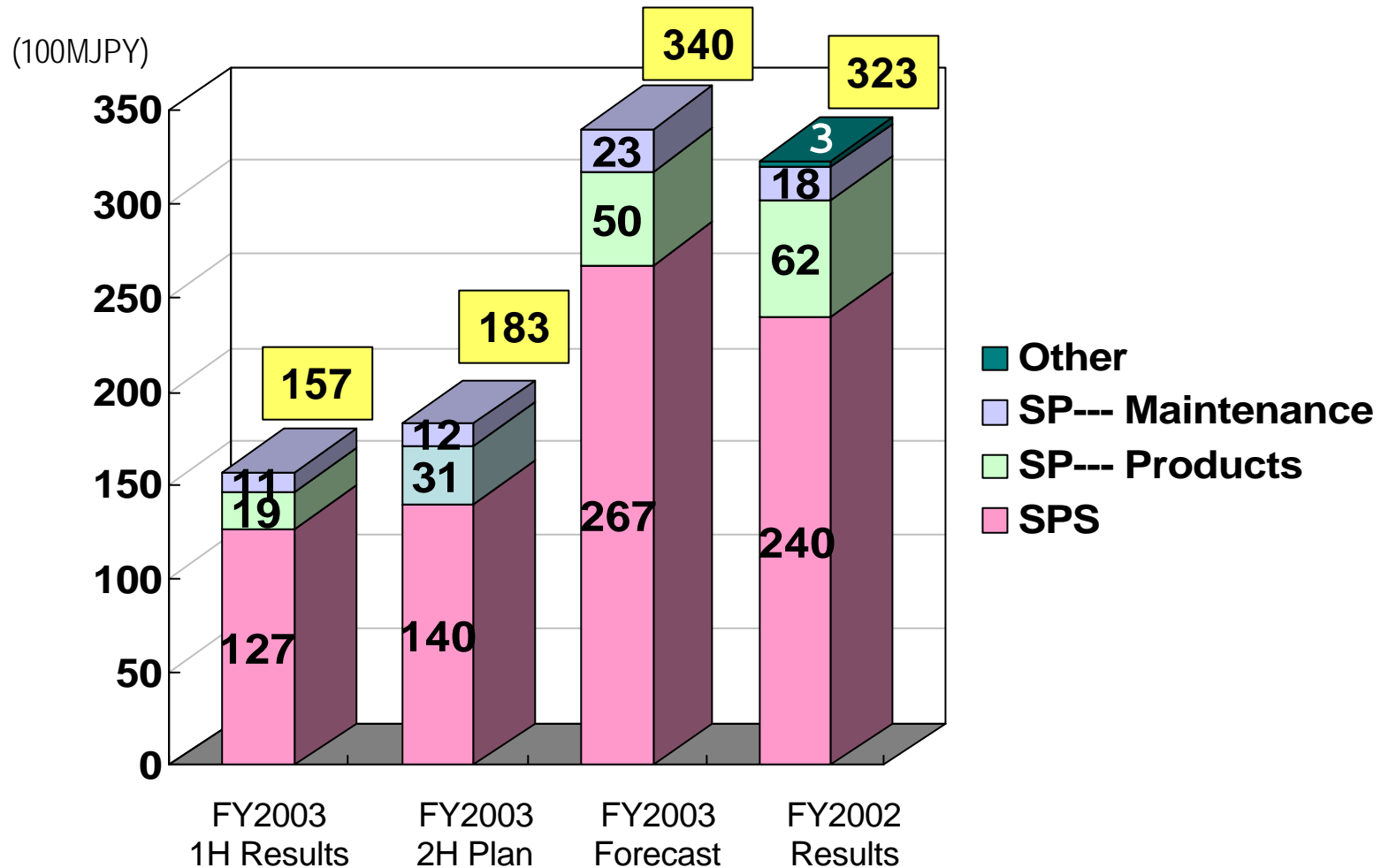
(Million of Yen)	FY2003 1H Result	FY2003 2H Plan	FY2003 Full-Year Forecast
Sales	15,705	18,295	34,000
Operating income	530	770	1,300
Ordinary income	465	535	1,000
Net income	33	267	300
Investment *	294	600	894
Depreciation	305	335	640
R&D	1,091	1,085	2,176
*Investment for software (ERP system) etc.	299	208	507

FY2003 Key Financial Indexes

	Year ended Sep.2002	Year ended Sep.2003	Target for FY2003
Debt equity ratio	0.3	0.4	0.3
Turnover of total capital	0.9x	1.0x	1.0x
Turnover of inventories	4.6x	4.4x	5.0x
Turnover of A/R	3.5x	3.9x	3.5x

Sales Turnover by Segment

SPS sales will increase more than the initial plan supported by a recovering semiconductor market. SP sales expect dramatic increase for 2H.



Densei-Lambda K.K.

For further inquiries:

IR Officer

Office of the President

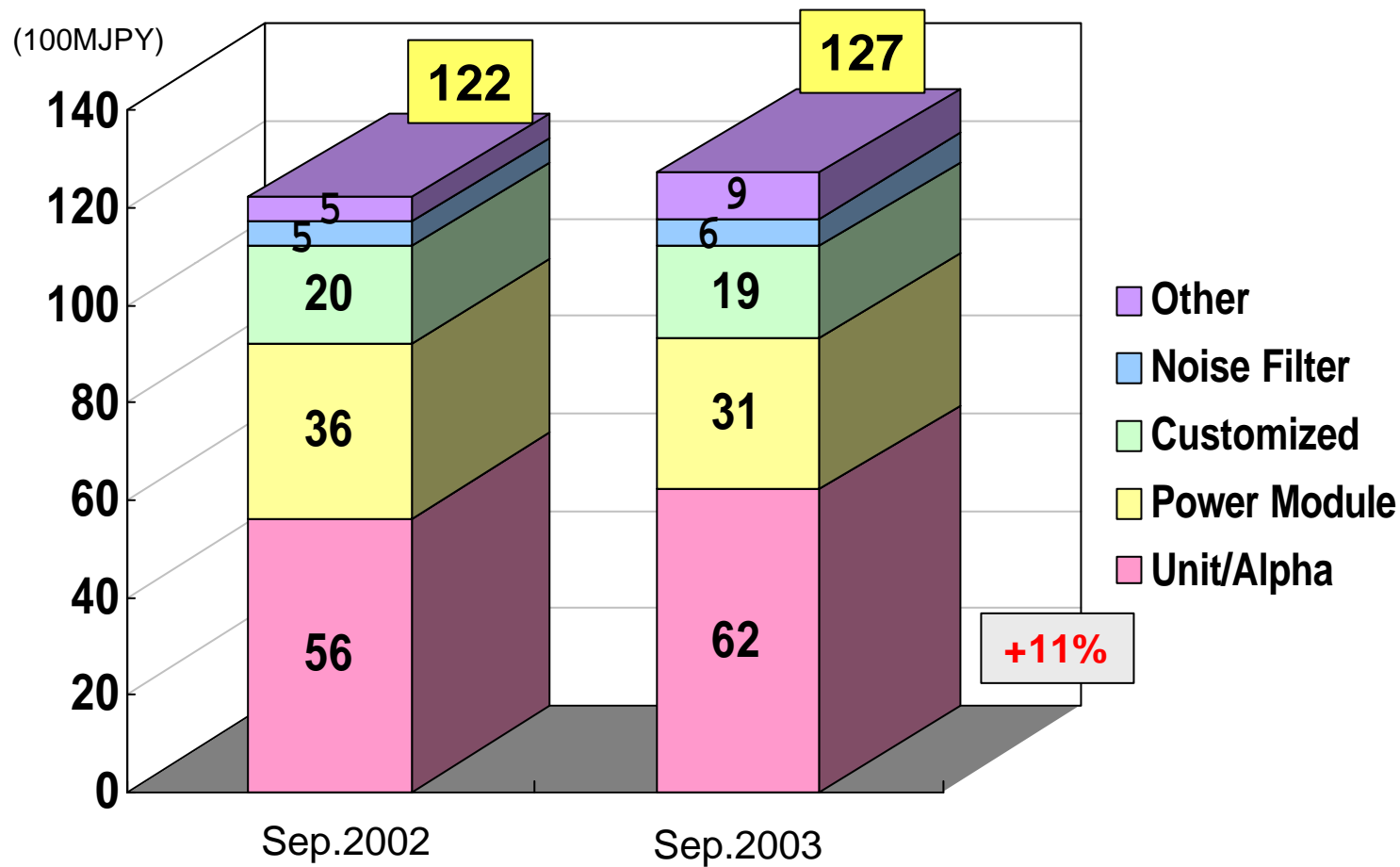
Telephone: 03-3447-4411

<http://www.densei-lambda.com/ir/indexj.html>

Appendix

Densei-Lambda SPS Sales Breakdown ---- by Product

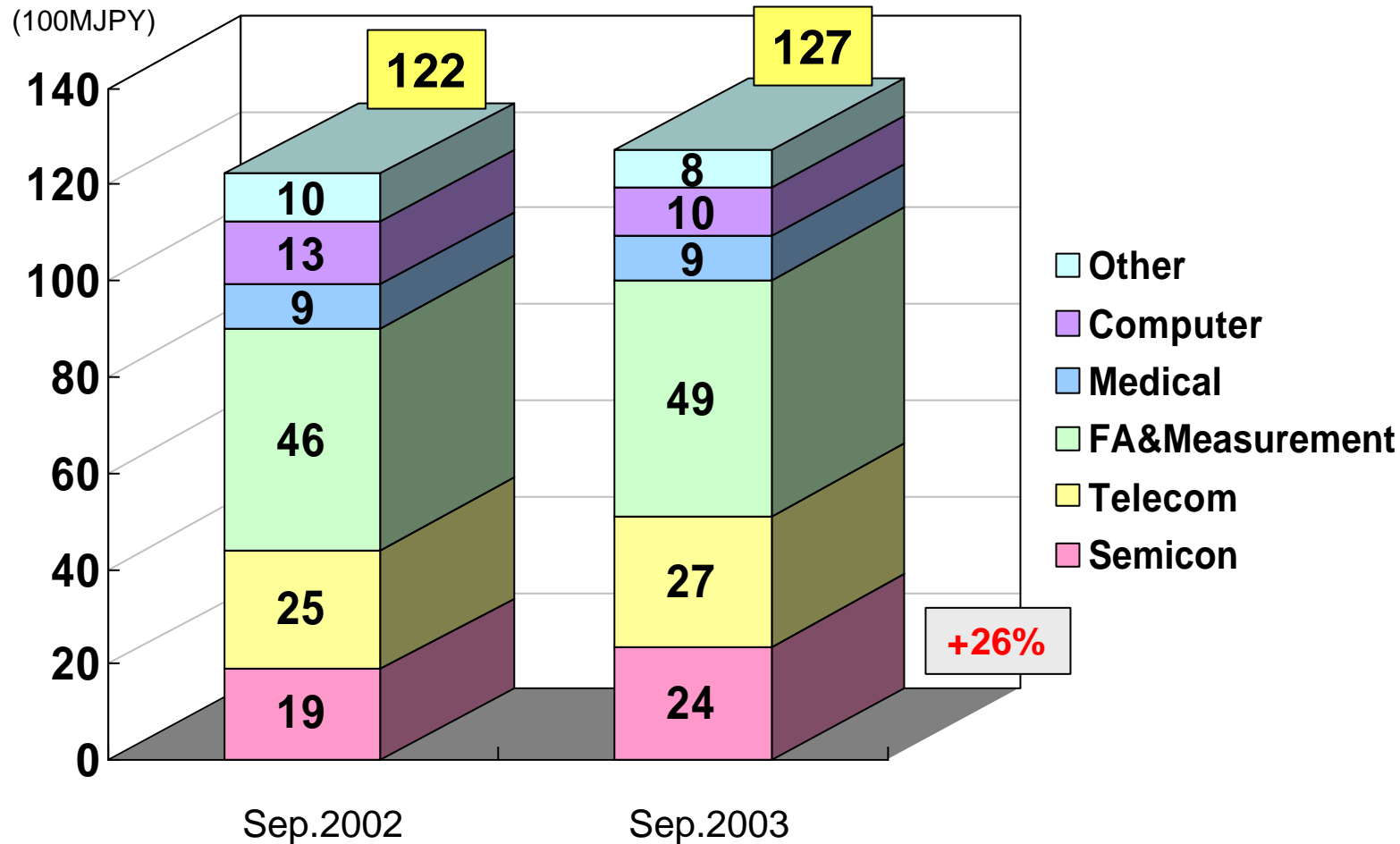
*Unit power supplies increased supported by a recovering semiconductor market.
*Power Modules declined due to stagnated IT&Telecom markets.



Densei-Lambda SPS Sales Breakdown --- by Market

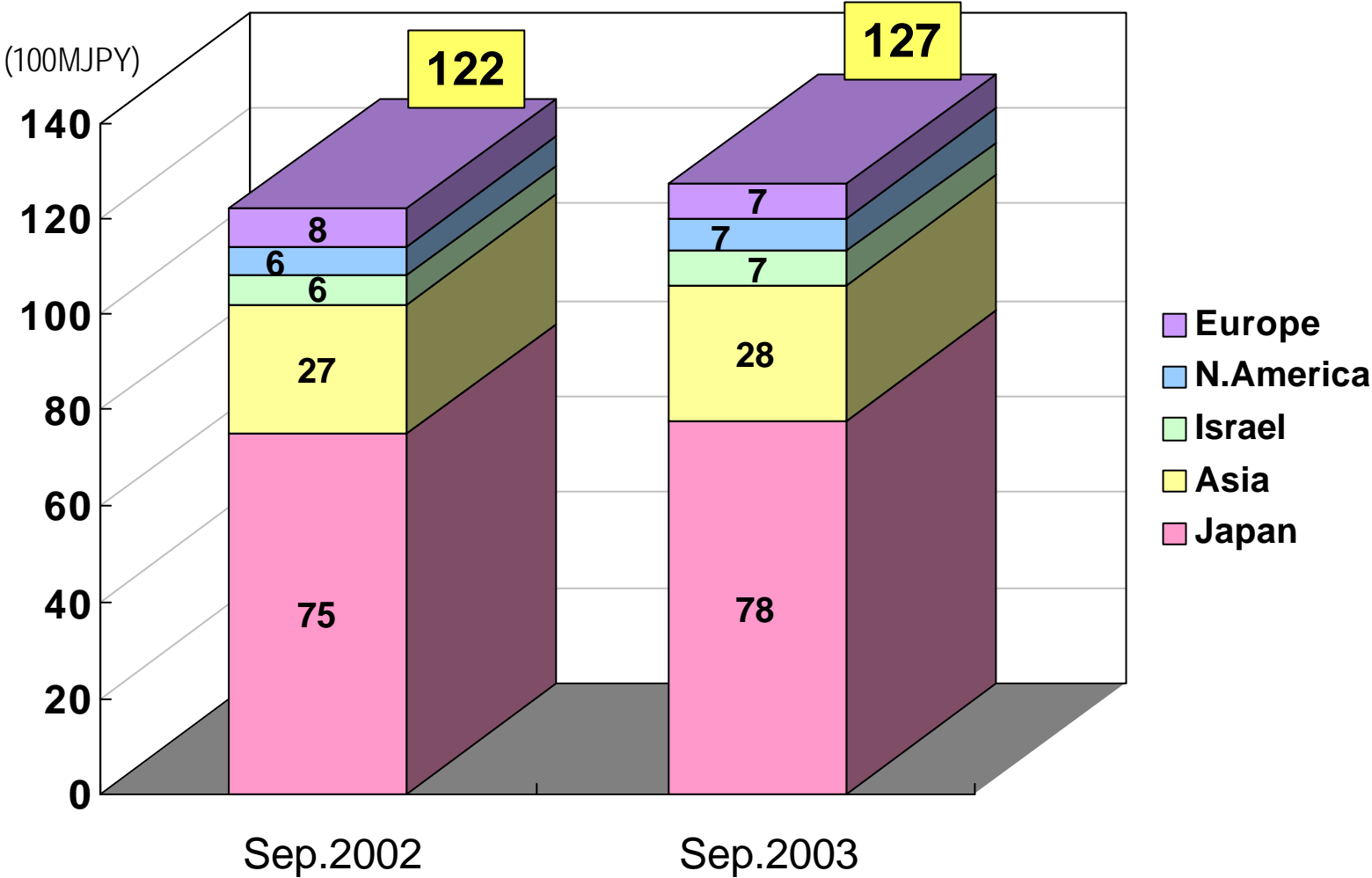
*FA: recovering slowly

*Semicon manufacturing equipment and testers: recovering rapidly



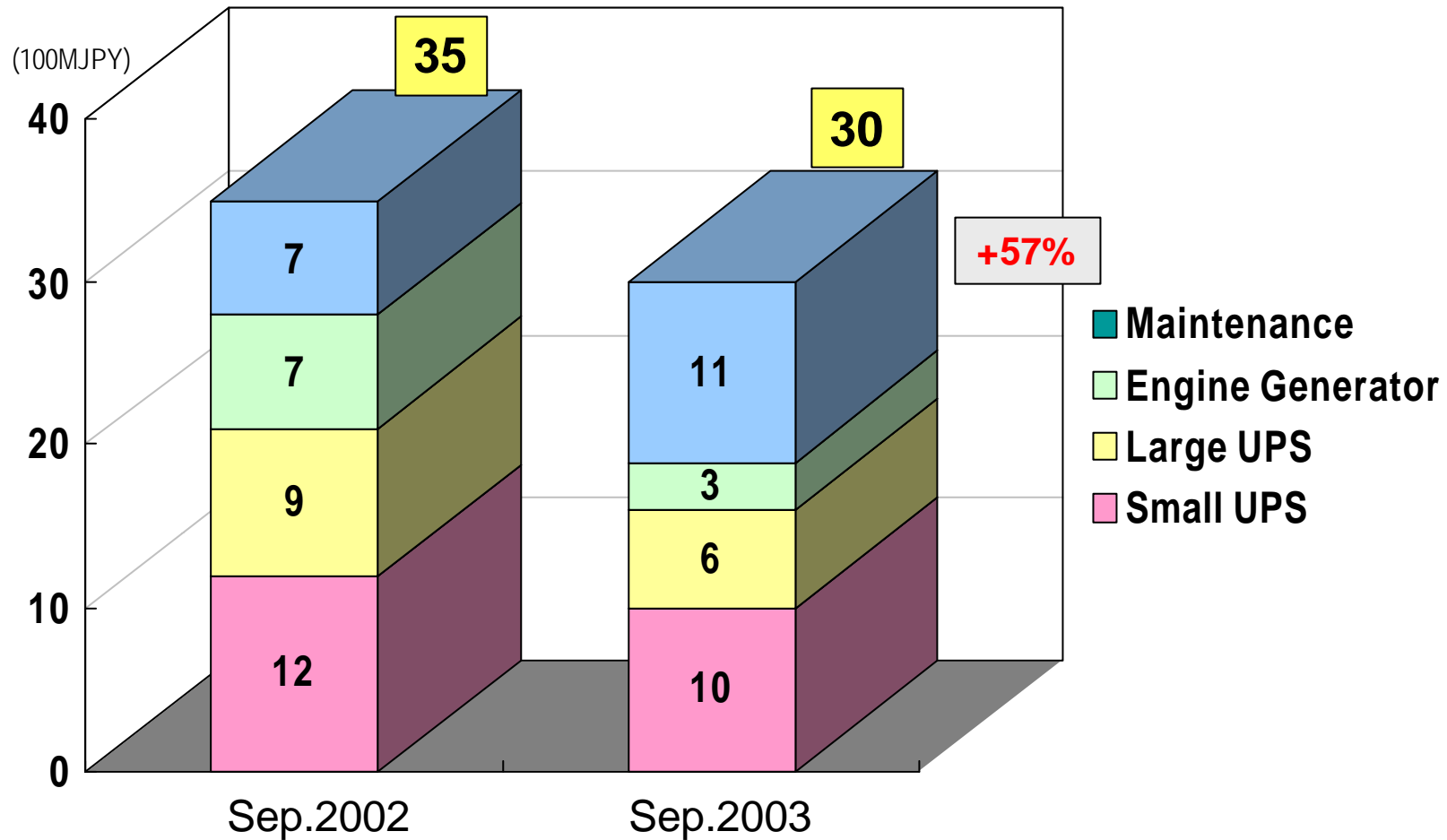
Densei-Lambda SPS Sales by Region

Japan sales increased marginally, the others flat.



Densei-Lambda SP Sales Breakdown --- by Product

*Large & Small UPSs: declined drastically
*Maintenance Service: in a good shape



Densei-Lambda SP Sales Breakdown --- by Market

*IT: still stagnating

