

Consolidated Financial Results for the First Quarter of FY2007/3 (April 1, 2006 to June 30, 2006)

July 26, 2006

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1. Notes to the Quarterly Financial Results:

- (1) Use of simplified accounting method: No
- (2) Changes in accounting method from the most recent fiscal year: No
- (3) Changes in scope of consolidation and equity method: No

2. Consolidated Financial Results for the First Quarter of FY2007/3 (April 1, 2006 to June 30, 2006)

(1) Consolidated Financial Results

	Net sales	Operating income	Ordinary income	Net income
	JPY million	JPY million	JPY million	JPY million
FY2007/3 first quarter	11,789 (56.1%)	- 234 (---)	- 266 (---)	- 297 (---)
FY2006/3 first quarter	7,551 (- 9.2%)	361 (- 12.4%)	391 (-14.6%)	1 (- 99.4 %)
(For reference) FY2006/3 full year	JPY million 39,441	JPY million 1,837	JPY million 2,012	JPY million - 119

	Net income per share (Basic)	Net income per share (Diluted)
	JPY	JPY
FY2007/3 first quarter	- 13.82	---
FY2006/3 first quarter	0.6	0.6
(For reference) FY2006/3 full year	JPY - 6.46	JPY ---

Notes: Figures in bracket under net sales, operating income, etc. refer to year-on-year percentage change

[Qualitative Information regarding Consolidated Financial Results]

In this first quarter, Japanese economy had been gradually expanding thanks to export increase with expanding overseas economy in the background, continuing capital investments supported by high-level corporate earnings and continuous recovery of consumer spending.

Under such circumstance, Densei-Lambda Group had been at work improving operating efficiency by customer development in and out of Japan together with promotion of Manufacturing Reform Initiative.

Accordingly, consolidated sales for the first quarter amounted to 11,789 million yen (+56.1% y-o-y) mainly because of strong results of switching power supply backed by increase in domestic and overseas demands and sales contribution of Lambda Americas and Europe Groups, which had been acquired in the previous fourth quarter. However, in terms of profit, amortization of goodwill caused operating loss of 234 million yen (operating income of 361 million yen for the same period in the last fiscal year) and ordinary loss of 266 million yen (ordinary income of 391 million yen for the same period in the last fiscal year).

Furthermore, despite extraordinary income for sale of idle property, due to increase in corporate tax adjustment, net loss amounted to 297 million yen (net income of 1 million yen for the same period in the last fiscal year).

(2) Changes in Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	JPY million	JPY million	JPY million	JPY million
FY2007/3 first quarter	40,399	17,534	43.4	812.85
FY2006/3 first quarter	31,802	17,780	55.9	826.15
(For reference) FY2006/3 full year	39,672	17,959	45.3	833.96

[Consolidated Statements of Cash Flows]

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	JPY million	JPY million	JPY million	JPY million
FY2007/3 first quarter	- 256	- 249	773	4,448
FY2006/3 first quarter	689	- 168	329	5,311
(For reference) FY2006/3 full year	2,001	- 6,398	3,939	4,199

[Qualitative Information regarding Changes in Consolidated Financial Position]

Total assets at the end of this first quarter increased by 727 million yen to 40,399 million yen due to increase in current assets such as inventories from the end of the previous fiscal year. Total liabilities increased by 1,180 million yen to 22,865 million yen mainly due to increase in current liabilities such as notes and accounts payable and short-time borrowings. Net asset was 17,534 million yen due to decrease in shareholders' equities.

[Statements of Cash Flows]

Cash and cash equivalent at the end of this first quarter was 4,448 million yen. Cash flows from operating activities was - 256 million yen because an outflow by increase in inventories (1,596 million yen) exceeded an inflow such as depreciation (356 million yen) and amortization of goodwill (727 million yen) and decrease in notes and accounts receivable (356 million yen).

Cash flows from investing activities was - 249 million yen due to an decrease in cash for investing activities.

Cash flows from financing activities was 773 million yen because net increase of cash for refinancing of short-term borrowings (879 million yen) exceeded an outflow for dividends paid (107 million yen).

[Reference]

Consolidated Financial Forecast for FY2007/3 (April 1, 2006 to March 31, 2007)

	Net sales	Ordinary income	Net income
	JPY million	JPY million	JPY million
First half	24,300	-500	- 700
Full year	52,300	1,300	- 400

Note: The estimated net income per share for the fiscal year is - 18.59 yen.

[Qualitative Information regarding Financial Forecast]

Consolidated financial forecast for FY2007/3 was changed from that having been announced on April 26, 2006. Please refer to "Announcement of Revised Forecast for Financial Results for the Fiscal Year Ending March 31, 2007" announced today.

*The above forecast is based on the information available as of the date when this information is disclosed, so our actual performance could be different from it due to possible factors from now on.

Quarterly Consolidated Balance Sheets (Summary)

(Thousands of yen)

	FY2007/3		FY2006/3		Change		FY2006/3	
	First Quarter (As of June 30, 2006)		First Quarter (As of June 30, 2005)				(As of March 31, 2006)	
		%		%		%		%
Current assets	27,714,055	68.6	20,568,722	64.7	7,145,333	34.7	25,420,558	64.1
Cash and deposits	4,448,902		5,321,454		-872,551		4,209,042	
Notes and accounts receivable-trade	12,509,245		8,564,042		3,945,202		12,873,335	
Inventories	8,705,302		5,275,765		3,429,537		7,156,941	
Other	2,050,604		1,407,460		643,144		1,181,239	
Fixed assets	12,685,897	31.4	11,233,511	35.3	1,452,385	12.9	14,252,053	35.9
Tangible fixed assets	8,588,246		7,596,600		991,645		9,185,784	
Intangible fixed assets	3,223,201		1,222,436		2,000,765		3,992,854	
Investments and others	874,449		2,414,474		-1,540,025		1,073,415	
Total assets	40,399,953	100.0	31,802,234	100.0	8,597,718	27.0	39,672,612	100.0
Current liabilities	19,032,564	47.1	9,357,437	29.4	9,675,127	103.4	17,998,362	45.3
Notes and accounts payable-trade	8,419,522		6,313,398		2,106,124		7,967,800	
Short-term borrowings	5,348,237		685,906		4,662,331		4,469,210	
Current portion of long-term debt	1,790,000		75,000		1,715,000		1,792,213	
Other	3,474,804		2,283,133		1,191,671		3,769,139	
Long-term liabilities	3,832,928	9.5	4,640,615	14.6	-807,686	-17.4	3,686,844	9.3
Long-term debt	255,000		2,045,000		-1,790,000		259,622	
Reserve for employees' retirement benefits	1,774,860		1,970,339		-195,479		1,836,078	
Other	1,803,068		625,275		1,177,793		1,591,143	
Total liabilities	22,865,493	56.6	13,998,052	44.0	8,867,440	63.3	21,685,206	54.6
Common stock	2,948,175	7.3	-	-	-	-	-	-
Additional paid-in capital	2,811,209	7.0	-	-	-	-	-	-
Retained earnings	12,375,874	30.6	-	-	-	-	-	-
Treasury stock	-491,055	-1.2	-	-	-	-	-	-
Total shareholders' equity	17,644,204	43.7	-	-	-	-	-	-
Unrealized gains or losses on other securities	239,268	0.6	-	-	-	-	-	-
Revaluation account for land	272,218	0.7	-	-	-	-	-	-
Foreign currency translation adjustments	-648,228	-1.6	-	-	-	-	-	-
Revaluation and translation difference	-136,742	-0.3	-	-	-	-	-	-
Minority interest in consolidated subsidiaries	26,997	0.0	-	-	-	-	-	-
Total net assets	17,534,459	43.4	-	-	-	-	-	-
Total liabilities and net assets	40,399,953	100.0	-	-	-	-	-	-
Minority interest in consolidated subsidiaries	-	-	23,471	0.1	-	-	28,146	0.1
Common stock	-	-	2,941,025	9.2	-	-	2,946,516	7.4
Additional paid-in capital	-	-	2,803,150	8.8	-	-	2,809,555	7.1
Retained earnings	-	-	12,829,221	40.4	-	-	12,803,687	32.3
Revaluation account for land	-	-	479,737	1.5	-	-	272,218	0.7
Unrealized gains or losses on other securities	-	-	389,249	1.2	-	-	355,353	0.9
Foreign currency translation adjustments	-	-	-1,174,605	-3.7	-	-	-738,166	-1.9
Treasury stock	-	-	-487,067	-1.5	-	-	-489,904	-1.2
Total shareholders' equity	-	-	17,780,709	55.9	-	-	17,959,259	45.3
Total liabilities, minority interest and shareholders' equity	-	-	31,802,234	100.0	-	-	39,672,612	100.0

Quarterly Consolidated Statements of Income (Summary)

(Thousands of yen)

	FY2007/3 First Quarter (From April 1, 2006 to June 30, 2006)		FY2006/3 First Quarter (From April 1, 2005 to June 30, 2005)		Change		FY2006/3 Full Year (From April 1, 2005 to March 31, 2006)	
		%		%		%		%
Net sales	11,789,996	100.0	7,551,368	100.0	4,238,628	56.1	39,441,676	100.0
Cost of sales	8,109,072	68.8	5,400,466	71.5	2,708,606	50.2	28,294,696	71.7
Gross Profit	3,680,924	31.2	2,150,902	28.5	1,530,022	71.1	11,146,979	28.3
Selling, general and administrative expenses	3,915,599	33.2	1,789,490	23.7	2,126,108	118.8	9,309,821	23.6
Operating income (loss)	-234,675	-2.0	361,411	4.8	-596,086	-	1,837,158	4.7
Non-operating income	50,222	0.4	67,353	0.9	-17,131	-25.4	285,541	0.7
Non-operating expenses	81,739	0.7	36,839	0.5	44,899	121.9	110,121	0.3
Ordinary income (loss)	-266,192	-2.3	391,925	5.2	-658,117	-	2,012,577	5.1
Extraordinary income	303,174	2.6	14,253	0.2	288,920	-	1,017,649	2.6
Extraordinary losses	44,440	0.4	194,932	2.6	-150,492	-77.2	1,312,603	3.3
Net income (loss) before taxes and other adjustments	-7,458	-0.1	211,246	2.8	-218,704	-	1,717,624	4.4
Corporate, inhabitant and enterprise taxes	108,099	0.9	57,180	0.8	50,919	89.1	310,339	0.8
Deferred tax	182,794	1.5	153,157	2.0	29,636	19.4	1,524,854	3.9
Minority interest in income (loss) of consolidated subsidiaries	-733	-0.0	-537	-0.0	-196	36.6	1,542	0.0
Net income (loss) for the period	-297,619	-2.5	1,445	0.0	-299,064	-	-119,112	-0.3

Quarterly Consolidated Statements of Changes in Shareholders' Equity (Summary)

(Thousands of yen)

FY2007/3 First Quarter (From April 1, 2006 to June 30, 2006)	Shareholders' Equity					Revaluation and Translation Difference			
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gains or losses on other securities	Revaluation account for land	Foreign currency translation adjustments	Minority interest in consolidated subsidiaries
Balance as of April 1, 2006	2,946,516	2,809,555	12,803,687	-489,904	18,069,854	355,353	272,218	-738,166	28,146
Changes of items during the period									
Issuance of new shares	1,659	1,654	-	-	3,313	-	-	-	-
Dividends from retained earnings	-	-	-107,673	-	-107,673	-	-	-	-
Directors' bonuses by appropriation of profit	-	-	-22,520	-	-22,520	-	-	-	-
Net income	-	-	-297,619	-	-297,619	-	-	-	-
Acquisition of treasury stock	-	-	-	-1,150	-1,150	-	-	-	-
Changes of items except shareholders' equity	-	-	-	-	-	-116,085	-	89,938	-1,148
Total changes of items during the period	1,659	1,654	-427,813	-1,150	-425,650	-116,085	-	89,938	-1,148
Balance as of June 30, 2006	2,948,175	2,811,209	12,375,874	-491,055	17,644,204	239,268	272,218	-648,228	26,997

Quarterly Consolidated Statements of Retained Earnings (Summary)

(Thousands of yen)

	FY2007/3 First Quarter (From April 1, 2006 to June 30, 2006)	FY2006/3 First Quarter (From April 1, 2005 to June 30, 2005)	FY2006/3 Full Year (From April 1, 2005 to March 31, 2006)
[CAPITAL SURPLUS]			
Capital surplus at beginning of period	-	2,803,150	2,803,150
Increase of capital surplus	-	-	6,405
Capital surplus at end of period	-	2,803,150	2,809,555
[RETAINED EARNINGS]			
Retained earnings at beginning of period	-	12,955,307	12,955,307
Increase of retained earnings	-	1,445	207,518
Decrease of retained earnings	-	127,531	359,138
Retained earnings at end of period	-	12,829,221	12,803,687

Quarterly Consolidated Statements of Cash Flows (Summary)

(Thousands of yen)

	FY2007/3 First Quarter (From April 1, 2006 to June 30, 2006)	FY2006/3 First Quarter (From April 1, 2005 to June 30, 2005)	FY2006/3 Full Year (From April 1, 2005 to March 31, 2006)
Cash flows from operating activities			
Net income (loss) before taxes and other adjustments	-7,459	211,246	1,717,624
Depreciation	356,756	151,524	1,097,641
Impairment loss	-	183,173	894,851
Amortization of goodwill	727,542	-	727,542
Increase (decrease) in allowances	-273,514	-265,336	2,830
Interest and dividend income	-15,224	-21,480	-67,774
Interest expenses	30,959	14,479	80,355
Decrease (increase) in notes and accounts receivable	356,313	837,468	-845,647
Decrease (increase) in inventories	-1,596,245	-1,322,607	-1,455,370
Increase (decrease) in notes and accounts payable	461,291	959,968	1,036,994
Other	-297,255	-58,584	-1,187,242
Net cash used in (provided by) operating activities	-256,836	689,851	2,001,804
Cash flows from investing activities			
Payments for acquisition of tangible assets	-267,894	-108,615	-884,231
Payments for acquisition of intangible assets	-	-30,945	-95,190
Other	18,663	-29,173	-5,419,247
Net cash used in investing activities	-249,231	-168,733	-6,398,668
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	879,028	439,070	4,222,374
Dividends paid	-107,674	-107,617	-215,221
Other	2,163	-1,536	-67,478
Net cash provided by (used in) financing activities	773,517	329,917	3,939,675
Effect of exchange rate changes on cash and cash equivalents	-17,590	50,774	246,586
Increase (decrease) in cash and cash equivalents	249,860	901,809	-210,603
Cash and cash equivalents at beginning of period	4,199,042	4,409,645	4,409,645
Cash and cash equivalents at end of period	4,448,902	5,311,454	4,199,042