

June 25, 2004

Densei-Lambda to Merge 2 Subsidiaries in Malaysia

TOKYO--- Densei-Lambda K. K. (TSE: 6917) announced that it would merge its two manufacturing subsidiaries in Malaysia--- Nemic-Lambda (Malaysia) SDN.BHD. and Nemic-Lambda (Kuantan) SDN.BHD. as of October 1, 2004 as follows.

1. Purposes of the Merger

By integrating two subsidiaries, Densei-Lambda aims to increase the efficiency of its operations in Malaysia for better profitability and a stronger operating base, pending on local regulatory approvals.

2. Outline of the Merger

1) Timetable

Date of merger: October 1, 2004

Date of registration: October 1, 2004

2) Merger Method

Nemic-Lambda (Malaysia) will be a surviving company and Nemic-Lambda (Kuantan) will be resolved. Name of the company after the merger will be Nemic-Lambda (Malaysia) SDN.BHD. However, Nemic-Lambda (Kuantan), merged company, will continue operation as Nemic-Lambda (Malaysia)'s subsidiary.

3) Merger Ratio

No merger ratio is settled because this merger is between Densei-Lambda's 100% subsidiaries. There will be no issuance of new shares or capital increase by this merger.

4) Delivered Money due to Merger

There will be no delivered money due to the merger.

3. Outline of the Companies

	Merging Company	Merged Company
Name	Nemic-Lambda (Malaysia) SDN.BHD.	Nemic-Lambda (Kuantan) SDN.BHD.
Primary Operations	Production and sale of switching power supply equipment	Production and sale of switching power supply equipment
Established	November 10, 1988	June 13, 1991
Head Office	Johol, Malaysia	Pahang, Malaysia
Representative	Yoshihiro Yamada	Liam Siong Leng
Capital	RM 18M	RM 5M
Outstanding Shares	18,000,000 shares	5,000,000 shares
Shareholders' Equity	JPY 1,852M	JPY 1,097M
Total Assets	JPY 2,489M	JPY 1,707M
Fiscal Year	March 31	March 31
Number of Employees	533	530
Shareholders	Densei-Lambda K.K. 100%	Densei-Lambda K.K. 100%

4. Business Performances for the Latest Three years

(JPY million)

Fiscal Year	Nemic-Lambda (Malaysia) SDN.BHD.			Nemic-Lambda (Kuantan) SDN.BHD.		
	2002/03	2003/03	2004/03	2002/03	2003/03	2004/03
Sales	3,677	4,269	4,338	2,297	2,700	3,545
Ordinary Income	184	371	312	122	220	349
Net Income	13	306	231	- 16	176	224
Net Income per Share (JPY)	0.74	17.00	12.88	- 3.34	35.22	44.99
Year-end Dividend per Share (JPY)	11.11	11.11	8.33	40.00	40.00	--
Shareholders' Equity per Share (JPY)	117.99	112.32	102.90	228.65	201.92	219.42

5. Status after the Merger

Name	Nemic-Lambda (Malaysia) SDN.BHD.
Primary Operations	Production and sale of switching power supply equipment
Head Office	Johol, Malaysia
Representative	Yoshihiro Yamada
Capital	RM 18M
Fiscal Year	31, March

6. Impact on Business Performance and Future Outlook

There will be no impact of this merger on business performance because the merger is between Densei-Lambda’s 100% subsidiaries. In medium and long term, the performance is estimated to be improved by better operational efficiency.

For further inquiries, please contact:
Kazuhiko Sekimoto, General Manager, Office of the President, Densei-Lambda K.K.
Tel: 03-3447-4411