

Sale of Investment Securities, Reversal of Deferred Tax Asset and Accrual of Consolidated Adjustment Account

TOKYO, February 24, 2006 - Densei-Lambda K.K. (“the Company”) announces the sale of investment securities it held and reversal of deferred tax asset, as well as account settlement method for the acquisition of the Lambda Americas and Lambda Europe Groups this January.

1. Sale of Investment Securities

Sale of a part of the investment securities held by the Company caused profit on the sale.

(1) Reasons for the sale

To achieve efficiency of asset and appropriate the profit for a part of the acquisition expense.

(2) Details of the sale

Number of securities sold:	90
Sale value:	1,824 million yen
Book value:	860 million yen
Total profit on sale:	963 million yen

2. Accrual of Reversal of Deferred Tax Asset

As a result of studying possibility of collection of the deferred tax asset, approximately 500 million yen of deferred tax (expense) is expected to accrue.

3. Accrual of Consolidated Adjustment Account (Goodwill)

While the Company acquired the Lambda Americas and Lambda Europe Groups this January in order to increase sales in the overseas switching power supply market, account settlement method for the consolidated adjustment account was decided as follows;

Amortization of consolidated adjustment account for this fiscal year caused by the acquisition: Approximately 700 million yen (to be amortized equally over the period when effect of goodwill continues and be recorded as selling, general and administrative expenses.)

4. Outlook for the Current Fiscal Year

Due to the reasons described in the items 1 to 3, consolidated and non-consolidated financial results forecast, which was announced on November 24, 2005, is revised as described below;

- (1) Revised forecast for consolidated financial results for the fiscal year ending March 31, 2006
(April 1, 2005 to March 31, 2006)

(In million yen)

	Net sales	Ordinary income	Net income
Previous forecast (A) (announced on November 24, 2005)	39,000	3,000	1,300
New forecast (B)	39,000	1,900	100
Change (B)-(A)	0	- 1,100	- 1,200
Change (%)	0	- 36.7	- 92.3
Financial results for the fiscal year ended March 31, 2005	34,112	2,154	784

- (2) Revised forecast for non-consolidated financial results for the fiscal year ending March 31,
2006 (April 1, 2005 to March 31, 2006)

(In million yen)

	Net sales	Ordinary income	Net income
Previous forecast (A) (announced on November 24, 2005)	31,500	2,500	1,000
New forecast (B)	31,000	2,300	1,100
Change (B)-(A)	- 500	- 200	100
Change (%)	- 1.6	- 8.0	10.0
Financial results for the fiscal year ended March 31, 2005	29,974	1,657	779

*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.

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