

**Summary of Financial Results for the Nine Months Ended December 2005
(Consolidated)**

Company name:	PHOENIX Electric Co., Ltd.
Stock code:	6927
Stock Exchange listing:	Tokyo Stock Exchange, Second Section JASDAQ Securities Exchange
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1. Significant Accounting Policies in the Preparation of Quarterly Financial Statements

- 1) Changes in accounting treatment from the most recent fiscal year: Yes
Income taxes are recorded based on the projected annual tax rate in accordance with the statutory effective tax rate.
- 2) Changes in scope of consolidation or application of equity method: None

2. Financial Results for the Nine Months Ended December 2005 (April 1, 2005 – December 31, 2005)

(1) Results of Operations

	Net Sales		Operating Income		Recurring Profit	
	million yen	YoY change (%)	million yen	YoY change (%)	million yen	YoY change (%)
Nine months ended Dec. 2005	9,008	6.7	2,247	7.1	2,322	15.4
Nine months ended Dec. 2004	8,439	-	2,098	-	2,011	-
(Ref.) Year ended Mar. 2005	11,051	68.2	2,610	142.2	2,538	158.6

	Net Income		Net Income per Share (basic)	Net Income per Share (diluted)
	million yen	YoY change (%)	yen	yen
Nine months ended Dec. 2005	1,342	11.6	58.88	-
Nine months ended Dec. 2004	1,203	-	54.23	-
(Ref.) Year ended Mar. 2005	1,520	143.6	65.62	-

Notes:

- Average number of shares outstanding
 - Nine months ended Dec. 2005: 22,806,900 shares
 - Nine months ended Dec. 2004: 22,190,536 shares
 - Year ended Mar. 2005: 22,342,516 shares
- YoY change in the parentheses of net sales, operating income, recurring profit and net income represents relevant change in percentage compared to the same period of the previous fiscal year.
- The Company started reporting consolidated results from the previous fiscal year ended March 31, 2005. Consequently, there are no year-on-year comparisons for the nine months ended December 31, 2004.

[Consolidated Results of Operations]

In the first half of the current fiscal year, concerns rose about a possible slowdown in growth as a result of inventory adjustment in the projector and lamps for rear projection TV markets. Competition also intensified in the plasma TV market bringing about sharply lower prices. However, the market turned around in the second half and has now entered a renewed growth phase. Our unit sales are up 11% compared to the previous fiscal year.

After a careful analysis of recent market trends, the Company on October 21, 2005 revised its forecasts of operating results upward. However, net sales and recurring profit in the third quarter have surpassed the forecasts.

Furthermore, the yen has weakened appreciably, falling below the 111 yen to the US dollar, the exchange rate level on which our revised forecasts are based. As a result of the above and other factors, the Group's net sales increased of 6.7% year-on-year to 9,008 million yen, and recurring profit rose 15.4% year-on-year to 2,322 million yen in the nine months ended December 2005.

Nevertheless, since the full-year average exchange rate of the yen is a major destabilizing factor for operating results, in November 2005 the Company hedged our estimated dollar-denominated sales to reduce exposure to currency risk.

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	million yen	million yen	%	yen
As of Dec. 31, 2005	11,937	9,325	78.1	408.89
As of Dec. 31, 2004	11,905	7,979	67.0	349.86
(Ref.) As of Mar. 31, 2005	12,151	8,293	68.3	361.25

Note:

- Number of shares issued at the end of period
As of Dec. 31, 2005: 22,806,900 shares
As of Dec. 31, 2004: 22,806,900 shares
As of Mar. 31, 2005: 22,806,900 shares

(3) Cash Flow Position

	Net cash provided by (used in)			Cash and cash equivalents at end of period
	operating activities	investing activities	financing activities	
	million yen	million yen	million yen	million yen
Nine months ended Dec. 2005	993	(1,149)	(471)	1,670
Nine months ended Dec. 2004	188	(1,900)	2,253	2,511
(Ref.) Year ended Mar. 2005	1,030	(2,936)	2,231	2,288

[Information Concerning Cash Flows]

There was a net decrease of 618 million yen in cash and cash equivalents compared with the previous fiscal year.

A summary of cash flows and major components follows.

(Operating Activities)

Net cash provided by operating activities was 993 million yen (+188 million yen YoY) in the nine months ended December 31, 2005. The principal source of cash was 2,256 million yen in income before income taxes. The principle uses of cash were 1,156 million yen in income taxes.

(Investing activities)

Net cash used in investing activities was 1,149 million yen (-1,900 million yen YoY) in the nine months ended December 31, 2005. This was mainly the result of capital expenditures to increase output capacity of lamps for projectors and rear projection TVs, primarily by adding manufacturing equipment and building a second factory.

(Financing activities)

Net cash used in financing activities was 471 million yen (+2,253 million yen YoY) in the nine months ended December 31, 2005. Cash was used mainly for the cash dividends paid, repayment of borrowings and payment for purchases by installment.

Attachment:

Consolidated Balance Sheets, Consolidated Statements of Income, and others

[Reference]**Forecast for the Fiscal Year Ending March 2006 (April 1, 2005 - March 31, 2006)**

	Net Sales	Recurring Profit	Net Income
	million yen	million yen	million yen
Full year	11,794	2,675	1,561

Reference: Estimated net income per share for the fiscal year ending March 2006: 68.44 yen

Projections of operating results are based on information available to management at the time this report was prepared. As such, these projections entail risks and uncertainties. Readers should be aware that actual results and events may differ substantially from these projections.

[Information Concerning Forecasts]

After a detailed analysis of recent market trends, the Company on October 21, 2005 revised its forecast of operating results. However, net sales, recurring profit and net income in the nine months ended December 31, 2005 advanced steadily, beating even the revised forecasts. Furthermore, we expect business results in the fourth quarter to be on a par with the revised forecasts. In view of these and other factors, the Company is not revising its previously announced forecasts for the current fiscal year ending March 31, 2006.

[Attachment]

(1) Consolidated Balance Sheets

(thousands of yen, %)

Account	As of Dec. 31, 2005	As of Dec. 31, 2004	Change		As of Mar. 31, 2005
	Amount	Amount	Amount	%	Amount
ASSETS					
I Current assets					
1. Cash and deposits with banks	1,670,224	2,511,194	(840,969)		2,288,982
2. Notes and accounts receivable	3,343,102	3,518,263	(175,160)		2,852,973
3. Inventories	1,368,114	1,338,333	29,781		1,534,100
4. Deferred tax assets	133,874	112,175	21,699		199,337
5. Others	237,575	264,950	(27,374)		274,114
Allowance for doubtful accounts	(7,722)	(7,132)	(590)		(10,931)
Total current assets	6,745,169	7,737,783	(992,614)	(12.8)	7,138,576
II Fixed assets					
1. Property, plant, and equipment					
Buildings and structures	1,366,251	525,062	841,188		584,041
Machinery and vehicles	1,746,495	1,518,362	228,132		1,749,641
Land	1,001,437	1,022,014	(20,576)		1,026,502
Construction in progress	707,136	821,794	(114,658)		1,364,598
Others	117,747	103,856	13,890		114,343
Total property, plant, and equipment	4,939,067	3,991,091	947,976	23.8	4,839,128
2. Intangible assets	12,488	8,288	4,200	50.7	7,482
3. Investments and other assets					
Investment securities	163,643	122,432	41,211		127,218
Deferred tax assets	22,967	6,229	16,737		12,638
Others	57,385	49,712	7,672		29,319
Allowance for doubtful accounts	(3,268)	(10,214)	6,946		(3,108)
Total investments and other assets	240,728	168,160	72,568	43.2	166,068
Total fixed assets	5,192,284	4,167,539	1,024,744	24.6	5,012,679
Total assets	11,937,453	11,905,323	32,130	0.3	12,151,255

(thousands of yen, %)

Account	As of Dec. 31, 2005	As of Dec. 31, 2004	Change		As of Mar. 31, 2005
	Amount	Amount	Amount	%	Amount
LIABILITIES					
I Current liabilities					
1. Notes and accounts payable	707,162	920,307	(213,144)		618,069
2. Current portion of long-term borrowings	249,040	163,820	85,220		249,040
3. Accrued income taxes	307,204	704,924	(397,719)		997,991
4. Accrued bonuses	153,458	138,867	14,591		222,191
5. Others	462,696	1,069,081	(606,384)		933,296
Total current liabilities	1,879,562	2,997,000	(1,117,437)	(37.3)	3,020,588
II Long-term liabilities					
1. Long-term borrowings	591,260	836,180	(244,920)		748,920
2. Deferred tax liabilities	1,883	2,010	(127)		2,638
3. Accrued officers' severance benefits	138,099	78,798	59,300		82,889
4. Others	1,200	12,188	(10,988)		2,894
Total long-term liabilities	732,442	929,177	(196,734)	(21.2)	837,342
Total liabilities	2,612,005	3,926,177	(1,314,171)	(33.5)	3,857,930
SHAREHOLDERS' EQUITY					
I Common stock	2,133,177	2,133,177	-	-	2,133,177
II Capital surplus	2,563,867	2,563,867	-	-	2,563,867
III Retained earnings	4,558,379	3,237,855	1,320,523		3,554,967
IV Unrealized holding gain on other securities	70,244	46,959	23,284		49,454
V Foreign currency translation adjustments	(219)	(2,713)	2,493		(8,141)
Total shareholders' equity	9,325,448	7,979,146	1,346,302	16.9	8,293,324
Total liabilities and shareholders' equity	11,937,453	11,905,323	32,130	0.3	12,151,255

(2) Consolidated Statements of Income*(thousands of yen, %)*

Account	Apr. 1, 2005 - Dec. 31, 2005	Apr. 1, 2004 - Dec. 31, 2004	Change		Apr. 1, 2004 - Mar. 31, 2005
	Amount	Amount	Amount	%	Amount
I Net sales	9,008,535	8,439,348	569,187	6.7	11,051,988
II Cost of goods sold	5,447,704	5,239,441	208,262	4.0	6,933,217
Gross profit	3,560,831	3,199,906	360,924		4,118,770
III Selling, general, and administrative expenses	1,313,181	1,101,293	211,887	19.2	1,507,939
OPERATING INCOME	2,247,649	2,098,613	149,036	7.1	2,610,831
IV Non-operating income	99,294	6,825	92,469	-	10,143
1. Interest income	716	1,194	(478)		1,435
2. Dividend income	262	262	-		262
3. Foreign exchange gains	92,293	-	92,293		-
4. Others	6,022	5,368	653		8,446
V Non-operating expenses	24,780	93,839	(69,059)	(73.6)	82,860
1. Interest expense	9,510	9,178	331		12,876
2. Foreign exchange losses	-	56,706	(56,706)		33,071
3. Others	15,270	27,954	(12,684)		36,913
RECURRING PROFIT	2,322,164	2,011,598	310,565	15.4	2,538,114
VI Extraordinary income	3,067	24	3,043	-	-
Reversal of allowance for doubtful accounts	3,067	24	3,043		-
VII Extraordinary loss	68,434	787	67,647	-	1,467
1. Loss on disposal of fixed assets	2,306	787	1,519		1,467
2. Impairment losses	25,064	-	25,064		-
3. Loss on disposal of inventories	1,253	-	1,253		-
4. Accrued officers' severance benefits	39,809	-	39,809		-
Income before income taxes	2,256,797	2,010,835	245,961	12.2	2,536,646
Income taxes	913,998	807,444	106,553	13.2	1,016,144
NET INCOME	1,342,798	1,203,390	139,407	11.6	1,520,502

(3) Consolidated Statements of Cash Flows*(thousands of yen)*

	Apr. 1, 2005 - Dec. 31, 2005	Apr. 1, 2004 - Dec. 31, 2004	Apr. 1, 2004 - Mar. 31, 2005
Account	Amount	Amount	Amount
I CASH FLOWS FROM OPERATING ACTIVITIES			
1. Income before income taxes	2,256,797	2,010,835	2,536,646
2. Depreciation and amortization	481,912	286,658	437,804
3. Impairment losses	25,064	-	-
4. Increase in accrued officers' severance benefits	55,210	13,993	18,084
5. Increase (decrease) in accrued bonuses	(68,732)	15,299	98,623
6. Increase (decrease) in allowance for doubtful accounts	(3,049)	287	(3,019)
7. Interest and dividend income	(978)	(1,456)	(1,697)
8. Interest expense	9,510	9,178	12,876
9. Loss (gain) on valuation of investment securities	(1,424)	251	(502)
10. Loss on disposal of fixed assets	2,306	787	1,467
11. Decrease (increase) in notes and accounts receivable	(490,128)	(1,580,314)	(915,024)
12. Decrease (increase) in inventories	165,985	(521,008)	(716,775)
13. Decrease (increase) in other accounts receivable	71,854	(152,801)	(216,552)
14. Increase (decrease) in notes and accounts payable	89,093	324,708	22,470
15. Increase (decrease) in other accounts payable	15,266	103,481	56,305
16. Bonuses for officers through appropriation of income	(54,300)	(21,500)	(21,500)
17. Others	3,764	(33,977)	32,765
Subtotal	2,558,151	454,422	1,341,970
18. Interests and dividends received	978	1,456	1,697
19. Interests paid	(9,188)	(8,900)	(16,070)
20. Income taxes paid	(1,556,324)	(258,018)	(297,514)
Net cash provided by (used in) operating activities	993,617	188,960	1,030,082
II CASH FLOWS FROM INVESTING ACTIVITIES			
1. Payment for purchases of property, plant, and equipment	(1,149,528)	(1,959,114)	(3,015,539)
2. Proceeds from sales of property, plant, and equipment	-	20,244	20,244
3. Proceeds from collection of loans receivable	-	37,500	37,500
4. Others	(268)	966	21,274
Net cash provided (used in) investing activities	(1,149,797)	(1,900,404)	(2,936,521)
III CASH FLOWS FROM FINANCING ACTIVITIES			
1. Repayment of long-term borrowings	(157,660)	(41,685)	(43,725)
2. Payment for purchases by installment	(28,692)	(52,315)	(72,407)
3. Cash dividends paid	(285,086)	(163,551)	(163,551)
4. Proceeds from new stock issuance	-	2,511,500	2,511,500
Net cash provided by (used in) financing activities	(471,439)	2,253,947	2,231,816
IV Effect of exchange rate changes on cash and cash equivalents	8,860	2,478	(2,606)
V Increase in cash and cash equivalents	(618,758)	544,982	322,770
VI Cash and cash equivalents at beginning of period	2,288,982	1,966,212	1,966,212
VII Cash and cash equivalents at end of period	1,670,224	2,511,194	2,288,982

4. Segment Information

[Operating segment information]

Current nine months period (April 1, 2005 – December 31, 2005)

Given the similarities in the type of products, manufacturing methods and markets, the Group can be considered to operate in a single industry categorized as lamps. Accordingly, no operational segment information is presented.

Previous nine months period (April 1, 2004 – December 31, 2004)

Given the similarities in the type of products, manufacturing methods and markets, the Group can be considered to operate in a single industry categorized as lamps. Accordingly, no operational segment information is presented.

Previous fiscal year (April 1, 2004 - March 31, 2005)

Given the similarities in the type of products, manufacturing methods and markets, the Group can be considered to operate in a single industry categorized as lamps. Accordingly, no operational segment information is presented.

[Geographical segment information]

Current nine months period (April 1, 2005 – December 31, 2005)

The geographic segment information is not presented since the combined segment sales and assets in Japan represented more than 90% of total consolidated sales and assets.

Previous nine months period (April 1, 2004 – December 31, 2004)

The geographic segment information is not presented since the combined segment sales and assets in Japan represented more than 90% of total consolidated sales and assets.

Previous fiscal year (April 1, 2004 - March 31, 2005)

The geographic segment information is not presented since the combined segment sales and assets in Japan represented more than 90% of total consolidated sales and assets.

[Overseas sales]

Current nine months period (April 1, 2005 – December 31, 2005)

(thousands of yen)

	N. America	Asia	Others	Total
I. Overseas sales	652,926	4,740,801	95,365	5,489,094
II. Consolidated sales	-	-	-	9,008,535
III. Overseas sales as a percentage of consolidated sales (%)	7.2	52.6	1.1	60.9

Previous nine months period (April 1, 2004 – December 31, 2004)

(thousands of yen)

	N. America	Asia	Others	Total
I. Overseas sales	912,315	4,236,603	75,778	5,224,696
II. Consolidated sales	-	-	-	8,439,348
III. Overseas sales as a percentage of consolidated sales (%)	10.8	50.2	0.9	61.9

Previous fiscal year (April 1, 2004 - March 31, 2005)

(thousands of yen)

	N. America	Asia	Others	Total
I. Overseas sales	1,223,725	5,401,808	156,556	6,782,089
II. Consolidated sales	-	-	-	11,051,988
III. Overseas sales as a percentage of consolidated sales (%)	11.1	48.9	1.4	61.4