



Bel Increases Holdings to Over 6%, States Concerns to Toko Management

FOR RELEASE: IMMEDIATELY

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JERSEY CITY, New Jersey, December 20th, 2006 . . . BEL FUSE INC. (NASDAQ:BELFA) & (NASDAQ:BELFB) today made the following announcements with regard to its roughly 6.% investment in Toko Inc.(TSE: 6801; head office, Tokyo):

- 1) Over the past months, Bel has requested meetings with Toko to discuss its management strategy. On November 30, Bel requested a meeting with President Kitano of Toko for purposes of discussing the worsening financial position of the company, the need to retreat from the semiconductor business, the need for more oversight by the board, and Bel's intention to nominate at least one independent board member at the next annual shareholders meeting. Toko has refused to meet with Bel during this period and has not responded to its letters of October 18th and November 30th, even though the two firms have had discussions in the past and Bel is one of Toko's largest shareholders.
- 2) Bel is concerned about the significant worsening of Toko's financial performance and future projections, as reflected by the recent downward adjustment of its estimates for fiscal 2006 ordinary and net income (by 60% and 75%, respectively) from their amounts as forecasted last May. Further, Bel is disturbed that the company has not disclosed the detailed causes for its deteriorating financial position and has not announced any credible plan to restore profitability. Bel believes the company needs more external oversight, including independent directors on its board.
- 3) Bel believes that Toko's semiconductor division should be divested in a process directed by independent board members, as it continues to be a major drag on the company's profitability. Bel CEO Dan Bernstein said, "This part of Toko's strategy has completely failed. The foundry business is one which requires continuous large investments, scale, and competitive technology. For many years, Toko has mis-allocated huge resources to this non-core business without ever achieving scale, profitability, or competitiveness. This has clearly been sapping resources and managerial focus from the products where Toko is competitive. In terms of preventing further erosion of long-term corporate value, divestment is the only sensible decision at this point."

Bel has presented to Toko an overview of its company and strategy, and has given Toko executives a tour of its factory in China. It hopes that the company will reciprocate in a similar manner. In addition, Bel has had discussions with other companies about its holdings in Toko.

- 4) Bel has recently purchased additional stock of Toko in the market, and now holds approximately 6% of Toko's outstanding stock. Depending on the market price, Bel is considering further increasing its holdings in Toko stock.

Background

Since the end of 2005, Bel has presented to Toko's management ways to combine the respective strengths of the two companies in one "group" in a mutually beneficial, friendly transaction. Bel CEO Daniel Bernstein said, "Structurally we are very flexible, as long as the two companies can achieve the goals of fairness to all shareholders, enhancing efficiencies and technology delivery to customers, and managing for greater long-term growth, innovation, and stability. In addition to a friendly TOB, we have also proposed a triangular merger in which Bel would effectively acquire Toko, or even a triangular merger whereby Toko would be the 'acquiring company', effectively absorbing Bel as its 100% affiliate".

Mr. Bernstein explained that "In any of the transactions we have proposed, we believe that the long-term value that Toko

shareholders stand to receive from this highly synergistic combination could be significantly higher than current prospects for their shares. But unless Toko's board discusses and negotiates details with us, we cannot refine further details about pricing, transaction structure, or the joint strategy, since all of these depend on one another."

Bel has proposed that joint management of the new "group" would focus on healthy growth based on synergies from the two firms' highly complementary customer bases, distribution networks, production facilities, products, and technologies. Bel stressed that the full prior agreement and understanding of Toko's management is an essential precondition to executing any transaction, both legally and from Bel's point of view. "A triangular merger cannot be executed at all unless Toko's board first negotiates terms of a merger agreement and then passes a resolution approving the deal for consideration and final approval by shareholders. This would be the Toko board's own decision." Mr. Bernstein pointed out. Bel is confident that Toko's employees will benefit from the growth opportunities and business revitalization that can be captured by the proposed transaction.

Through its 100% subsidiary Bel Ventures Inc., Bel currently holds 5,874,919 shares of Toko stock, corresponding to 6.02% of Toko's total outstanding shares. The acquisition of Toko stock has been conducted through market purchases. Bel is hopeful that the two companies will soon resume meaningful discussions to determine how best to maximize shareholder and stakeholder value for both companies.

About Toko

Toko (6801 JP; head office, Tokyo) (www.toko.co.jp/top/en) develops, manufactures and sells power supply-related and high frequency components applied in diverse areas such as information communications equipment, audiovisual equipment, flat panel displays, digital cameras, PCs, and mobile phones. Toko's products include voltage regulators, choke coils, inductors, inverters and converters, white LED drivers, LC and other filters interface modules, and wireless LAN modules.

About Bel

Bel (www.belfuse.com) and its subsidiaries are primarily engaged in the design, manufacture and sale of products used in networking, telecommunications, high speed data transmission, and consumer electronics. Products include magnetics (discrete components, power transformers and MagJack®), modules (DC-DC converters, integrated analog front end modules and custom designs), circuit protection (miniature, micro and surface mount fuses) and interconnect devices (passive jacks, plugs and cable assemblies). Bel operates facilities around the world.

Forward-Looking Statements

Except for historical information contained in this news release, the matters discussed (including the statements regarding the Company's potential future discussions with Toko and strategic options) are forward looking statements that involve risks and uncertainties, including risks associated with the regulatory and trade environment; uncertainties associated with legal proceedings; difficulties associated with predicting Toko's responses to the Company's proposals; and the risk factors detailed from time to time in the Company's SEC reports. In light of the risks and uncertainties, actual results could differ materially from our forward-looking statements. We undertake no obligation to update or revise any forward-looking statements.

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Bel Fuse Inc.
206 Van Vorst Street
Jersey City, NJ 07302
www.belfuse.com
tel 201.432.0463
fax 201.432.9542

Investor Contact:

Neil Berkman Associates
(310) 277-5162
info@berkmanassociates.com

Company Contact:
Daniel Bernstein
President
ir@BelFuse.com