

January 24, 2007

Taiyo Yuden Announces Establishment of Subsidiary

Taiyo Yuden announced establishment of the wholly owned subsidiary, Niigata Taiyo Yuden Co., Ltd., in a decision taken at a meeting of the company's Board of Directors on January 24, 2007. Details are as follows.

1) Reasons for Establishment of Subsidiary

World demand for electronic parts, while exhibiting some short-term fluctuations, is expected to increase in the long run. Based on this expectation, Taiyo Yuden has concluded that production capacity will need to expand over the long term, both overseas and in Japan.

Since land for construction of plants will be needed for this future expansion of production capacity in Japan, the company has now made a decision to acquire 150,000 square meters of land in Joetsu city, Niigata prefecture, and to establish a new manufacturing subsidiary, Niigata Taiyo Yuden Co., Ltd.

2) Summary of Subsidiary Establishment

Company name: Niigata Taiyo Yuden Co., Ltd.

Location: 197-8, Kamiyoshi, Kubiki-ku, Joetsu-shi, Niigata-ken, Japan

President: Shoichi Tosaka (Taiyo Yuden Co. Ltd. Director, Senior Operating Officer, Chief of Operation Headquarters I)

Date established: January 30, 2007 (planned)

Capitalization: 2.0 billion yen (Capital 1.0 billion yen, capital reserve 1.0 billion yen)

Stockholders: 100% held by Taiyo Yuden Co., Ltd.

Main operations: Manufacture of electronic parts (production to concentrate on compact high-value multilayer ceramic capacitors)

Financial term: Ends March 31

Site area: Approximately 150,000 square meters

Investment amount: Approximately 6.0 billion yen planned to be invested during the fiscal year ending March 2008.

Expected operations start date: April 2008

3) Effect on Future Performance

The effect of establishment of this subsidiary on the consolidated financial performance of Taiyo Yuden is expected to be minor.