

For immediate release

**Taiyo Yuden Announces Details of an Extraordinary Loss due to Structural Reforms
Implemented in the Company's Optical Media Products Business
While Revising Its Forecasts of Results**

TOKYO, September 27, 2010 — TAIYO YUDEN CO., LTD. resolved to implement certain structural reforms in its optical media products business at a Board of Directors meeting held today. Details of the structural reforms to be implemented and subsequent extraordinary loss are presented as follows. In addition, the Company announces revisions to its forecasts of results for the cumulative six-month period of the fiscal year ending March 31, 2011 (April 1, 2010 to March 31, 2011) previously disclosed on August 4, 2010. Brief details are also presented as follows.

1. Structural Reforms of the Optical Media Products Business

(1) Background and rationale for the implementation of structural reforms

Since the development of the CD-R in 1988, Taiyo Yuden has promoted such optical media products as CD-Rs, DVD-Rs and BD-Rs as one of its businesses. Despite intense competition particularly from overseas manufacturers during this period, and through the supply of a continuous stream of high-quality items, Japanese-made products have attracted wide acclaim from a large number of users due to their reliability.

On the other hand, reflecting the growing use in recent years of innovations other than optical media products including such large-capacity recording devices as external HDDs and flash memories, the markets for existing optical media items including CD-Rs and DVD-Rs have rapidly contracted. In order to address these conditions, Taiyo Yuden has endeavored to reduce direct input costs, increase productivity and expand sales channels. At the same time, the Company has worked diligently to develop user-friendly products. Despite these initiatives, the Group's results continue to significantly suffer owing largely to the extremely harsh business environment.

The Company implemented measures in the fourth quarter of the previous fiscal year including cutbacks in the inventories of such existing products as CD-Rs and DVD-Rs. This was due to intense competition from overseas optical media products on the back of a greater than anticipated contraction in the market and appreciation in the value of the yen, together with the sharp rise in raw material prices and other factors. Taking these factors into consideration, an extremely difficult operating climate is forecast to continue into the future particularly for existing products. In an attempt to counteract these conditions, the Taiyo Yuden Group has recognized the need to quickly revitalize its optical media products business by implementing certain structural reforms on the Company's existing products.

(2) An overview of structural reforms

1. Streamline the Company's production structure and systems

From a current level of 110 million units per month, Taiyo Yuden will streamline the production of optical media products to 65 million units per month. In order to ensure the optimal level of inventories, the Company will also cut back inventory from the level recorded as of March 31, 2010 by around 40% by March 31, 2011.

2. Rationalize personnel

Consistent with steps to streamline the Company's production structure and systems outlined in 1. above, Taiyo Yuden will reassign personnel currently working in the optical media products business to the electronic components business which includes new businesses. Through this and other measures, steps will be taken to rationalize personnel with a staff reduction of around 45% in this business.

(3) Outlook for the optical media products business

The optical media products business is expected to return to the black from the fiscal year ending March 31, 2012 as a result of the aforementioned structural reforms.

2. Recording of an Extraordinary Loss

Taiyo Yuden plans to incur extraordinary retirement and impairment losses totaling ¥9.1 billion for the consolidated second quarter of the fiscal year ending March 31, 2011 owing to the structural reforms outlined. Taking into consideration these retirement and impairments losses, the Company will record a reduction in depreciation expenses relating to the relevant equipment. As a result, depreciation expenses are projected to fall approximately ¥1.5 billion for the cumulative third and fourth quarters of the fiscal year under review.

3. Revisions to Forecasts of Results

(1) Consolidated Results for Six Months Ending September 30, 2010

(April 1, 2010 – September 30, 2010)

Unit: Millions of yen (Millions of yen unless otherwise stated)

	Net Sales	Operating Income	Ordinary Income	Net Income (Loss)	Net Income (Loss) per Share [Yen]
Previous Forecast (A)	115,000	9,000	8,000	4,500	38.26
Revised Forecast (B)	115,000	9,000	8,000	(2,800)	(23.81)
Net Change (B–A)	0	0	0	(7,300)	
Net Change [%]	0	0	0	-	
(Reference) Six months ended September 30, 2009	94,996	1,842	121	(1,420)	(12.08)

(2) Rationale

Due to the recording of an extraordinary loss in connection with the implementation of certain structural reforms in the optical media products business, Taiyo Yuden has revised its consolidated results forecasts for the cumulative second quarter of the fiscal year ending March 31, 2011 as above. The Company plans to disclose the details of revised results forecasts for the full fiscal year, in conjunction with its announcement of Consolidated Results for the Six Months Ending September 30, 2010 scheduled for November 5, 2010.

Disclaimer concerning Forecasts of Results:

The aforementioned forecasts of results are based on information available as of the date of this news release. As a result, information included in this document may include uncertain factors, and actual results may differ materially from forecasts due to a variety of factors.