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FOR IMMEDIATE RELEASE

**TAITRON RELEASES
LETTER TO SHAREHOLDERS**

LOS ANGELES, California – April 18, 2002 -- Taitron Components Incorporated (Nasdaq:TAIT) today released a Letter to Shareholders written by Johnson Ku, Chairman and Stewart Wang, CEO.

“Dear Shareholder:

The year 2001 was a very challenging year for us. Not only was the year 2001 one of the largest cyclical down turns in the electronic distributor industry, but also a beginning to an economic recession.

While sales decreased by 49%, we were able to reduce costs only by 17%. Unfortunately, our cost reduction programs did not take full and complete effect until later in 2001, as such, we posted a net loss of \$1.2 million. This is the first annual loss we incurred since 1991. However, on the positive side, we feel that the decline in sales has finally stabilized and that our first quarter results of 2002 will show sequential improvements, and more importantly, provide some positive signs that the cyclical down turn may be over.

We were also able to reduce our total debt by 22%. We have a healthy debt to equity ratio of .54 to 1. Most of the reduction of debt was a result of our inventory reduction program. At December 31, 2001, we had in excess of \$25 million of equity and \$38.8 million of total assets.

Founded in 1989, Taitron has developed the reputation of “the Discrete Superstore in North America.” Moving forward into 2002, our biggest challenge ahead of us is to reposition ourselves as the leading supplier of the low cost discrete components in the Americas. Our strategic moves include:

- Plan to increase the type of low cost discrete components and improve inventory coverage to meet our customer's demand. For example we have introduced a “PSD” brand carrying low cost commodity products supplied by a few strategic overseas factories. With expected higher demand and faster turn, the PSD brand should help reduce the carrying costs and offer our customers the most competitive price in the market.
- Further promote our customized Vendor Managed Inventory (“VMI”) service to our strategic customers. The VMI program allows participating customers to access our allocated inventory through our web site without physically carrying the stock.
- Partner with our preferred distributors and local resellers to support their customers in all major cities.
- Expect to focus on few strategic suppliers listed on our line card and provide our customers with knowledgeable sales and engineering services.

- Plan to open additional domestic sales offices and extend services to our customer's overseas facilities. We are considering opening up a branch office in China.
- Continue to upgrade our warehouse management system (“WMS”) to further reduce the handling costs and to install a customized supply chain program to improve operational efficiency and inventory turns.
- Extend our market niche to further include passive components and special commodity type integrated circuits. Our core value is built on lower prices, immediate delivery, quick service and product focus. To defend against the broad line distributors who serve everything to everybody, we choose to place our marketing efforts with only few good suppliers who truly appreciate the value of our service to “their” customers.
- Expect to balance our efforts to control operating costs, improve inventory turns and open additional offices. For example, we have taken advantage of recent industry layoffs and have recruited some industry veterans.
- Continue to obtain “ship and debits” from manufacturers which improve our sales profit margins and exercise price protection and stock rotation privileges in our franchise agreements which reduces the cost of inventory.

We expect a better sales performance from ourselves in 2002. Fortunately, our financial position remains strong enough to support us during this difficult time. For example, with \$25 million dollars of shareholders equity, we were able to complete a new loan package, which provides us with a \$15 million dollar line of credit. As of today, we have used approximately \$10 million of the \$15 million credit line and have \$5 million available to draw upon. Once the recession is over, we believe we will be well positioned to grow our business. We like to express our thanks to our employees for their dedication and belief in our company. Finally, we want to thank you for your support, loyalty and patience.

Johnson Ku, Chairman
Stewart Wang, CEO and President”

Taitron, based in Valencia, California, is the “Discrete Components Superstore.” The Company distributes a wide variety of transistors, diodes and other discrete semiconductors, optoelectronic devices and passive components utilized by other electronic distributors, original equipment manufacturers and contract electronic manufacturers.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Any statements set forth above that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements projected or implied. Potential risks and uncertainties include, but are not limited to, such factors as general economic conditions, fluctuations in product demand and/or market acceptance, the Company's ability to maintain customer and vendor relationships, technological advancements, impact of competitive products and pricing, risks of foreign operations, and other information detailed from time to time in the Company's reports filed or to be filed with the United States Securities and Exchange Commission. The Company urges all interested parties to read these reports to gain a better understanding of the many business and other risks that the Company faces. Additionally, the Company undertakes no obligation to publicly release the results of any revisions to these forward-looking statements, which may be made to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events.