



FOR IMMEDIATE RELEASE

Diodes Incorporated Updates Third Quarter Guidance

- *Q3 FY 2004 revenue expected to be at upper range of prior guidance*

Westlake Village, California, September 9, 2004 – Diodes Incorporated (Nasdaq: DIOD), a leading manufacturer and supplier of high quality discrete semiconductors, today updated its guidance for the third quarter ending September 30, 2004.

The Company now expects to report sequential revenue growth on the high end of its previous guidance of 2-5% sequential growth from the record \$47.0 million in the second quarter of 2004.

In addition, Diodes anticipates that its gross profit margin will show a slight sequential improvement from the previous quarter's gross margin of 32.0%, due to the Company's improved product mix, new product revenue expansion and manufacturing cost efficiencies.

C.H. Chen, President and CEO of Diodes Incorporated, said, "Based on strong order flow for our products in both Asia and North America, we are projecting another successful quarter of record sales and improved earnings. Diodes continues to focus on innovative value-added products which help us to maintain strong margins and grow our reputation as a technology innovator and performance leader in the discrete semiconductors market."

The Company's discussion of third quarter financial and operating performance is based on preliminary information and subject to change based on actual financial and operating results for the period.

About Diodes Incorporated

Diodes Incorporated (Nasdaq: DIOD) is a leading manufacturer and supplier of high-quality discrete semiconductor products, primarily to the communications, computing, industrial, consumer electronics and automotive markets. The Company operates three Far East subsidiaries, Diodes-China (QS-9000 and ISO-14001 certified) in Shanghai, Diodes-Taiwan (ISO-9000 certified) in Taipei, and Diodes-Hong Kong. Diodes-China's manufacturing focus is on subminiature surface-mount devices destined for wireless devices, notebook, flat panel display, digital camera, mobile handset, set-top box, DC to DC conversion, and automotive applications, among others. Diodes-Taiwan is our Asia-Pacific sales, logistics and distribution center. Diodes-Hong Kong covers sales, warehouse and logistics functions. The Company's 5" wafer foundry, Diodes-FabTech (QS-9000 certified), specializes in Schottky products and is located just outside Kansas City, Missouri. The Company's ISO-9001:2000 corporate sales, marketing, engineering and logistics headquarters is located in Southern California. For further information, including SEC filings, visit the Company's website at www.diodes.com.

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. Potential risks and uncertainties include, but are not limited to, such factors as fluctuations in product demand, the introduction of new products, the Company's ability to maintain customer and vendor relationships, technological advancements, impact of competitive products and pricing, growth in targeted markets, risks of foreign operations, and other information detailed from time to time in the Company's filings with the United States Securities and Exchange Commission.

Source: Diodes Incorporated

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Recent news releases, annual reports, and SEC filings are available at the Company's website: <http://www.diodes.com>. Written requests may be sent directly to the Company, or they may be e-mailed to: diodes-fin@diodes.com.

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