

For Immediate Release

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DIODES ANTICIPATES LOWER SECOND-QUARTER EARNINGS

— Cites Effects of Industry-Wide Pricing Pressures —

Westlake Village, California — June 5, 1998 — Diodes Incorporated (Amex: DIO) today announced that earnings in the second quarter ending June 30, 1998 are expected to be significantly lower than in the second quarter of 1997. In the second quarter of 1997, the Company reported net income of \$1.2 million, or \$0.23 per diluted share, on sales of \$15.5 million.

Michael Rosenberg, President of Diodes, noted that since the beginning of 1998 the electronics industry, including the semiconductor segment, has experienced a slowdown. "Despite higher unit sales," said Mr. Rosenberg, "the industry-wide lower average selling prices, coupled with the weakness of the Asian market, are adversely affecting the Company's revenues and gross margins.

"This environment was reflected in the Company's first-quarter, in which we earned \$1.2 million, or \$0.22 per diluted share, down \$0.03 per diluted share from the fourth quarter of 1997. Because these adverse market conditions are still with us and have in fact been more severe in the first two months of the second quarter, we expect second-quarter earnings to be significantly lower than earnings in the first quarter.

"On a positive note," continued Mr. Rosenberg, "Diodes' management has adopted stringent steps to reduce inventory and overhead, has managed to negotiate lower prices with many of its suppliers, and the initial phase of the previously announced expansion plan at the KaiHong facility is on schedule. Also encouraging is the fact that customers for the increased capacity at KaiHong have been identified, and we expect KaiHong to make a noticeable contribution to top- and bottom-line results in the third and fourth quarters.

"On the strength of our long-standing relationship with the Lite-On Group and our new strategic alliance with Vishay Intertechnology," concluded Mr. Rosenberg, "we believe we are better positioned than ever to

achieve a greater share of the market for discrete semiconductors."

The Company expects to report second-quarter financial results during the week of July 27, 1998.

Diodes Incorporated provides high-quality discrete semiconductor devices and customer support to leading manufacturers in the automotive, electronics, computing and telecommunications industries. Diodes' products include small signal transistors and MOSFETs, transient voltage suppressors (TVSs), zeners, Schottkys, diodes, rectifiers and bridges.

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 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.

Recent news releases, annual reports, and SEC filings are available at the Company's web site: <http://www.diodes.com>. Written requests may be sent directly to the Company, or they may be e-mailed to: diodes-info@diodes.com. Recent news releases may also be obtained via fax by dialing 800-758-5804, ext. 246725.