

## NOTE TO PULSER CUSTOMERS

Important News for PulseR Customers

Dear Customer,

On May 22nd, Yageo Corporation, a Taiwan-based provider of passive components services, announced that it has entered into a definitive agreement to acquire Pulse Electronics. I've copied the press release Yageo issued announcing the transaction below.

However, I want to make an important clarification. The press release from Yageo didn't specify that PulseR, our business serving the ruggedized markets, will not be acquired by Yageo.

Prior to the close of the transaction, this business will be spun out from Pulse, so that it can continue to operate as a standalone business based in Bristol, PA. PulseR will continue to be backed by funds managed by Oaktree Capital Management, L.P., our current owner.

As such, today's announcement has no impact on our relationships with our PulseR customers. The resources available to you will not change – nor will our commitment to serving you and with the same integrity and principles that you have come to know from Pulse.

As always, thank you for your continued support of Pulse.

Best,



Mark Twaalfhoven  
Chief Executive Officer  
Pulse Electronics

**Yageo's Board of Directors approved resolution of through Yageo's 100% owned subsidiary Pluto Merger Corporation to acquire 100% shares of Pulse Electronics**

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Yageo Corporation (TAIEX: 2327 TW) today announced to acquire 100% shares of Pulse Electronics, an American leading electronic components partner that helps customers build the next great product by providing the needed technical solutions. Through Yageo's 100% owned subsidiary Pluto Merger Corporation, the total purchased amount will be US\$ 740 million, equivalent to NT\$ 22 billion. Both parties signed the contract today and expect to complete this acquisition soon after finishing all preparations and receiving approval from authorized government agency. In 2017, Pulse's consolidated revenue was about NT\$ 12 billion and operating margin was about NT\$1.3 billion.

Pulse Electronics is a portfolio company of funds managed by Oaktree Capital Management, L.P. ("Oaktree"). Oaktree acquired 100% shares of Pulse Electronics in April 2015 through its investment fund, and in the same year, Pulse was delisted from the New York Stock Exchange as a private company. Pulse was established in 1947 and is headquartered in San Diego, USA. There are 16 R&D and design centers located in Asia, the United States and Europe and 8 sales offices worldwide, and 8 production plants in China, the United States, the Czech Republic and India with 6,000 employees in total, including 270 R&D engineers and 200 salespersons. Pulse is a global comprehensive supplier of electronic components. The main products are wireless components (FluidANT 3D Printing antenna, Laser Direct Structuring antenna, and infrastructure antenna modules), high-end transformers, integrated connector modules, RF Chip inductors, power supplies and cable systems. Pulse has a long-term development in automotive electronics and industrial applications with more than 70 years global brand. Pulse holds a leading position by its R&D and design-in capabilities in advanced 5G and EV (electric vehicle) technology with many patents worldwide. Pulse also focused on other applications like networking equipments, wireless communications, and power management. End customers include global brand manufacturers and distributors in these segments. Sales area in China accounted for 44 %, Europe for 32%, Americas for 15%, the rest of Asia for 9%.

The strategy of Yageo to acquire Pulse aims to: (1) Product portfolio expansion, not only providing complete passive components but also offering one-stop shopping service to the customers in electronic components such as wireless components, high-end transformers, integrated connector

modules, RF chip inductors, power supplies and cable systems (2) Increase Yageo's operation scale and market presence in the United States and Europe. (3) Continuously to strengthen Yageo's development in the automotive and industrial markets. (4) Further expanding the business scale of Pulse's electronic components through Yageo's global market allocations and sales channels. (5) Further leveraging the synergies in technology, production, and management between Yageo and Pulse.

Citi served as the exclusive financial advisor to Yageo for this transaction. Through this acquisition, Yageo expects to continue to expand the company's operating scale, obtain more advanced technologies to enhance its international competitiveness, provide faster and more efficient service for global customers, and create higher value for the industry and the shareholders.