Strategic Move into the Sensor Market

YAGEO Corporation

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Innovative Service Around the Globe YAGEO

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YAGEO Strategic Move into the Sensor Market

- YAGEO's Vision, Mission and Growth Strategy
- Another Chapter for YAGEO Business Transformation
- Company Overview: Heraeus Nexensos & Telemecanique Sensors
- Synergy Creation to Unlock Values

Our Vision & Mission

Our Vision:

Innovative Service Around the Globe

Our Mission:

Empowering the Future with Innovative Component Solutions

Our Growth Strategy

Provide **total solutions** with broad product selections (resistors, capacitors, inductors, and wireless/power components) across all market segments with focus on new technologies (5G, automotive(EV), industrial, and IoT)

Continue to grow **organically and through M&A** and become a passive component powerhouse

Provide **innovative and customized services** such as design-in, EDI, JIT, VMI, and online B2B services to our clients

Continue to enhance our expertise in both **manufacturing craft and technologies advancement**

Expand our **global presence and scale** through our global sales and network, distributors, and blue-chip focused customers

Long-term Focus on Premium Business

1. Definition	Standard	Premium
(1) Product Technology	**Commodity**	**Specialty**
	Part number	Design-in
	High volume	Medium volume
(2) Geography/Channel	**Greater China, APAC ex-Japan**	**US, Europe, Japan**
	Quarterly contracts	1 to 3 year contracts
	Dynamic pricing & follows the market	Price with steady growth & premium
(3) Application Focus	**Consumer, Computing, Communications**	**Auto, Industrial, Aero & Defense, Medical, Datacenter**
2. Characteristic	**Standard**	**Premium**
Margin	Normal	High
Beta	High	Low
Order Visibility	Short	Long
Entry Barrier	Pricing	Quality, Relationship, Access
Market Valuation	Low	High
3. Sales Contribution	**Standard**	**Premium**
Sales Percentage	**25%**	**75%**

How does sensor fit into our existing strategy

Similar high-end component business model

Numerous opportunities across sensor markets

Robust growth driven by industry tailwinds

Premium business nature in-line with our long-term strategy

Heraeus Nexensos at a glance

Heraeus Nexensos is the global leader in premium platinum thin-film temperature sensors for superior temperature range, high precision measurement and high stability with over 100 years of history in high-end industrials and automotive segments.

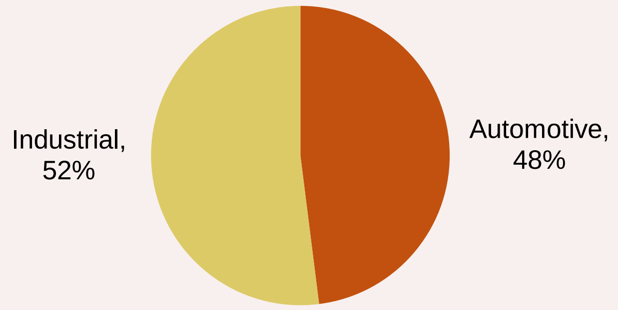
Product Portfolio

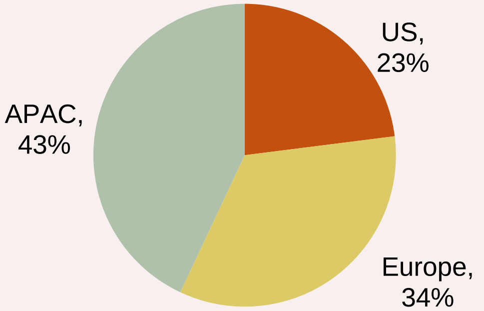
- Heraeus Nexensos provides a wide array of platinum thin-film temperature sensor elements in different formats, including but not limited to leaded sensors, SMD (surface mount device) and PCB (printed circuit board) to accommodate various designs from customers.
- Leading position in platinum thin-film temperature.

Key Facts

- Revenue in FY2021: EUR 78.5 million (~ NT$2.45 bn)
- Full-time employee: ~480
- Production sites: 1 in Germany and 1 in Malaysia

Revenue Spilt by Segment and Region





*The transaction is still subject to merger control from various jurisdictions.

Telemecanique Sensors at a glance

Telemecanique Sensors is a leading global specialist in the design, development, and delivery of mission-critical electromechanical and electronic sensors.

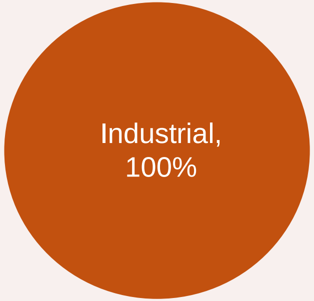
Product Portfolio

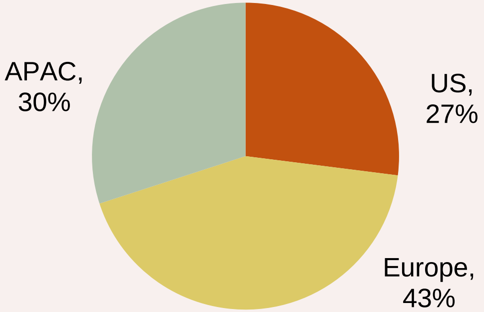
- With over 90 years of continuous innovation in sensors, Telemecanique Sensors has built a broad portfolio of sensing solutions including high-end limit switches, proximity sensors, and pressure sensors. Its products are used in several fast-growing macro trends such as IoT, Industrial Automation, Industry 4.0 and Infrastructure, and other applications.
- Leading position in industrial sensors.

Key Facts

- Revenue in FY2021: EUR 280 million (~ NT$10.5 bn)
- Full-time employee: ~1,600
- Production site: 2 in France, 1 in US, Mexico and Indonesia each.

Revenue Spilt by Segment and Region





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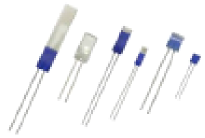
Comprehensive Sensing Products Portfolio

YAGEO			Heraeus Nexensos	Telemecanique Sensors
Current	Voltage	Thermal	Thermal	Industrial
• Current Sensor • Transformer • Fluxgate Circuit • Rogowski Coil	• Thin Film Resistor • Surge Resistor • High Voltage	• Negative Temperature Coefficient matetrial (Sensor , SMD) • Temperature Sensitive Ferrite	• Thin Film Platinum Sensor (harsh environment, stable long product lifetime, high accuracy and quick response time)	• Limit Switches • Proximity Sensors, including Inductive Sensors, Photoelectric Sensors and Ultrasonic Sensors • Pressure Switches & Sensors • Safety Switches & Sensors
				

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Create Synergy to Unlock Values

A Stronger YAGEO

- Revenue contribution from growing sensor business
- Improving gross margin performance
- Seasoned management team with significant track record in sensor business
- Fortify YAGEO long-term transformation strategy

More Powerful Sensor Business

- YAGEO's strong global customer base and infrastructure to further support Heraeus Nexensos & Telemecanique Sensors's growth globally, especially in APAC.
- Accelerate sensor business growth from YAGEO-backed support in expansion and resources

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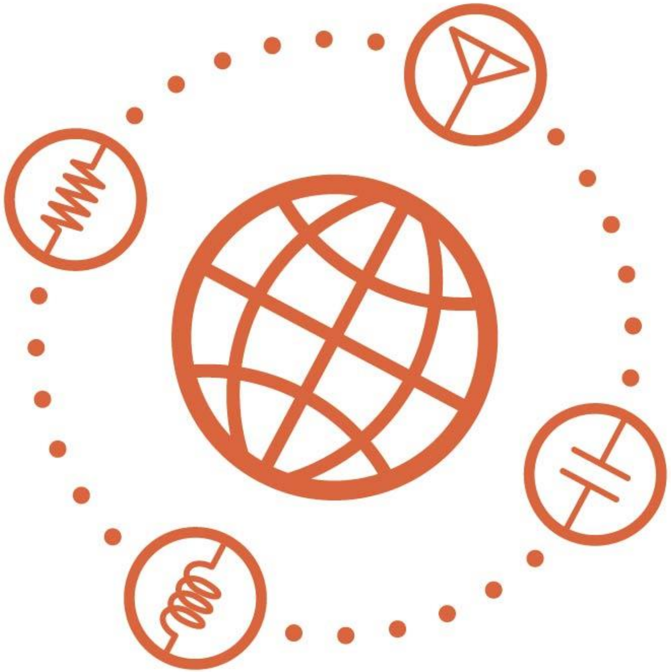

Thank you