



Cypress Enters Into a Joint Venture With SK hynix system ic for NAND Flash Business

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Sharpens Cypress' Focus on Connect, Compute and Store Solutions in Automotive, Industrial and IoT Markets while Providing Continued Support to NAND Customers

SAN JOSE, Calif.--(BUSINESS WIRE)--Oct. 25, 2018-- Cypress Semiconductor Corp. (Nasdaq: CY), a leader in embedded solutions, today announced that it has entered into a joint venture with SK hynix system ic, Inc. Under an agreement for an initial five-year period, the joint venture will manufacture and sell Cypress' existing single-level cell (SLC) NAND products and will continue to invest in next-generation NAND products. The joint venture will be 60-percent-owned by SK hynix system ic and 40-percent-owned by Cypress, and it will be based in Hong Kong.

"This joint venture provides a path to a continued and stable supply to customers longer term," said Hassane El-Khoury, Cypress' president and chief executive officer. "A key aspect of our Cypress 3.0 strategy is to focus on our core technology targeting growth markets. We will continue to sharpen our focus on differentiated Connect, Compute and Store solutions that target the automotive, industrial and IoT markets, which have longer design cycles. Our NAND customers will now be supported by the joint venture, and the joint venture will continue to support their future needs while allowing Cypress to participate in the success of the joint venture."

Cypress will transfer its full portfolio of SLC NAND Flash memories to the joint venture. The 1Gb to 16Gb devices provide reliable data storage for communications, consumer, automotive and industrial applications. The products are available in compact packages to fit in small form factors, and they meet stringent quality standards, including AEC-Q100 automotive-grade quality.

The implementation and launch of the joint venture is expected to take place in the first quarter of 2019, subject to applicable regulatory approvals having been obtained (including the expiration or termination of the applicable waiting periods) and other customary closing conditions.

About Cypress

Cypress is a leader in advanced embedded solutions for the world's most innovative automotive, industrial, smart home appliances, consumer electronics and medical products. Cypress' microcontrollers, wireless and USB-based connectivity solutions, analog ICs and reliable, high-performance memories help engineers design differentiated products and get them to market first. Cypress is committed to providing customers with the best support and development resources on the planet enabling them to disrupt markets by creating new product categories. To learn more, go to www.cypress.com.

Forward-Looking Statements

Statements herein that are not historical facts and that refer to Cypress or its subsidiaries' (or the joint venture's) plans and expectations for the future are forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. We may use words such as "may," "should," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "potential," "future," "continue" or other wording indicating future results or expectations to identify such forward-looking statements that include, but are not limited to, statements related to: the future financial and operational performance of the joint venture; the effective date of the implementation and launch of the joint venture; the ability of the joint venture to supply customers with a continued and stable supply of products; and the ability of the joint venture to make continued investment in NAND products. Such statements reflect our current expectations, which are based on information and data available to our management as of the date of this press release. Our actual results (and the results of the joint venture) may differ materially due to a variety of risks and uncertainties, including, but not limited to: the uncertainty of regulatory review; our ability to execute on our Cypress 3.0 strategy; global economic and market conditions; business conditions and growth trends in the semiconductor market; the ability of the joint venture to compete effectively; the volatility in supply and demand conditions for semiconductor products, including but not limited to, the impact of seasonality on supply and demand; the ability of the joint venture to develop, introduce and sell new products and technologies; potential problems relating to manufacturing activities; and other risks and uncertainties described in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections in our most recent Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission. We assume no responsibility to update any such forward-looking statements.

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