



November 1, 2017

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Announcement of Termination of Distributor Agreements with Major Business Partners

TOKYO ELECTRON DEVICE LIMITED (the “Company”) hereby announces its decision to terminate the distributor agreements with its major business partners Analog Devices International (“Analog Devices”) and Linear Technology KK (“Linear Technology”), as per the following.

1. Background of the termination

While engaged in the sales of various semiconductors as a sales representative of Analog Devices and Linear Technology, the Company has decided to terminate the distributor agreements with the two companies on January 31, 2018, following changes in their distributorship policies in Japan. As Linear Technology Corporation was acquired by Analog Devices, Inc. in March 2017, the above termination shall actually be the termination of business with a single entity.

2. Outline of the business partners

Name	Analog Devices International	Linear Technology KK
Location	Ireland	Chiyoda-ku, Tokyo
Business description (Note)	Design, manufacture and sales of analog integrated circuits (ICs), mixed-signal ICs, digital signal processing (DSP) ICs, etc.	Design, manufacture and sales of a broad line of high-performance analog ICs for communications, networking, industrial use, automotive, computers, etc.
Relationships between the Company and the business partners		
Capital relationship	Not applicable	Not applicable
Personal relationship	Not applicable	Not applicable
Business relationship	Purchase and sales of the company’s products	Purchase and sales of the company’s products
Status of related parties	Not applicable	Not applicable

(Note) The business description above refers to Analog Devices, Inc. and the former Linear Technology Corporation.

3. Description of transactions

1) Type of transaction: Purchase and sales of products manufactured by each company

2) Actual net sales (for the fiscal year ended March 31, 2017)

Company name	Net sales	Ratio against the Company's consolidated net sales
Linear Technology	¥8,199 million	
Analog Devices	¥5,926 million	
Total	¥14,126 million	10.7%

4. Future outlook

Company name	Scheduled date of transaction termination*
Linear Technology	January 31, 2018
Analog Devices	April 30, 2018

* As of November 1, 2017, transactions with each company are scheduled to be terminated on the above dates.

Details for the transfer of business, etc. will be discussed between the parties.

The termination is expected to have an immaterial impact on the Company's financial results for the fiscal year ending March 31, 2018.

For the fiscal year ending March 31, 2019 and thereafter, the Company shall be committed to minimizing such impact by working on further sales promotions of its existing products and strengthening its own brand business.

(Reference) Consolidated financial forecasts for the current fiscal year (announced on September 28, 2017) and consolidated financial results for the previous fiscal year

(Millions of yen)

	Net sales	Ordinary income	Net income attributable to owners of parent
Consolidated financial forecasts for the current fiscal year (Fiscal year ending March 31, 2018)	154,000	2,000	1,200
Consolidated financial results for the previous fiscal year (Fiscal year ended March 31, 2017)	131,855	1,377	972