



March 19, 2020

Cypress Customers:

Due to the ongoing global health emergency caused by an outbreak of coronavirus (known as COVID-19), it is imperative that we stay connected to ensure we keep you abreast of Cypress' business operations and supply chain status.

We want to assure you that Cypress' global community, led by our corporate pandemic team, which includes two Executive Vice Presidents, has been actively monitoring the COVID-19 pandemic. This team is comprised of personnel from across the company that is empowered to make proactive and reactive decisions for our sites and create pandemic-related corporate policy to ensure the safety and health of our global workforce. Our team is regularly discussing best practices with our peer organizations to ensure we are proactively protecting our teams and our customers.

Our supply chain organization is in close coordination with Cypress manufacturing locations and partner sites worldwide to minimize the impact to our customers and maintain overall supply health. Cypress' Fab in Austin, Texas, backend facility in Bangkok, and our subcon sites in Japan, Taiwan and Singapore are operating under normal status with no impact to our customers. Our subcon sites in China have mostly recovered to pre-crisis capacities. All impacts have been previously communicated and are incorporated in our current commitments.

Over the last 72-hours, Cypress, as well as many other organizations, has seen impact to our locations in San Jose, CA, U.S.A., Penang, Malaysia and Cavite, Philippines.

Cypress is committed to maintaining processing and shipping capability to our customers from our distribution centers in the Philippines and Thailand. However, we do expect some logistics delays as a result of the large backlog of global airfreight. We are taking every precaution to ensure your continuity of supply and will continue to update our commitments if we see any impact to specific order lines. We are committed to proactively communicating any changes to schedule dates through daily tracking of changes and backlog reports for our customers.

Cavite Philippines (CML) Facility

The Philippine Government has issued an Enhanced Community Quarantine Over Luzon from March 18 through April 12, 2020.

This order has directly impacted our operations and staff in Cavite, and as a result, we are operating at 30-40% of normal capacity. Although our distribution center has also been impacted, Cypress continues to have capability to fulfill and ship customer orders. Logistics networks in to and out of the Philippines have been directly impacted by this order as well. We expect reduced airfreight capacity and extended transit delays in to and out of this location to continue.

CML is a key distribution site for many of our components produced at external manufacturing locations. As a result, many of those products will see extended transit and fulfillment turnaround times while the situation stabilizes.

In light of the instability within the region and potential further local government policies affecting operations, Cypress has elected to release orders with available stock through the expected shutdown period. We did not make this decision lightly. Our ultimate priority is to maximize fulfillment and logistics capacity while ensuring the continuity of supply to our customers. Cypress will follow customer routing guides where nominated carriers are available. In the event that our customer-nominated forwarders are unable to collect cargo through March 21, we will utilize our Cypress-nominated forwarders, at Cypress' expense. All other Incoterms conditions will remain intact.

All non-manufacturing and operations employees will work from home with no expected impact to our customers.



Penang, Malaysia Facility

The Malaysian prime minister has implemented a Movement of Control Order under the Prevention and Control of Infectious Diseases Act of 1988 and the Police Act of 1967, from March 18 through March 31, 2020.

This order will have minimal impact to our customers. Cypress Penang primarily fulfills Known Good Die (KGD) from this site. Prior to this order, all Q1 shipments had already been released. We will continue to monitor the situation and will further advise customers if we believe this shutdown will impact Q2 orders.

All non-manufacturing and operations employees will work from home with no expected impact to our customers.

San Jose, CA, U.S.A. Facility

A joint legal order announced on March 16, 2020, directs residents in Alameda, San Mateo, Contra Costa, Marin, San Francisco and Santa Clara counties to shelter at home for three weeks beginning Tuesday, March 17, 2020.

Our Cypress San Jose Headquarters are now closed with only critical security, IT and facilities personnel reporting on-site. All other employees are now required to work from home.

In compliance with this order, our Failure Analysis labs have been shut down and only limited Technical Support staff, working from home, are continuing their efforts to resolve technical support cases. Please expect a delay in response times as we are working through our case log and where feasible, setting up our application engineers with hardware at home to support their work. All other employees based in San Jose are performing normal business operations while working from home and are available to engage with customers with minimal to no impact in performance and response times.

In general, all Cypress functions, such as Sales, Inside Sales, Pricing, Business Units, Legal Contract Reviews, Online Store, Field Applications and Developer Community, are performing normal business operations with minimal to no impact. The only exceptions are the specific functions highlighted above for CML, Penang and San Jose.

Until the local situations stabilize and all transportation, site logistics personnel, etc. have resumed normal operations, please refrain from sending approved, or initiating any new, product returns or failure analysis requests, as we will be unable to process these.

Given the widespread government announcements and restrictions around the world, we are cognizant of the impact to our customer sites. Please communicate with your Cypress Sales or Inside Sales Rep (ISR) should there be any changes to your operations, such as closures or if you no longer require your shipment(s). Lastly, Cypress expects that customers will continue to honor existing payment terms and conditions and notify us immediately if you foresee delays in your ability to make timely payments

Cypress will continue to monitor the operational status for all of our global locations and suppliers. If the status changes substantially with a potential impact to our customers, an update to this letter will be issued.

We thank you for your understanding,
The Cypress Pandemic Team