



May 16, 2017

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**Announcement of the Acquisition of Shares of AVAL NAGASAKI CORPORATION  
(Conversion into a Subsidiary)**

TOKYO ELECTRON DEVICE LIMITED (the “Company”) hereby announces that the Company, at its Board of Directors Meeting held today, resolved to acquire from AVAL DATA CORPORATION (“AVAL DATA”) the shares of AVAL NAGASAKI CORPORATION (“AVAL NAGASAKI”), a consolidated subsidiary of AVAL DATA, and to make AVAL NAGASAKI a consolidated subsidiary of the Company, as per the following.

1. Purpose and reasons for the share acquisition

The Company is a trading company engaged in the sales and maintenance services of electronic products both in Japan and overseas, in areas including semiconductor products and IT solutions, and also serves as a manufacturer that provides an integrated function that covers semiconductor circuits and boards design to contracted mass production under its proprietary brand, “inrevium.”

On the other hand, AVAL DATA is engaged in proposal-based sales of contracted products based on its proprietary products and technology mainly in the industrial control equipment and measurement equipment fields, in addition to the area of semiconductor manufacturing equipment.

In August 2016, the Company and AVAL DATA entered into a business and capital alliance agreement that would allow the two companies to bring together their elemental technologies in their respective fields of specialty, and speed up the process of launching new, high value-added products on the market, from the selection of components to design, manufacture and sales.

AVAL NAGASAKI, AVAL DATA’s consolidated subsidiary, is also engaged in the development, design, manufacture and sales of electric equipment, mainly in the field of semiconductor manufacturing equipment. AVAL NAGASAKI is currently focusing on the smart energy-related business to establish a new business, in addition to its CTI <sup>(Note)</sup> products.

Under such circumstances, the Company has decided to acquire the majority of the shares of AVAL NAGASAKI from AVAL DATA. This acquisition will allow AVAL NAGASAKI to continue to leverage its core technology to develop and sell its own products, which will accelerate the establishment of new businesses under the auspices of the Company. At the same time, as a group company, AVAL NAGASAKI will contribute to the development and manufacture of the Company’s products under its proprietary brand, “inrevium,” which in turn will provide the Company with an opportunity to create further value in its current contracted mass production services and expand its businesses.

Note: CTI (Computer Telephony Integration): A collective term that refers to the use of technology that integrates telephones and computers.

## 2. Overview of the company to be transferred (AVAL NAGASAKI CORPORATION)

(1) Name	AVAL NAGASAKI CORPORATION		
(2) Location	6-42 Tsukuba-machi, Isahaya-shi, Nagasaki		
(3) Position and name of representative	Yoshimitsu Kawanami, President & Representative Director		
(4) Business description	Development, design, manufacture and sales of electronic equipment		
(5) Capital	¥134 million		
(6) Date of foundation	November 1, 1987		
(7) Major shareholder and shareholding ratio (As of March 31, 2017)	AVAL DATA CORPORATION: 70.24% 31 individual shareholders: 23.02% *AVAL NAGASAKI CORPORATION holds 17,000 shares of treasury shares.		
(8) Relationships between the Company and AVAL NAGASAKI CORPORATION	Capital relationship	Not applicable	
	Personnel relationship	Not applicable	
	Business relationship	The Company has a business relationship with said company concerning electronic components and other items.	
(9) Business performance and financial condition of AVAL NAGASAKI CORPORATION for the most recent three years (Millions of yen, unless otherwise specified)			
Fiscal year	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net assets	2,304	2,373	2,462
Total assets	2,856	2,988	3,007
Net assets per share (¥)	9,144.99	9,418.93	10,478.92
Net sales	2,190	2,434	2,451
Operating income	65	119	194
Ordinary income	68	122	199
Net income	40	81	154
Net income per share (¥)	159.34	323.94	659.22
Dividend per share (¥)	50	120	(Note)

(Note) This matter is scheduled to be determined at the Annual General Meeting of Shareholders of AVAL NAGASAKI CORPORATION to be held in the middle of June 2017.

### 3. Overview of the company from which the shares will be acquired

(As of March 31, 2017)

(1) Name	AVAL DATA CORPORATION	
(2) Location	1-25-10, Asahi-machi, Machida-shi, Tokyo	
(3) Position and name of representative	Isao Hiromitsu, President & Representative Director	
(4) Business description	Development, design, manufacture and sales of industrial computers, embedded modules, communication-related equipment, image processing equipment, measurement control equipment, etc.	
(5) Capital	¥2,354.09 million	
(6) Date of foundation	August 22, 1959	
(7) Consolidated net assets	¥9,500 million	
(8) Consolidated total assets	¥11,742 million	
(9) Major shareholder and shareholding ratio	NIKON CORPORATION : 8.71% AVAL Group Employees' Shareholding Association : 4.78% Shigeru Mifune : 4.71% Tatsuaki Okumura : 3.19% Kiyoshi Shimamura : 2.60% GOLDMAN SACHS INTERNATIONAL : 2.46% AXELL CORPORATION : 2.15% MICRONICS JAPAN CO., LTD. : 1.61% Lasertec Corporation : 1.47% eSOL Co., Ltd. : 1.44%	
(10) Relationships between the Company and AVAL DATA CORPORATION	Capital relationship	In accordance with the resolution of the Board of Directors meeting held on August 30, 2016, the Company holds 35,000 shares of common stock of AVAL DATA CORPORATION (0.47% of total number of shares issued), and AVAL DATA CORPORATION holds 20,000 shares of common stock of the Company (0.19% of total number of shares issued).
	Personnel relationship	Not applicable
	Business relationship	The Company sells electronic components and other items to AVAL DATA CORPORATION.
	Status of related parties	Not applicable

### 4. Status of the number of shares acquired, acquisition price and number of shares held prior to/after the acquisition (percentage of voting rights held)

(1) Number of shares held prior to transfer	0 shares (Number of voting rights: 0, percentage of voting rights held: 0.00%)
(2) Number of shares acquired	Common stock of AVAL NAGASAKI CORPORATION: 133,000 shares (Number of voting rights: 133, percentage of voting rights held: 56.6%)
(3) Acquisition price	¥1,064 million
(4) Number of shares held after transfer	133,000 shares (Number of voting rights: 133, percentage of voting rights held: 56.6%)

## 5. Schedule

(1) Date of resolution of the Board of Directors Meeting	Tuesday, May 16, 2017
(2) Date of conclusion of agreement	Tuesday, May 16, 2017
(3) Date of share acquisition	Saturday, July 1, 2017 (planned)

## 6. Future outlook

The Company considers this share acquisition to be a part of measures to enhance the Group's medium- to long-term corporate value. The Company will disclose the impact of this acquisition on the consolidated results forecast for the fiscal year ending March 31, 2018 or any other matters promptly, whenever it determines the disclosure to be necessary.