



Department of Justice

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APPLIED MATERIALS INC. AND TOKYO ELECTRON LTD. ABANDON MERGER PLANS AFTER JUSTICE DEPARTMENT REJECTED THEIR PROPOSED REMEDY

Abandonment Resolves Antitrust Concerns

WASHINGTON – Applied Materials Inc. and Tokyo Electron Ltd. abandoned their plans to merge after the Department of Justice informed the companies that their remedy proposal failed to resolve the department’s competitive concerns.

“The companies’ decision to abandon this merger preserves competition for semiconductor manufacturing equipment,” said Acting Assistant Attorney General Renata B. Hesse of the department’s Antitrust Division. “The semiconductor industry is critically important to the American economy, and the proposed remedy would not have replaced the competition eliminated by the merger, particularly with respect to the development of equipment for next-generation semiconductors.”

The proposed merger of Applied Materials and Tokyo Electron would have combined the two largest competitors with the necessary know-how, resources and ability to develop and supply high-volume non-lithography semiconductor manufacturing equipment.

During the investigation, the division cooperated with the Korean Fair Trade Commission, China’s Ministry of Commerce, Germany’s Federal Cartel Office and competition agencies from several other jurisdictions.

Applied Materials, based in Santa Clara, California, is the largest provider of non-lithography semiconductor manufacturing equipment with approximately \$9 billion in 2014 revenue.

Tokyo Electron, based in Tokyo, is the second-largest provider of non-lithography semiconductor manufacturing equipment with approximately \$6 billion in 2014 revenue.

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