Risk Factors Comparison 2024-02-16 to 2023-02-22 Form: 10-K

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An investment in our common stock involves various risks, and you are urged to carefully consider all of the matters discussed in Part I, Item 1A of this Form 10- K under the caption " Risk Factors " (in addition to those discussed under this " Summary of Risk Factors " section) in considering our business and prospects. The following is a list of some of these risks: ~~Company-Specific Risk~~ **Risks** ~~Factors~~ **Related to Our Business, Operations and Industry** • **competition with established competitors** ~~dependence on the cyclical and volatile semiconductor industry and vulnerability to industry downturns and declines~~ in ~~global economic~~ **the packaging** and ~~financial conditions~~ **test business, the internal capabilities of IDMs, and new competitors, including foundries** ; • changes in costs, quality, availability and delivery times of raw materials, components and equipment; • fluctuations in operating results and cash flows; • dependence on ~~international factories and operations, and risks relating to our customers' and vendors' international operations; • competition with established competitors in~~ the ~~packaging~~ **cyclical** and **volatile semiconductor industry** ~~test business, the internal capabilities of IDMs,~~ and ~~new competitors, including foundries~~ **vulnerability to industry downturns and declines in global economic and financial conditions** ; • our substantial investments in equipment and facilities to support the demand of our customers; • difficulty achieving the relatively high-capacity utilization rates necessary to realize satisfactory gross margins given our high percentage of fixed costs; • our absence of backlog and the short- term nature of our customers' commitments; • the historical downward pressure on the prices of our packaging and test services; • fluctuations in our manufacturing yields; • **a downturn** ~~our~~ - **or** ~~ability~~ **lower sales** to **customers in** ~~develop new proprietary technology, protect our proprietary technology, operate without infringing~~ the **automotive industry** ~~proprietary rights of others, and implement new technologies~~ ; • **dependence on key customers** ~~warranty claims, product return and liability risks, and the risk of negative publicity if our~~ - **or** ~~products fail~~ **concentration of customers in certain end markets** , **such** as **mobile communications and automotive** ~~well as the risk of litigation incident to our business~~ ; • **difficulty funding** ~~restrictive covenants in the indentures and agreements governing~~ our **liquidity needs** ~~current and future indebtedness~~ ; **and** • ~~the possibility that we may decrease or suspend our quarterly dividend~~ **challenges with integrating diverse operations. Risks Related to Our International Sales and Operations • dependence on international factories and operations, and risks relating to trade restrictions and regional conflict** ; **and** • significant severance plan obligations associated with our manufacturing operations in Korea **. Risks Related to Cybersecurity, Data Privacy and Intellectual Property • our ability to develop new proprietary technology, protect our proprietary technology, operate without infringing the proprietary rights of others, and implement new technologies** ; and **• our continuing development and implementation of changes to, and maintenance and security of, our information technology systems. Risks Related to Our Indebtedness • restrictive covenants in the indentures and agreements governing our current and future indebtedness; • our substantial indebtedness; and • fluctuations in interest rates and changes in credit risk. Risks Related to Our Common Stock** • the ability of certain of our stockholders to effectively determine or substantially influence the outcome of matters requiring stockholder approval **; and** ~~. General Risk Factors~~ • ~~health conditions~~ **the possibility that we may decrease or suspend** ~~or~~ **our quarterly dividend. Risks Related to Human** ~~pandemics, such as the Covid- 19 pandemic, impacting labor availability and operating capacity, capital~~ **Capital** ~~availability, the supply chain~~ and **Management** ~~consumer demand for our customers' products and services; • laws, rules, regulations and policies imposed by U. S. or other governments, such as tariffs, customs, duties, export controls, sanctions and other restrictive trade barriers and national security, data privacy and cybersecurity, antitrust and competition, tax, currency and banking, labor and environmental, health and safety laws; • our substantial indebtedness; • fluctuations in interest rates and changes in credit risk; • difficulty funding our liquidity needs; • dependence on key customers or concentration of customers in certain end markets, such as mobile communications and automotive;~~ • difficulty attracting, retaining or replacing qualified personnel **. Risks Related to Regulatory, Legal and Tax Challenges • warranty claims, product return and liability risks, and the risk of negative publicity if our products fail, as well as the risk of litigation incident to our business** ; • maintaining an effective system of internal controls ~~; • our continuing development and implementation of changes to, and maintenance and security of, our information technology systems; • challenges with integrating diverse operations~~ ; • any changes in tax laws, taxing authorities not agreeing with our interpretation of applicable tax laws, including whether we continue to qualify for conditional reduced tax rates, or any requirements to establish or adjust valuation allowances on deferred tax assets; and • **environmental, health and safety liabilities and expenditures. General Risk Factors • health conditions or pandemics, such as the Covid- 19 pandemic, impacting labor availability and operating capacity, capital availability, the supply chain and consumer demand for our customers' products and services; and •** natural disasters and other calamities, health conditions or pandemics, political instability, hostilities or other disruptions. Our packaging and test services are used in volatile industries, and industry downturns, and declines in global economic and financial conditions could harm our performance. Our business is impacted by market conditions in the semiconductor industry, which is cyclical by nature and impacted by broad economic factors, such as worldwide gross domestic product and consumer spending. We believe that the general semiconductor market is currently going through a cyclical correction. The semiconductor industry has experienced significant and sometimes sudden and prolonged downturns in the past. If the industry or markets in which we compete experience slower, or even negative growth, our business and results of operations may be materially and adversely affected. Since our business is, and will continue to be, dependent on the requirements of semiconductor companies for outsourced packaging and test services, any downturn in the semiconductor industry or any other industry that uses a significant number of semiconductor devices, such as telecommunications, automotive,

computing, or consumer electronics ~~, or computing~~ , could have a material adverse effect on our business and operating results. During downturns, we have experienced, among other things, reduced demand, excess capacity and reduced sales. For example, the Covid- 19 pandemic disrupted demand in the automotive and industrial end market in 2020, and during 2019, there was weakness in the general market and an inventory correction in the smartphone market. ~~In addition, declines in global economic and financial conditions have harmed our business in the past, and future global downturns could materially and adversely affect our business.~~ New variants or the potential re- emergence of the Covid- 19 pandemic or the occurrence of other epidemics or pandemics, and the imposition of related public health measures and travel and business restrictions, may materially and adversely impact our business, financial condition, operating results and cash flows. ~~In addition, we have experienced, and may experience in the future, disruptions to our business operations resulting from quarantines, self- isolations or~~ **For example** ~~other movement and restrictions on the ability of our employees to perform their jobs that may impact our ability to meet customer commitments. In March 2022~~ , as part of a broad effort to mitigate a rising number of Covid- 19 cases in Shanghai, the Chinese government mandated a ~~temporary~~ lockdown of our Shanghai factory **from March 2022** ~~. The Shanghai facility reopened during the second quarter and returned~~ to ~~normal operating levels in late~~ June 2022. Other national, regional, and local governments have implemented, and may implement in the future, **public health measures** ~~restrictions to mitigate the spread of Covid- 19, the emergence of new variants, or the re- emergence of Covid- 19~~ in jurisdictions in which we, our customers and our suppliers operate, and such restrictions may materially and adversely impact our operations and the operations of our customers and suppliers. We also remain subject to industry- wide supply constraints and inflationary price pressures, which have resulted in long lead times, rising prices and supply chain disruptions. It is difficult to predict the timing, strength or duration of any economic disruption caused by **epidemics or** ~~the Covid- 19 pandemic~~ **pandemics** or which end markets will experience a slowdown or subsequent economic recovery which, in turn, makes it more challenging for us to forecast our operating results, make business decisions and identify risks that may materially affect our business, sources and uses of cash, financial condition and results of operations. Additionally, if industry conditions deteriorate, we could suffer significant losses, as we have in the past, that could materially and adversely impact our business, liquidity, results of operations, financial condition and cash flows. Our business may suffer if the cost, quality or supply of materials or equipment changes adversely. We obtain the materials and equipment required for the packaging and test services performed by our factories from various vendors. We source most of our materials, including critical materials such as leadframes, laminate substrates and gold wire, from a limited group of suppliers. A disruption to the operations of one or more of our suppliers could extend lead times for materials and equipment and have a negative impact on our business **. For example** , ~~and~~ the Covid- 19 pandemic and resulting supply chain disruptions and economic turbulence ~~have~~ created extended lead times for some materials and equipment. To the extent the impact of such disruptive events continues or worsens, we anticipate having greater difficulty obtaining, or waiting longer to obtain, certain equipment, supplies and other materials necessary for performance of our services or necessary to increase the services we provide to customers. Furthermore, fire, severe weather, earthquakes, flooding and tsunamis in the past have impacted the supply of specialty chemicals, substrates, silicon wafers, equipment and other supplies to the electronics industry. In addition, we purchase the majority of our materials on a purchase order basis. Our business may be harmed if we cannot obtain materials and other supplies from our vendors in a timely manner, in sufficient quantities, at acceptable quality or at competitive prices or are unable to increase our prices sufficiently to recover inflationary price increases in materials or supplies. Some of our customers are also dependent on a limited number of suppliers for certain materials and silicon wafers. Shortages or disruptions in our customers' supply channels, including any disruptions arising out of the ~~conflict~~ **conflicts** in Ukraine **and Israel or other future conflicts** , could have a material adverse effect on our business, financial condition, results of operations and cash flows. SEC rules and related industry initiatives require diligence and disclosure regarding the use of certain minerals originating from the conflict zones of the Democratic Republic of Congo and adjoining countries. Many of our customers' initiatives require us to certify that the covered materials we use in our packages do not come from the conflict areas. We incur costs associated with complying with these requirements and customer initiatives, and we may be required to increase our efforts in the future to cover additional materials and geographic areas. These requirements and customer initiatives could affect the pricing, sourcing and availability of materials used in the manufacture of semiconductor devices, and we cannot assure you that we will be able to obtain conflict- free materials or other materials covered by customer initiatives in sufficient quantities and at competitive prices or that we will be able to verify the origin of all of the materials we procure. If we are unable to meet these requirements and customer initiatives, some customers may move their business to other suppliers, and our reputation and business could be materially and adversely affected. We purchase new packaging and test equipment to maintain and expand our operations. From time to time, increased demand for new equipment **or supply chain disruptions and economic turbulence** may cause lead times to extend beyond those normally required by equipment vendors ~~, and the Covid- 19 pandemic and resulting supply chain disruptions and economic turbulence have created extended lead times for some equipment~~ . In periods of increased demand and reduced availability, equipment suppliers may delay orders or only partially satisfy our equipment orders in the normal time frame. The unavailability of equipment or failures to deliver equipment on a timely basis could delay or impair our ability to meet customer orders. If we are unable to meet customer orders, we could lose potential and existing customers. Generally, we acquire our equipment on a purchase order basis and do not enter into long- term equipment agreements. As a result, **depending on market conditions,** we could experience adverse changes in pricing, currency risk and potential shortages in equipment ~~in a strong market~~ , any of which could have a material adverse effect on our results of operations. We are a large buyer of gold and other commodity materials, including substrates and copper. The prices of gold and other commodities used in our business fluctuate. Historically, we have been able to partially offset the effect of commodity price increases through price adjustments to some customers and changes in our product designs that reduce the material content and cost, such as the use of shorter, thinner gold wire and migration to copper wire. However, we typically do not have long- term contracts that permit us to impose price adjustments, and market conditions may limit our ability to do so. Significant price increases may materially and adversely impact our gross margin in future periods to the extent we are unable to pass along past or future commodity price increases to our customers. Our operating results and cash flows have varied and may vary significantly as a result of factors that we cannot control. Many factors could have a material adverse effect on our net sales, gross profit, operating results and cash flows or lead to significant variability of quarterly or annual operating results. Our profitability and ability to generate cash from operations is principally dependent upon demand for semiconductors, the utilization of our capacity, semiconductor package mix, the average selling price of our services, our ability to manage our capital expenditures and our ability to control our costs including labor, material, overhead and financing costs. Our net sales, gross margin, gross profit, operating income, net income and cash flows have historically fluctuated significantly from quarter to quarter as a result of many of the following factors, over which we have little or no control and which we expect to continue to impact our business: • fluctuations in demand for semiconductors and conditions in the semiconductor industry generally, as well as by specific customers, such as inventory reductions by our customers impacting demand in key markets; • changes in cost, quality, availability and delivery times of raw materials, components, equipment and labor; • inflation, including wage inflation, and fluctuations in commodity prices, including gold, copper and other precious metals; • our ability to achieve our major growth objectives, including transitioning second- wave customers to advanced packages and increasing our share of the automotive and industrial end market; • changes in our capacity and capacity utilization rates; • fluctuations in interest rates and currency exchange rates, including the current rising interest rate environment; • changes in average selling prices which can occur quickly due to the absence of long- term agreements on price; • changes in the mix of the semiconductor packaging and test services that we sell; • the development, transition and ramp to high volume manufacture of more advanced silicon nodes and evolving wafer, packaging and test technologies may cause production delays, lower manufacturing yields and supply constraints for new wafers and other materials; • the absence of backlog, the short- term nature of our customers' commitments, double bookings by customers and deterioration in customer forecasts and the impact of these factors, including the possible delay, rescheduling and cancellation of large orders, or the timing and volume of orders relative to our production capacity; • the timing of expenditures in anticipation of future orders; • changes in effective tax rates; • the availability and cost of financing; • leverage and debt covenants; • intellectual property transactions and disputes; • warranty and product liability claims and the impact of quality excursions and customer disputes and returns; • costs associated with legal claims, indemnification obligations, judgments and settlements; • political instability, conflicts (such as the ongoing conflict in Ukraine **and Israel**) and government shutdowns, civil disturbances and international events; • environmental or natural disasters such as earthquakes, typhoons and volcanic eruptions; • pandemics or other widespread illnesses that may impact our labor force, operations, liquidity, supply chain and end- user demand for products which incorporate semiconductors, such as the Covid- 19 pandemic; • costs of acquisitions and divestitures and difficulties integrating acquisitions; • our ability to attract and retain qualified personnel to support our global operations; • our ability to penetrate new end markets or expand our business in existing end markets; • dependence on key customers or concentration of customers in certain end markets, such as mobile communications and automotive; and • restructuring charges, asset write- offs and impairments. ~~In addition to~~ **On October 7, 2022 and October 17, 2023,** the **U. S. Bureau of Industry and Security announced export control regulations applicable to Chinese acquisition of U. S. semiconductor technology (collectively, the " BIS Regulations "). The** above factors, **in addition to the BIS Regulations and other similarly** restrictive trade barriers adopted by U. S. and foreign governments applicable to the semiconductor supply chain, ~~including the export rules and regulations adopted by the U. S. government in October 2022 regarding the sale of certain semiconductor chip and chipmaking equipment products to customers in China,~~ could impact our business and the businesses of our customers. These factors may have a material and adverse effect on our business, liquidity, results of operations, financial condition and cash flows or lead to significant volatility in our quarterly or annual operating results. In addition, these factors may materially and adversely affect our credit ratings, which could make it more difficult and expensive for us to raise capital and could materially and adversely affect the price of our securities . We depend on our factories and...... and among other countries in the region . We compete against established competitors in the packaging and test business as well as internal capabilities of IDMs and face competition from new competitors, including foundries. The outsourced semiconductor packaging and test services market is very competitive. We face substantial competition from established and emerging packaging and test service providers primarily located in Asia, including companies with significantly greater processing capacity, financial resources, local presence, research and development operations, marketing, technology and other capabilities. In addition, we may compete with electronics manufacturing service providers or contract electronics manufacturers that also provide advanced integrated device solutions. We also may face increased competition from domestic companies located in China, where there are government- supported efforts to promote and subsidize the development and growth of the local semiconductor industry. We may be at a disadvantage in attempting to compete with entities associated with such government- supported initiatives based on their lower cost of capital, access to government resources and incentives, preferential sourcing practices, stronger local relationships or otherwise. Our competitors may also have established relationships, or enter into new strategic relationships, with one or more of the large semiconductor companies that are our current or potential customers or key suppliers to these customers. Consolidation among our competitors could also strengthen their competitive position. Historically, we have also been dependent on the trend in outsourcing of packaging and test services by IDM and foundry customers. Our IDM and foundry customers continually evaluate the need for outsourced services against their own in- house packaging and test services. As a result, at any time and for a variety of reasons, IDMs and foundries may decide to shift some or all of their outsourced packaging and test services to internally sourced capacity. To the extent we limit capacity commitments for certain customers, these customers may increase their level of in- house packaging and test capabilities, which could make it more difficult for us to regain their business when we have available capacity. If we experience a significant loss of IDM or foundry business, it could have a material adverse effect on our business, liquidity, results of operations, financial condition and cash flows, especially during a prolonged industry downturn. We also face competition from contract foundries, such as Taiwan Semiconductor Manufacturing Company Limited and Samsung Electronics Co., Ltd., which offer full turnkey services from silicon wafer fabrication through packaging and final test. These foundries, which are substantially larger than us and have greater financial resources than we do, have expanded their operations to include packaging and test services and may continue to expand these capabilities in the future. If a key customer decides to purchase wafers from a semiconductor foundry that provides packaging and test services, our business could be adversely affected if the customer also engages that foundry for related packaging and test services. We cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors, that our customers will not rely on internal sources or foundries for packaging and test services or that our business, liquidity, results of operations, financial condition or cash flows will not be materially and adversely affected by such increased competition. We make substantial investments in equipment and facilities to support the demand of our customers, which may materially and adversely affect our business if the demand of our customers does not develop as we expect or is adversely affected. We make significant investments in equipment and facilities in order to service the demand of our customers. The amount of our capital expenditures depends on several factors, including the performance of our business, our assessment of future industry and customer demand, our capacity utilization levels and availability, advances in technology, our liquidity position and the availability of financing. Our ongoing capital expenditure requirements may strain our cash and liquidity, and, in periods when we are expanding our capital base, we expect that depreciation expense and factory operating expenses associated with capital expenditures to increase production capacity will put downward pressure on our gross profit, at least in the near term. From time to time, we also make significant capital expenditures based on specific business opportunities with one or a few key customers, and the additional equipment purchased may not be readily usable to support other customers. If demand is insufficient to fill our capacity, or we are unable to efficiently redeploy such equipment, our capacity utilization and gross profit could be negatively impacted. Furthermore, if we cannot generate or raise additional funds to pay for capital expenditures, particularly in some of the advanced packaging and bumping areas, as well as research and development activities, our growth and future profitability may be materially and adversely affected. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including: our future financial condition, results of operations and cash flows; general market conditions for financing; volatility in fixed income, credit and equity markets; and economic, political and other global conditions. ~~During~~ **In October** ~~2022~~ **2023** , we ~~began~~ **completed the initial phase of** construction for **our** ~~the first phase of a new manufacturing facility in Bac Ninh,~~ Vietnam **Facility** ~~, which will have approximately 1. 9 million square feet of space. We expect to complete the first phase and begin high- volume manufacturing in the fourth quarter of 2023~~ . There can be no assurance, however, ~~that the construction will be completed, or~~ that high- volume manufacturing will begin ~~,~~ on ~~that~~ schedule or that the actual scope, costs or benefits of the project will be consistent with our current expectations. Due to our high percentage of fixed costs, we may be unable to maintain satisfactory gross margins if we are unable to achieve relatively high- capacity utilization rates. Our operations are characterized by high fixed costs and the absence of any material backlog. Our profitability depends in part not only on pricing levels for our packaging and test services but also on the efficient utilization of our human resources and packaging and test equipment. Increases or decreases in our capacity utilization can significantly affect gross margins. Transitions between different packaging technologies can also impact our capacity utilization if we do not efficiently redeploy our equipment for other packaging and test opportunities. We cannot assure you that we will be able to achieve consistently high- capacity utilization, and if we fail to do so, our gross margins may be negatively impacted. In addition, our fixed operating costs have increased as a result of capital expenditures for capacity expansion. The anticipated customer demand for which we have made capital investments may not materialize, and our sales may not adequately cover fixed costs, resulting in reduced profit levels or even significant losses, either of which may materially and adversely impact our business, liquidity, results of operations, financial condition and cash flows. The lack of contractually committed customer demand may materially and adversely affect our sales. Our packaging and test business does not typically operate with any material backlog. Our quarterly net sales from packaging and test services are substantially dependent upon our customers' demand in that quarter. Generally, our customers do not commit to purchase any significant amount of packaging or test services or ~~to~~ provide us with binding forecasts of demand for packaging and test services for any future period, in any material amount. In addition, we sometimes experience double booking by customers, and our customers often reduce, cancel or delay their purchases of packaging and test services for a variety of reasons, including industry- wide, customer- specific and Amkor- specific reasons. This makes it difficult for us to forecast our capacity utilization and net sales in future periods. Since a large portion of our costs is fixed and our expense levels are based in part on our expectations of future sales, we may not be able to adjust costs in a timely manner to compensate for any sales shortfall. If we are unable to adjust costs in a timely manner ~~, our margins, operating results, financial condition and cash flows could be materially and adversely affected. Additionally, while we generally purchase materials based on Amkor' s commitments to customer forecasts, and our customers are generally responsible for any unused materials we purchase based on such commitments, due to the Covid- 19 pandemic and the resulting supply chain constraints and extended lead times, we have been placing an increasing number of our orders for materials in advance of customer forecasts. If we are unable to timely fulfill our customers' orders, or if we are required to bear the cost of a substantial amount of unused materials~~ , our margins, operating results, financial condition and cash flows could be materially and adversely affected. Historically, there has been downward pressure on the prices of our packaging and test services. Prices for packaging and test services have generally declined over time, and sometimes prices can change significantly in relatively short periods of time. We expect downward pressure on average selling prices for our packaging and test services to continue in the future, and this pressure may intensify during downturns in business. If we experience declining average selling prices and are unable to offset such declines by developing and marketing new packages with higher prices, reducing our purchasing costs, recovering more of our material cost increases from our customers and reducing our manufacturing costs, our business, liquidity, results of operations, financial condition and cash flows could be materially and adversely affected. Packaging and test processes are complex, and our production yields and customer relationships may suffer from defects in the services we provide or if we do not successfully implement new technologies. Semiconductor packaging and test services are complex processes that require significant technological and process expertise, and in line with industry practice, customers usually require us to pass a lengthy and rigorous qualification process that may take several months. Once qualified and in production, defective packages primarily result from **one or more of the following** : • contaminants in the manufacturing environment; • human error; • equipment malfunction; • changing processes to address environmental requirements; • defective raw materials; or • defective plating services. Test is also complex and involves sophisticated equipment and software. Similar to many software programs, these software programs are complex and may contain programming errors or " bugs. " The test equipment is also subject to malfunction, and the test process is subject to operator error. These and other factors have, from time to time, contributed to lower production yields. They may also do so in the future, particularly as we adjust our capacity, change our processing steps or ramp new technologies. In addition, we must continue to develop and implement new packaging and test technologies and expand our offering of packages to be competitive. Our production yields on new packages, particularly those packages which are based on new technologies, typically are significantly lower than our production yields on our more established packages. Our failure to qualify new processes, maintain quality standards or acceptable production yields, if significant and prolonged, could result in the loss of customers, increased costs of production, delays, substantial amounts of returned goods and claims by customers relating thereto. Any of these problems could have a material adverse effect on our business, liquidity, results of operations, financial condition and cash flows. in our sales and profitability and could have a material adverse effect on our business,liquidity,results of operations,financial condition and cash flows.The demand for our services from each customer is directly dependent upon that customer' s financial health,level of business activity and purchasing decisions,the quality and price of our services,our cycle time and delivery performance,the customer' s qualification of additional competitors on products we package or test and a number of other factors.Each of these factors could vary significantly from time to time resulting in the loss or reduction of customer orders,and we cannot be sure that our key customers or any other customers will continue to place orders with us in the future at the same levels as in past periods.For example,as seen in the automotive end market in 2020,the Covid- 19 pandemic and restrictions imposed by governmental authorities to mitigate the spread of Covid- 19 in our customers' end markets may decrease demand for our customers' products and services,thereby adversely impacting their demand for our services.In addition,from time to time,we may acquire or build new facilities or migrate existing business among our facilities.In connection with these facility changes or new facility constructions,our customers require us to qualify the new facilities even though we have already qualified to perform the services at our other facilities.We cannot assure that we will successfully qualify facility changes,that we will complete construction of new facilities in a timely manner or that our customers will not qualify our competitors and move the business for such services Our business will suffer if we are not able to develop new proprietary technology, protect our proprietary technology and operate without infringing the proprietary rights of others. The complexity and scope of semiconductor packaging, SiP modules and test services are rapidly increasing. As a result, we expect to develop, acquire and implement new manufacturing processes and packaging technologies and tools in order to respond to competitive industry conditions and customer requirements. Technological advances may lead to rapid and significant price erosion and may make our existing packages less competitive or our existing inventories obsolete. If we cannot achieve advances in packaging design or obtain access to advanced packaging designs developed by others, our business could suffer. The need to develop and maintain advanced packaging capabilities and equipment could require significant research and development, capital expenditures and acquisitions in future years. In addition, converting to new packaging designs or process methodologies could result in delays in producing new package types, which could impact our ability to meet customer orders and materially and adversely impact our business. Although we seek patent protection for some of our technology under U. S. and foreign patent laws, the process of seeking patent protection takes a long time and is expensive. There can be no assurance that patents will issue from pending or future applications or that, if patents are issued, the rights granted under the patents will provide us with meaningful protection or any commercial advantage. Any patents we do obtain **may be challenged, invalidated or circumvented and** will eventually expire ~~and may be challenged, invalidated or circumvented~~ . As a result, such patents may not offer us meaningful protection or provide the commercial advantage for which they were designed. Some of our technologies are not covered by any patent or patent application. The confidentiality agreements on which we rely to protect these technologies may be breached or may not be adequate to protect our proprietary technologies. There can be no assurance that other countries in which we market our services will protect our intellectual property rights to the same extent as the U. S. Our competitors may develop, patent or gain access to know- how and technology similar or superior to our own. In addition, many of our patents are subject to cross licenses, several of which are with our competitors. The semiconductor industry is characterized by frequent claims regarding the infringement of patent and other intellectual property rights. If any third party makes an enforceable infringement claim against us or our customers, we could be required to: • discontinue the use of certain processes or cease to provide the services at issue, which could curtail our business; • pay substantial damages; • develop non-infringing technologies, which may not be feasible; or • acquire licenses to such technology, which may not be available on commercially reasonable terms or at all. We may need to enforce our patents or other intellectual property rights, including our rights under patent and intellectual property licenses with third parties, or defend ourselves against claimed infringement of the rights of others through litigation, which could result in substantial cost and diversion of our resources and may not be successful. Furthermore, if we fail to obtain necessary licenses, our business could suffer, and we could be exposed to claims for damages and injunctions from third parties, as well as claims from our customers for indemnification. Unfavorable outcomes in any legal proceedings involving intellectual property could result in significant liabilities or loss of commercial advantage and could have a material adverse effect on our business, liquidity, results of operations, financial condition and cash flows. The potential impact from the legal proceedings referred to in this Form 10- K on our results of operations, financial condition and cash flows could change in the future. We ~~may~~ face ~~warranty claims, product return and liability~~ risks ~~, economic damage claims~~ **in connection with the continuing development** and ~~negative publicity if~~ **implementation of changes to, and**

maintenance and security of, our ~~packages fail~~ **information technology systems. We depend on our information technology systems for many aspects of our business** . Our **systems** ~~packages are incorporated into a number of end products. If our packages fail, our business~~ may be ~~exposed~~ **susceptible** to **damage** ~~warranty claims~~ , ~~damage,~~ disruptions or shutdowns due to failures during the process of upgrading,replacing or maintaining software,databases or components thereof,power outages,hardware failures,interruption or failures of third- party provider systems,computer viruses,attacks by computer hackers,ransomware attacks,telecommunication failures,user errors,malfeasance or catastrophic events.Such events have occurred in the past and may occur in the future.Cybersecurity breaches could result in unauthorized disclosure of confidential information **and /** or disruptions to our operations.While we have not experienced a material information security breach,we cannot be sure that such a breach will not occur in the future.The IT systems in our factories are at varying levels of sophistication and maturity as the factories have different sets of ~~product~~ **products** ~~return~~ **, processes** and ~~liability~~ **customer expectations. Some of our key software has been developed by our own programmers, and this software may not be easily integrated with other software and systems. From time to time, we make additions or changes to our information technology systems. For example, we continue to further integrate our Japan operations' information technology systems into our existing systems and processes. We face** risks ~~, economic damage claims~~ **in connection with current** and ~~negative publicity~~ **future projects to install or integrate new information technology systems or upgrade our existing systems** . ~~We receive warranty claims~~ **These risks include: • delays in the design and implementation of the system; • costs may exceed our plans and expectations; and • disruptions resulting** from **the implementation, integration** ~~our~~ - **or cybersecurity breach of the systems may impact our ability to process transactions and delay shipments to** customers **, impact our results** ~~from time to time in the ordinary course~~ of **operations** ~~our~~ - **or financial condition** ~~business. If we were to experience an unusually high incidence of warranty claims, we could incur significant costs and our~~ - **or harm our control environment. Our** business could be materially and adversely affected ~~. In addition, we~~ **if our information technology systems** are ~~exposed~~ **disrupted or if we are unable** to ~~the product~~ **successfully install new systems or improve, upgrade, integrate or expand upon our existing systems. We maintain insurance policies for various types of information security risks, including network security** and ~~economic~~ **privacy** liability **for third party claims, and business interruption and system failure reimbursement coverage, but we do not carry insurance for all the above referred** risks ~~and the risk of negative publicity affecting our customers~~ . ~~Our sales may decline if any of our customers are sued on a product liability claim. We also may suffer a decline in sales from the negative publicity associated with~~ **With** ~~such a lawsuit or with adverse public perceptions in general regarding~~ --- **regard to the insurance** ~~our customers' products. Further, if our packages are delivered with defects,~~ we **do maintain, we cannot assure you that it** ~~could~~ **would** ~~incur additional development, repair~~ **be sufficient to cover all of** ~~or~~ **our potential** ~~replacement costs or suffer other economic~~ losses **. As a result** , ~~and~~ our **business, financial condition, results** ~~credibility and the market' s acceptance~~ of ~~our packages~~ **operations and cash flows** could be ~~harmed~~ **materially and adversely affected by a disruption, failure or breach of our information technology systems** . Covenants in the indentures and agreements governing our current and future indebtedness could restrict our operating flexibility. The indentures and agreements governing our existing debt contain, and debt we incur in the future may contain, affirmative and negative covenants that materially limit our ability to take certain actions, including our ability to incur debt, pay dividends and repurchase stock, make certain investments and other payments, enter into certain mergers and consolidations, engage in sale leaseback transactions and encumber and dispose of assets. In addition, certain of our debt agreements contain, and our future debt agreements may contain, financial covenants and ratios. The breach of any of these covenants by us, or the failure by us to meet any of the financial ratios or conditions, could result in a default under any or all of such indebtedness. If a default occurs under any such indebtedness, all of the outstanding obligations thereunder could become immediately due and payable, which could result in a default under our other outstanding debt and could lead to an acceleration of obligations related to other outstanding debt. The existence of such a default or event of default could also preclude us from borrowing funds under our revolving credit facilities. Our ability to comply with the provisions of the indentures, credit facilities and other agreements governing our outstanding debt and indebtedness we may incur in the future can be affected by events beyond our control, and a default under any debt instrument, if not cured or waived, could have a material adverse effect on us. We may decrease or suspend our quarterly...... any emergence of new variants). Our substantial indebtedness could have a material adverse effect on our financial condition and prevent us from fulfilling our obligations. We have a substantial amount of debt, and the terms of the agreements governing our indebtedness allow us and our subsidiaries to incur more debt, subject to certain limitations. As of December 31, ~~2022~~ **2023** , our total debt balance was $ 1, ~~232~~ **203** . ~~3~~ **5** million, of which $ ~~143~~ **131** . ~~8~~ **6** million was classified as a current liability and $ ~~681~~ **679** . ~~0~~ **7** million was collateralized indebtedness at our subsidiaries. We may consider investments in joint ventures, increased capital expenditures, refinancings or acquisitions which may increase our indebtedness. If new debt is added to our consolidated debt level, the related risks that we face could increase. Our substantial indebtedness could: • make it more difficult for us to satisfy our obligations with respect to our indebtedness, including our obligations under our indentures to purchase notes tendered as a result of a change in control of Amkor; • increase our vulnerability to general adverse economic and industry conditions; • limit our ability to fund future working capital, capital expenditures, research and development and other business opportunities, including joint ventures and acquisitions; • require us to dedicate a substantial portion of our cash flow from operations to service payments of interest and principal on our debt, thereby reducing the availability of our cash flow to fund future working capital, capital expenditures, research and development expenditures and other general corporate requirements; • increase the volatility of the price of our common stock; • limit our flexibility to react to changes in our business and the industry in which we operate; • place us at a competitive disadvantage to any of our competitors that have less debt; • limit, along with the financial and other covenants in our indebtedness, our ability to borrow additional funds; • limit our ability to refinance our existing indebtedness, particularly during periods of adverse credit market conditions when refinancing indebtedness may not be available under interest rates and other terms acceptable to us or at all; and • increase our cost of borrowing. We are exposed to fluctuations in interest rates and changes in credit risk, which could have a material adverse impact on our earnings as it relates to the market value of our investment portfolio. We maintain an investment portfolio of various holdings, types and maturities. Our portfolio includes available- for- sale debt investments, the values of which are subject to market price volatility resulting from interest rate movements, changes in credit risk and financial market conditions. If such investments suffer market price declines, we may recognize in earnings the decline in the fair value of our investments below their cost basis when the decline is judged to be an impairment, including an allowance for credit loss. ~~,and future offers to make similar conversions could impact the timing of future payments,reducing our cash flow and materially and adversely affecting our financial condition.~~ James J.Kim and members of his family can effectively determine or substantially influence the outcome of all matters requiring stockholder approval.As of December 31, ~~2022~~ **2023** ,James J.Kim,the Executive Chairman of our Board of Directors,Susan Y.Kim,the Executive Vice Chairman of our Board of Directors,and members of the Kim family and affiliates owned approximately ~~142~~ **132** .0 million shares,or approximately ~~58~~ **54** %,of our outstanding common stock.The Kim family also has options to acquire approximately 0.6 million shares.If the options are exercised,the Kim family' s total ownership would be an aggregate of approximately ~~142~~ **132** .6 million shares,or approximately ~~58~~ **54** % of our outstanding common stock.In June 2013,the Kim family exchanged convertible notes issued by Amkor in 2009 for approximately 49.6 million shares of common stock (the " Convert Shares "). **As of December 31,2023,the Kim family owns 39.6 million Convert Shares.** The Convert Shares **owned by the Kim family** are subject to a voting agreement.The voting agreement requires the Kim family to vote these shares in a " neutral manner " on all matters submitted to our stockholders for a vote,so that such Convert Shares are voted in the same proportion as all of the other outstanding securities (excluding the other shares owned by the Kim family) that are actually voted on a proposal submitted to Amkor' s stockholders for approval.The Kim family is not required to vote in a " neutral manner " any Convert Shares that,when aggregated with all other voting shares held by the Kim family,represent 41.6 % or less of the total then- outstanding voting shares of our common stock.The voting agreement for the Convert Shares terminates upon the earliest of (i) such time as the Kim family no longer beneficially owns any of the Convert Shares,(ii) consummation of a change of control (as defined in the voting agreement) or (iii) the mutual agreement of the Kim family and Amkor.Mr.Kim and his family and affiliates,acting together,have the ability to effectively determine or substantially influence matters submitted for approval by our stockholders by voting their shares or otherwise acting by written consent,including the election of our Board of Directors.There is also the potential,through the election of members of our Board of Directors,that the Kim family could substantially influence matters decided upon by our Board of Directors.This concentration of ownership may also have the effect of impeding a merger,consolidation,takeover or other business consolidation involving us,or discouraging a potential acquirer from making a tender offer for our shares,and could also negatively affect our stock' s market price or decrease any premium over market price that an acquirer might otherwise pay.Concentration of ownership also reduces the public float of our common stock.There may be less liquidity and higher price volatility for the stock of companies with a smaller public float compared to companies with broader public ownership.Also,the sale or the prospect of the sale of a substantial portion of the Kim family shares may cause the market price of **our stock to decline significantly.** We may **decrease or suspend our quarterly dividend, and any decrease in or suspension of the dividend could cause our stock price to decline. Since October 2020, we** have ~~difficulty funding liquidity needs~~ **declared a regular quarterly cash dividend on our outstanding common stock** . ~~We assess~~ **However, the payment, amount and timing of future cash dividends are subject to the final determination each quarter by our Board of Directors** ~~our~~ - **or** ~~liquidity~~ **a committee thereof that there are sufficient funds available to lawfully pay a dividend, that the dividend is compliant with the applicable restrictions in our debt agreements and that the payment of the dividend remains in our and our stockholders' best interests. The determination will be** based on our **results of** ~~current expectations regarding sales and operating~~ **operations** ~~expenses~~ , ~~capital spending~~ **financial condition** , **cash requirements, debt restrictions and other factors. Given these considerations, we may increase or decrease the amount of the dividend at any time and may also decide to vary the timing of or suspend the payment of dividends in the future. Any decrease or suspension of** dividend payments ~~,~~ **could cause our** stock repurchases, debt service requirements and other...... or refinance our debt. The trading price ~~of our common stock has been, and is likely~~ to continue to be, highly volatile and...... significant commercial arrangements may result in a decline in our sales and profitability and could...... and move the business for such services . We face risks trying to attract, retain or replace qualified employees to support our operations. Our success depends to a significant extent upon the continued service of our key senior management, sales and technical personnel, any of whom may be difficult to replace. Competition for qualified employees is intensifying, accelerated by increasing competition in the semiconductor industry for talent to meet strong demand, and our business could be materially and adversely affected by the loss of the services of any of our existing key personnel, including senior management and technical talent, as a result of competition or for any other reason. Labor shortages could also result in higher wages that would increase our labor costs, which could reduce our profits. Although we have entered into agreements with our Chief Executive Officer and certain other executives that would prevent them from working for, or impose financial penalties for doing business with, our competitors in the event ~~they~~ **that those executives** cease working for us, we cannot assure you that we will be successful in our efforts to retain or replace key employees or in hiring and properly training sufficient numbers of qualified personnel and in effectively managing our growth. Our inability to attract, retain, motivate and train qualified new personnel could have a material adverse effect on our business **. We may face warranty claims, product return and liability risks, economic damage claims and negative publicity if our packages fail. Our packages are incorporated into a number of end products. If our packages fail, our business may be exposed to warranty claims, product return and liability risks, economic damage claims and negative publicity. We receive warranty claims from our customers from time to time in the ordinary course of our business. If we were to experience an unusually high incidence of warranty claims, we could incur significant costs and our business could be materially and adversely affected. In addition, we are exposed to the product and economic liability risks and the risk of negative publicity**

affecting our customers. Our sales may decline if any of our customers are sued on a product liability claim. We also may suffer a decline in sales from the negative publicity associated with such a lawsuit or with adverse public perceptions in general regarding our customers' products. Further, if our packages are delivered with defects, we could incur additional development, repair or replacement costs or suffer other economic losses, and our credibility and the market' s acceptance of our packages could be harmed . If we fail to maintain an effective system of internal controls, we may not be able to accurately report financial results or prevent fraud. Our internal controls over financial reporting may not prevent or detect misstatements because of their inherent limitations, including the possibility of human error, the circumvention or overriding of controls, fraud or corruption. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections concerning the effectiveness of internal controls in future periods are subject to the risk that our internal controls may become inadequate because of changes in conditions, or that the degree of compliance with our policies or procedures may deteriorate. We assess our internal controls and systems on an ongoing basis, and from time- to- time, we update and make modifications to our global enterprise resource planning system. We have implemented several significant enterprise resource planning ~~modules~~ and ~~expect to implement additional enterprise resource planning modules in the future. In addition, we have implemented new~~ shop floor management systems **and expect to implement additional similar systems** in **the future** ~~certain of our factories~~ . There is a risk that deficiencies may occur that could constitute significant deficiencies or, in the aggregate, a material weakness. If we fail to remedy any deficiencies or maintain the adequacy of our internal controls, we could be subject to regulatory scrutiny, civil or criminal penalties or shareholder litigation. In addition, failure to maintain adequate internal controls could result in financial statements that do not accurately reflect our operating results or financial condition. We face risks in connection with the continuing...... condition and results of operations. We could suffer adverse tax and other financial consequences if there are changes in tax laws or taxing authorities do not agree with our interpretation of applicable tax laws, including whether we continue to qualify for conditional reduced tax rates, or if we are required to establish or adjust valuation allowances on deferred tax assets. We earn a substantial portion of our income in foreign countries, and our operations are subject to tax in multiple jurisdictions with complicated and varied tax regimes. Tax laws and income tax rates in these jurisdictions are subject to change due to economic and political conditions. Changes in the tax laws of foreign jurisdictions could arise as a result of the base erosion and profit shifting project that was undertaken by the Organization for Economic Cooperation and Development (" OECD "). The OECD, which represents a coalition of member countries, recommended changes to long- standing tax principles related to transfer pricing and has developed model rules including establishing a global minimum corporate income tax tested on a jurisdictional basis (the " Pillar Two Model Rules "). Some countries have already started to implement laws based on the **Pillar Two Model Rules to be effective in 2024. There can be no assurance that our effective tax rate, tax payments or conditional reduced tax rates will not be adversely affected as countries independently amend their tax laws to adopt** Pillar Two Model Rules. Changes in U. S. or foreign tax laws, including new or modified guidance with respect to existing tax laws, could have a material adverse impact on our liquidity, results of operations, financial condition and cash flows. Our tax liabilities are based, in part, on our corporate structure, interpretations of various U. S. and foreign tax laws, including withholding tax, compliance with conditional reduced tax rate requirements, application of changes in tax law to our operations and other relevant laws of applicable taxing jurisdictions. From time to time, taxing authorities may conduct examinations of our income tax returns and other regulatory filings. We cannot assure you that the taxing authorities will agree with our interpretations, including whether we continue to qualify for conditional reduced tax rates. If they do not agree, we may seek to enter into settlements with the taxing authorities. We may also appeal a taxing authority' s determination to the appropriate governmental authorities, but we cannot be sure we will prevail. If we do not prevail or if we enter into settlements with taxing authorities, we may have to make significant payments or otherwise record charges (or reduce tax assets) that materially and adversely affect our results of operations, financial condition and cash flows. Additionally, certain of our subsidiaries operate under conditional reduced tax rates, which will expire in whole or in part at various dates in the future. As those conditional reduced tax rates expire, we expect that our tax expense will increase as income from those jurisdictions becomes subject to higher statutory income tax rates, thereby reducing our liquidity and cash flow. We monitor on an ongoing basis our ability to utilize our deferred tax assets and whether there is a need for a related valuation allowance. In evaluating our ability to recover our deferred tax assets, in the jurisdiction from which they arise, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax- planning strategies and **recent** results of ~~recent~~ operations ~~. For most of our foreign deferred tax assets, we believe that we will have sufficient taxable income to allow us to realize these deferred tax assets~~ . In the event taxable income falls short of current expectations, we may need to establish a valuation allowance against such deferred tax assets that, if required, could materially and adversely affect our results of operations. Environmental, health and safety liabilities and expenditures could have a material adverse effect on our business, results of operation and financial condition. Environmental, health and safety laws and regulations in places we do business impose various controls on the use, storage, handling, discharge and disposal of chemicals used or generated in, or emitted by, our production processes, on the factories we occupy and on the materials contained in semiconductor products. For example, at our foreign facilities we produce liquid waste when semiconductor wafers are diced into chips with the aid of diamond saws, then cooled with running water. In addition, semiconductor packages have historically utilized metallic alloys containing lead within the interconnect terminals typically referred to as leads, pins or balls **. The** ~~, and the~~ European Union' s Restriction of Hazardous Substances in Electrical and Electronic Equipment directive and similar laws in other jurisdictions, including China, impose strict restrictions on the placement into the market of electrical and electronic equipment containing lead and certain other hazardous substances. We may become liable under these and other environmental, health and safety laws and regulations, including for the cost of compliance and cleanup of any disposal or release of hazardous materials arising out of our former or current operations, or otherwise as a result of the emission of GHGs or other chemicals, the existence of hazardous materials on our properties or the existence of hazardous substances in the products for which we perform our services. We could also be held liable for damages, including fines, penalties and the cost of investigations and remedial actions, **and** we could be subject to revocation of permits, which may materially and adversely affect our ability to maintain or expand our operations. Additionally, if Amkor is unable to align its environmental, health and safety practices with shifting customer preferences, we could suffer reputational harm, which could have a material and adverse effect on our business, results of operations, liquidity and cash flows. There has also been an increase in **regulatory and** public attention and industry and customer focus on the materials contained in semiconductor products, the environmental impact of semiconductor operations and the risk of chemical releases from such operations, climate change, sustainability and related environmental concerns. **Increased regulation of and restriction on the use of hazardous substances may impact our supply chain due to decreased availability, necessitate changes in our packaging processes, require us to seek substitutes that may not be readily available in the marketplace or eliminate the use of such hazardous substances although there may not be a technically feasible alternative.** This increased focus on sustainability and the environmental impact of semiconductor operations and products has caused industry groups and customers to impose additional requirements on us and our suppliers, sometimes exceeding regulatory standards. These industry and customer requirements include increased tracking and reporting of GHG emissions, reductions in waste and wastewater from operations, additional reporting on the materials and components used in the products for which we perform our services, and the use of renewable energy sources in our factory operations **. In addition, recent and ongoing changes to climate change regulation could increase our compliance costs, including as a result of carbon pricing impacts on electrical utilities as well as increased indirect costs resulting from our customers, suppliers, and other stakeholders incurring additional compliance costs that are passed on to us. We have started to incur compliance costs within our existing manufacturing infrastructure, and such costs may increase as we expand our manufacturing capacity** . To comply with these additional requirements, we may need to procure additional **, or increase the use of, renewable energy, procure additional** equipment or make factory or process changes ~~and our~~ **, which could result in increased** operating costs **. The Covid- 19 pandemic has impacted, and** may ~~increase~~ **impact in the future,the supply chain and consumer demand for our customers' products and services,and such impact on the supply chain and consumer demand may ultimately have a material and adverse effect** on our business,results of operations and financial condition. ~~Such~~ **The impacts of the Covid- 19 pandemic varied by location,by industry and by end market.We,our suppliers and our customers were disrupted by worker illness and absenteeism,quarantines and** restrictions **on employees' ability to work,office** and ~~efforts~~ **factory closures,disruptions to ports and other shipping infrastructure and border closures or other travel or health- related restrictions.Restrictions on our workforce or access to our manufacturing facilities,or similar limitations for our suppliers,or restrictions or disruptions of transportation in order** to contain the spread of Covid- 19 ~~have~~ caused ~~,and may cause in the future,~~ disruptions to our supply chain in connection with the sourcing of equipment,supplies and other materials ~~.The resumption of normal~~ **,and similar restrictions in the future could limit our capacity to meet customer demand and have a material adverse effect on our** business **,results of** operations ~~after any such~~ **and financial condition.** ~~restrictions~~ **Restrictions** ~~are lifted may be delayed or constrained by lingering effects of the Covid- 19 pandemic on our suppliers or customers or both,and additional restrictions~~ may be implemented in response to the emergence of new variants or re-emergence of Covid- 19 ~~.Additionally,other national,regional and local governments have implemented,and may implement in the future,restrictions to mitigate the spread of Covid- 19,the emergence of new variants,or the re- emergence of Covid- 19 in jurisdictions in which we,our customers and our suppliers operate (such as the government- mandated lockdown of our Shanghai factory during the second quarter of 2022)~~ ,and such restrictions may materially and adversely impact our operations and the operations of our customers and suppliers.We also remain subject to industry- wide supply constraints and inflationary price pressures,which have resulted in long lead times,rising prices and supply chain disruptions.The spread of Covid- 19 ~~has~~ caused us to modify our business practices (including corporate hygiene protocols at factories,restricting employee travel and employee work locations and cancelling physical participation in meetings,events and conferences) and,while the long- term impact of the Covid- 19 pandemic remains uncertain,we have retained **certain of** those enhanced measures as part of our commitment to protect the health and safety of our employees.We may also take further actions in the future as may be required by government authorities or that we determine to be in the best interests of our employees,customers and suppliers.There is no certainty that such measures will be sufficient to mitigate the future impact of ~~the~~ Covid- 19 ~~pandemic~~ ,and our ability to perform critical functions could be harmed ~~.At this time,we are unable to predict the nature or duration of future actions that may be taken by governmental authorities and other businesses in response to the Covid- 19 pandemic (~~ . Our business and financial condition has been adversely affected, and could be adversely affected in the future, by natural disasters and other calamities, health conditions or pandemics, political instability, hostilities or other disruptions. We have significant packaging and test services and other operations in China, Japan, Korea, Malaysia, the Philippines, Portugal, Singapore ~~and~~ **,** Taiwan ~~,~~ and **the** ~~we have a new factory under construction in~~ Vietnam **Facility** . Such operations are or could be subject to: natural disasters, such as earthquakes, tsunamis, typhoons, floods, droughts, volcanoes and other severe weather and geological events, and other calamities, such as fire; the outbreak of infectious diseases (such as Covid- 19 and other coronaviruses, Ebola or flu); industrial strikes; government- imposed travel restrictions or quarantines; breakdowns of equipment; difficulties or delays in obtaining materials, equipment, utilities and services; political events or instability; acts of war or armed conflict (such as ~~the~~ ongoing ~~conflict~~ **conflicts** in Ukraine **and Israel**); terrorist incidents and other hostilities in regions where we have facilities; and industrial accidents and other events, that could disrupt or even ~~shutdown~~ **shut down** our operations. While our global manufacturing footprint allows us to shift production to other factories without substantial cost or production delays, certain of our services are currently performed using equipment located in one or **only** a subset of our factories. A major disruption or shutdown of any such factory could completely impair our ability to perform those services or require us to shift them to another location. As a result, our ability to fulfill customer orders may be impaired or delayed, and we could incur significant losses. For example, in April 2016, our Kumamoto factory was damaged by earthquakes in Japan. As a result of these earthquakes, our sales were reduced due to the temporary disruption in operations, and we incurred earthquake- related costs for damaged inventory, buildings and equipment. Our suppliers and customers also have significant operations in such locations, and this could compound the effect of any such disruption. In the event of such a disruption or shutdown, we may be unable to reallocate production to other facilities in a timely or cost- effective manner (if at all), and we may not have sufficient capacity, or customer approval, to service customer demands in our other facilities. A natural disaster or other calamity, political instability, the occurrence of hostilities or other event that results in a prolonged disruption to our operations, or the operations of our customers or suppliers, could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, some of the processes that we utilize in our operations place us at risk of fire and other damage. For example, highly flammable gases are used in the preparation of wafers holding semiconductor devices for flip chip packaging. We maintain insurance policies for various types of property, casualty and other risks, but we do not carry insurance for all the above referred risks. With regard to the insurance we do maintain, we cannot assure you that it would be sufficient to cover all of our potential losses. As a result, our business, financial condition, results of operations and cash flows could be materially and adversely affected by natural disasters and other calamities. **34**