
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 30, 2023

ALLEGRO MICROSYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware <small>(State or other jurisdiction of incorporation or organization)</small>	001-39675 <small>(Commission File Number)</small>	46-2405937 <small>(IRS Employer Identification No.)</small>
955 Perimeter Road Manchester, New Hampshire <small>(Address of principal executive offices)</small>		03103 <small>(Zip Code)</small>

(603) 626-2300

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ALGM	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On March 30, 2023, Allegro MicroSystems, Inc. (the “Company”) entered into a Termination of the Distribution Agreement (the “Termination Agreement”) with Sanken Electric Co., Ltd. (“Sanken”). The Termination Agreement formally terminated the Distribution Agreement dated as of July 5, 2007, by and between the Company and Sanken (the “Distribution Agreement”), effective March 31, 2023. The Distribution Agreement provided Sanken the exclusive right to distribute the Company’s products in Japan. In connection with the termination of the Distribution Agreement and as provided for in the Termination Agreement, the Company made a one-time payment of \$5,000,000 to Sanken in exchange for the cancellation of Sanken’s exclusive distribution rights in Japan.

On March 30, 2023, the Company’s wholly owned subsidiary, Allegro MicroSystems, LLC, and Sanken also entered into a Distribution Agreement (the “Short-Term Distribution Agreement”) and a Consulting Agreement (the “Consulting Agreement”), each of which were effective April 1, 2023 (the “Effective Date”). The Short-Term Distribution Agreement provides for the management and sale of Company product inventory for a period of twenty-four months from the Effective Date. Under the terms of the Consulting Agreement, Sanken agreed to continue to provide transition services for a period of six months from the Effective Date to a strategic customer as orders for the customer are transitioned from Sanken to the Company, and the Company agreed to pay Sanken for providing these transition services.

Sanken is the Company’s largest stockholder, holding a majority of the Company’s issued and outstanding common stock. The arrangements with Sanken were reviewed and approved by the Company’s Audit Committee of the Board of Directors pursuant to the Company’s Related Person Transaction Policy and Procedures.

The foregoing descriptions of the Termination Agreement, the Short-Term Distribution Agreement and the Consulting Agreement do not purport to be complete and are qualified in its entirety by reference to the complete text of the Termination Agreement, the Short-Term Distribution Agreement and the Consulting Agreement, copies of which are filed as Exhibit 10.1, 10.2 and 10.3, respectively, hereto and incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

The information regarding the Termination Agreement set forth in Item 1.01 is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits**

Exhibit No.	Description
Exhibit 10.1	<u>Termination of the Distribution Agreement by and between Allegro MicroSystems, Inc. and Sanken Electric Co., Ltd., effective March 31, 2023.</u>
Exhibit 10.2*	<u>Distribution Agreement by and between Allegro MicroSystems, LLC and Sanken Electric Co., Ltd., effective April 1, 2023.</u>
Exhibit 10.3*	<u>Consulting Agreement by and between Allegro MicroSystems, LLC and Sanken Electric Co., Ltd., effective April 1, 2023.</u>
Exhibit 104	The cover page from this Current Report on Form 8-K, formatted as Inline XBRL.

* Portions of this exhibit (indicated by “[XXX]”) have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K under the Securities Act of 1933, as amended, because they are both (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

ALLEGRO MICROSYSTEMS, INC.

Date: April 5, 2023

By: /s/ Sharon S. Briansky
Sharon S. Briansky
Senior Vice President, General Counsel and Secretary

**TERMINATION OF THE
DISTRIBUTION AGREEMENT**

THIS TERMINATION OF THE DISTRIBUTION AGREEMENT is entered into this 31st day of March 2023 (the "Effective Date") by and between Sanken Electric, Co., Ltd., located at 3-6-3 Kitano, Niiza-shi, Saitama, Japan ("SANKEN"), and Allegro MicroSystems, Inc, located at 955 Perimeter Road, Manchester, New Hampshire 03103, U.S.A. ("ALLEGRO").

WHEREAS, SANKEN and ALLEGRO entered into a Distribution Agreement executed by the parties on July 5, 2007 (the "Agreement"); and

WHEREAS, the parties desire to terminate such Agreement;

NOWHEREFORE, the parties agree to the following:

1. As consideration for SANKEN's acceptance of the termination of the Agreement within the allowable notice period specified in Article 8.2 Termination of the Agreement, ALLEGRO agrees to pay SANKEN a one-time payment of five million US Dollars (\$5,000,000.00) on or before March 31st, 2023.
2. SANKEN and ALLEGRO will enter separate agreements from April 1, 2023 to address a specific customer's requirement and ALLEGRO product inventory possessed by Sanken as of the Effective Date of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Termination of the Distribution Agreement, as of the Effective Date first above written.

SANKEN ELECTRIC CO., LTD. ALLEGRO MICROSYSTEMS, LLC

By: /s/ Satoshi Yoshida its By: /s/ Derek D'Antilio its
Satoshi Yoshida Derek D'Antilio

Title: Director, Senior Corporate Officer Title: Sr Vice President & CFO

[XXX] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

DISTRIBUTION AGREEMENT

THIS DISTRIBUTION AGREEMENT is entered into April 1, 2023 (the “Effective Date”) by and between Sanken Electric, Co., Ltd., located at 3-6-3 Kitano, Niiza-shi, Saitama, Japan (“SANKEN”), and Allegro MicroSystems, Inc, located at 955 Perimeter Road, Manchester, New Hampshire 03103, U.S.A. (“ALLEGRO”).

WHEREAS, SANKEN possesses inventory of saleable ALLEGRO Product;

WHEREAS, SANKEN and ALLEGRO desire to sell this inventory to realize potential revenue and appropriately serve customers; and

WHEREAS, ALLEGRO and SANKEN also agree to continue the existing commercial and logistical support for a certain customer of ALLEGRO, [XXX], as stated herein.

NOWHEREFORE, The parties agree to the following:

1. On or before the Effective Date, SANKEN will provide a report to ALLEGRO of SANKEN’s then current inventory (to include quantities and ALLEGRO part numbers) of saleable ALLEGRO Products.
2. For a period of twenty-four (24) months from the Effective Date, ALLEGRO will direct the sale of ALLEGRO Product in SANKEN’s possession to fulfill distributor purchase orders or issue to Sanken a Return of Materials (RMA) request, as ALLEGRO deems appropriate.
3. With respect to orders from distributors SANKEN has a right to review details of the planned purchase order with ALLEGRO prior to accepting such orders to determine if SANKEN could properly satisfy the demand. Within forty-eight (48) hours of receipt of the purchase order, SANKEN will confirm receipt and quantities to be shipped, otherwise:
 - a. If SANKEN determines it could not accommodate the purchase order or does not have sufficient quantity of the ALLEGRO Product to fulfill the purchase order, it will without undue delay communicate this to the ALLEGRO contacts below.
4. SANKEN will ship the specified ALLEGRO Product at the specified volumes against those purchase orders or RMAs within five (5) business days of receipt of the purchase orders or RMA and provide written confirmation to ALLEGRO of the shipment.
5. Shipments will be made in accordance with the terms agreed to for the RMA or as stated in the distributor’s orders.
6. Within thirty (30) days of order fulfillment SANKEN will invoice the distributors for the shipped ALLEGRO Product and ALLEGRO for the means of shipment.
7. SANKEN will sell to the distributor the ALLEGRO Product at the same price as ALLEGRO would sell to the distributor, which will be as stated in the purchase orders from the distributors.

[XXX] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

8. Within thirty (30) days of RMA fulfillment ALLEGRO will credit SANKEN for the price of the Product returned and costs associated with the shipping logistics (freight, labor, warehousing).
9. ALLEGRO will assist SANKEN if SANKEN faces any issues related to sales, shipment or accounts receivable collection with the distributors to solve the issues.
10. On the first (1st) of each month, SANKEN will provide ALLEGRO with an updated report of its inventory of saleable ALLEGRO Product.
11. At the end of the twenty-four (24) month period, the parties will assess together the remaining inventory held by SANKEN to determine whether any remaining inventory is saleable and discuss with good faith how the inventory should be treated. Leading up to the final determination as to whether the remaining inventory is saleable, the parties will make commercially reasonable efforts to sell such inventory.
12. At the conclusion of the twenty-four (24) month term, if the parties determine there is remaining saleable inventory, ALLEGRO may work with SANKEN to effectuate an efficient return of such ALLEGRO Product to ALLEGRO.
13. ALLEGRO will continue to warrant the ALLEGRO Products delivered to SANKEN in accordance with ALLEGRO's Terms and Conditions of Sale.
14. SANKEN warrants that ALLEGRO Product shipped to the distributors will be properly packaged for shipment and is not obviously damaged prior to shipment.
15. In accordance with Section 2.1 of the "Transition Agreement" dated September 25, 2022, SANKEN and ALLEGRO agree to execute a separate agreement to continue the existing commercial and logistical support for [XXX] after April 1, 2023.
16. All notices or reports concerning, relating to, or required under this Agreement will be sent to:
 - a. For ALLEGRO: Hitoshi Yabusaki at [XXX] and Kyle Purinton at [XXX]
 - b. For SANKEN: Hirofumi Mori at [XXX]

IN WITNESS WHEREOF, the parties hereto have executed this Distribution Agreement as of the Effective Date first above written.

SANKEN ELECTRIC CO., LTD. ALLEGRO MICROSYSTEMS, LLC

By: /s/ Satoshi Yoshida its By: /s/ Max Glover its
Satoshi Yoshida Max Glover

Title: Director, Senior Corporate Officer Title: SVP, Worldwide Sales

[XXX] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

Consulting Agreement

THIS CONSULTING AGREEMENT is entered into this 1st day of April 2023 (the "Effective Date") by and between Sanken Electric, Co., Ltd., located at 3-6-3 Kitano, Niiza-shi, Saitama, Japan ("SANKEN"), and Allegro MicroSystems, LLC, located at 955 Perimeter Road, Manchester, New Hampshire 03103, U.S.A. ("ALLEGRO").

WHEREAS, in accordance with Section 2.1 of the "Transition Agreement" dated September 25, 2022, [XXX] ("[XXX]") requested SANKEN provide specific support for a limited period of time, after which, orders from [XXX] will be provided directly to ALLEGRO or an agreed upon, authorized distributor.

NOWHEREFORE, the parties agree to the following:

1. With respect to [XXX], for a period of six (6) months from the effective date, unless terminated earlier at the request of [XXX] or ALLEGRO, SANKEN will provide the services in accordance with Exhibit A (the "Services") to ALLEGRO as part of its assistance for the transfer of orders from SANKEN to ALLEGRO or it's designated distributor.
2. ALLEGRO shall be responsible for reimbursing SANKEN for all attributable costs plus [XXX]% associated with the Service, and any other costs associated with the Services provided hereunder. Such attributable costs shall include all personnel related costs, delivery and logistics costs, administrative costs, storage costs, and any other costs related to the provision of the Services. ALLEGRO shall promptly reimburse SANKEN for the foregoing costs incurred during a month within thirty (30) days following receipt of any invoice therefor.
3. Any and all confidential information received or disclosed pursuant to this Agreement shall be governed by the terms of the RECIPROCAL PROPRIETARY DISCLOSURE AGREEMENT by and between SANKEN and ALLEGRO dated January 2nd, 2019.
4. For the avoidance of doubt, any claim with respect to Allegro products sold by SANKEN to [XXX] as fulfilment of the Service (including, without limitation, claims for defective quality, infringement of intellectual property rights, product liability damages, etc.) shall be settled by ALLEGRO. If SANKEN incurs any related compensation to customers, such compensation and all related costs will be borne by ALLEGRO, provided ALLEGRO is permitted to participate in the negotiation of such compensation. ALLEGRO will not be responsible for any compensation agreed to by SANKEN without ALLEGRO's written consent to such compensation.
5. All notices or reports concerning, relating to, or required under this Agreement will be sent to:
 - a. For ALLEGRO: Hitoshi Yabusaki at [XXX] and Kyle Purinton at [XXX]
 - b. For SANKEN: Hirofumi Mori at [XXX]

[XXX] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

IN WITNESS WHEREOF, the parties hereto have executed this Consulting Agreement as of the Effective Date first above written.

SANKEN ELECTRIC CO., LTD. ALLEGRO MICROSYSTEMS, LLC

By: /s/ Satoshi Yoshida By: /s/ Max Glover

Satoshi Yoshida Max Glover

Title: Director, Senior Corporate Officer Title: SVP, Worldwide Sales

[XXX] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

Exhibit A

[XXX]