

**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): November 30, 2022

GSI Technology, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-33387

(Commission File Number)

77-0398779

(I.R.S. Employer Identification No.)

1213 Elko Drive

Sunnyvale, California 94089

(Address of Principal Executive Offices) (Zip Code)

(408) 331-8800

(Registrant's telephone number, including area code)

Not Applicable

(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(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	GSIT	The Nasdaq Stock Market LLC

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 2.05. Costs Associated with Exit or Disposal Activities.

On November 30, 2022, the Board of Directors of GSI Technology, Inc. (the “Company”) approved and ratified a series of strategic cost reduction initiatives intended to better align the Company’s operational structure with its near-term and long-term goals (the “Cost Reduction Initiatives”). The Company expects the Cost Reduction Initiatives to be completed by mid-2023.

The Cost Reduction Initiatives are expected to reduce the Company’s operating expenses by approximately \$7.0 million on an annualized basis, primarily as a result of an approximate 15% decrease in the Company’s global workforce, salary decreases for certain retained employees, as well as targeted reductions in research and development spending. In connection with the Cost Reduction Initiatives, the Company anticipates incurring \$850,000 in termination costs, including the payout of accrued vacation, which will require cash expenditures, most of which are expected to be incurred in the current fiscal year.

The foregoing contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding GSI Technology’s expectations, beliefs, intentions, or strategies regarding the future. All forward-looking statements included herein are based upon information available to the Company as of the date hereof, and the Company assumes no obligation to update any such forward-looking statements. Forward-looking statements involve a variety of risks and uncertainties, which could cause actual results to differ materially from those projected. Examples of risks that could affect the Company’s current expectations regarding the Cost Reduction Initiatives include: the Company’s ability to implement the Cost Reduction Initiatives, the impact of the Cost Reduction Initiatives on the Company’s business and operations, including any possible disruption of the Company’s business, and the failure to realize the anticipated benefits of the Cost Reduction Initiatives. Further information regarding these and other risks relating to the Company’s business is contained in the Company’s filings with the Securities and Exchange Commission, including those factors discussed under the caption “Risk Factors” in such filings.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) As part of the Cost Reduction Initiatives, the Company’s President and Chief Executive Officer and the Company’s Vice President, Engineering, agreed to a thirty percent (30%) reduction in base salary and other officers, including the Company’s Chief Financial Officer, Vice President, Sales and Vice President, U.S. Operations, agreed to a ten percent (10%) reduction in base salary. In connection with the salary reductions, the Board of Directors of the Company approved the grant of options to purchase shares of the Company’s common stock (the “Stock Options”) to these named executive officers as follows:

<u>Name</u>	<u>Title</u>	<u>No. of Options</u>
Lee-Lean Shu	President and Chief Executive Officer	150,000
Robert Yau	Vice President, Engineering	60,000
Douglas M. Schirle	Chief Financial Officer	20,000
Didier Lasserre	Vice President, Sales	20,000
Ping Wu	Vice President, U.S. Operations	15,000

The grant of the Stock Options will be effective on the second trading day following the public announcement of the Cost Reduction Initiatives pursuant to the press release attached as Exhibit 99.1 to this Current Report, and will vest in full on the one year anniversary of the date of grant.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

[99.1](#) [GSI Technology, Inc. Press Release dated November 30, 2022](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GSI Technology, Inc.

Date: November 30, 2022

By: /s/ DOUGLAS M. SCHIRLE
Douglas M. Schirle
Chief Financial Officer

GSI Technology Announces Strategic Cost Reduction Initiatives

Taking Steps to Reduce Operating Expenses and Cash Burn While Maintaining APU Development and Launch Strategy

SUNNYVALE, Calif., Nov. 30, 2022 (GLOBE NEWSWIRE) -- **GSI Technology, Inc. (Nasdaq: GSIT)**, developer of the Gemini[®] Associative Processing Unit (APU) for AI and high-performance parallel computing (HPPC) and a leading provider of high-performance memory solutions for the networking, telecommunications and military markets, today announced the implementation of cost reduction initiatives to better align its operational structure with its near-term and long term goals for APU products currently under development.

GSI aims to reduce its operating expenses by approximately \$7.0 million on an annualized basis, primarily from salary reductions related to reduced headcount and salary decreases for certain retained employees, as well as targeted reductions in research and development spending. These strategic cost reduction measures are expected to enable GSI to better focus its operational resources on advancing its proprietary APU technology.

“GSI’s goal with these cost reduction initiatives is to scale our operations more appropriately and target investments more precisely to increase our efficiency,” stated Lee-Lean Shu, GSI Technology Chairman and Chief Executive Officer. “The launch of Gemini-I and continued development of Gemini-II remain our primary priorities while supporting the essential operations of our legacy SRAM business, including our radiation-hardened and radiation-tolerant SRAM products.”

None of the Gemini-II chip development and core APU software development, including the APU compiler, will be affected by the reduction in R&D spending, and the APU marketing, sales, and APU engineering efforts will retain priority in the budget. The planned spending reductions will not impact the launch of Gemini-I in target markets, including SAR, search, and SaaS.

The cost reduction initiative is expected to be completed by March 31, 2023 and will result in an approximate 15% decrease in GSI’s global workforce. GSI expects to incur approximately \$850,000 in termination costs, including the payout of accrued vacation, which will require cash expenditures, most of which are expected to be incurred in the current fiscal year.

ABOUT GSI TECHNOLOGY

Founded in 1995, GSI Technology, Inc. is a leading provider of semiconductor memory solutions. GSI’s resources are focused on bringing new products to market that leverage existing core strengths, including radiation-hardened memory products for extreme environments and Gemini-I, the associative processing unit designed to deliver performance advantages for diverse artificial intelligence applications. GSI Technology is headquartered in Sunnyvale, California, and has sales offices in the Americas, Europe, and Asia. For more information, please visit www.gsitechnology.com.

Forward-Looking Statements

The statements contained in this press release that are not purely historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding GSI Technology’s expectations, beliefs, intentions, or strategies regarding the future. All forward-looking statements included in this press release are based upon information available to GSI Technology as of the date hereof, and GSI Technology assumes no obligation to update any such forward-looking statements. Forward-looking statements involve a variety of risks and uncertainties, which could cause actual results to differ materially from those projected. Examples of risks that could affect our current expectations regarding the cost reduction initiatives, the resulting expense reductions and our development of APU products include: our ability to implement the cost reduction initiatives, the impact of the cost reduction initiatives on the business and operations of GSI Technology, including any possible disruption of GSI Technology’s business, and the failure to realize the anticipated benefits of the cost reduction initiatives; the rapidly evolving markets for artificial intelligence and high-performance parallel computing products and uncertainty regarding the development of these markets; intensive competition; and delays or unanticipated costs that may be encountered in the development of new products based on our in-place associative computing technology and the establishment of new markets and customer and partner relationships for the sale of such products. Many of these risks are currently amplified by and will continue to be amplified by, or in the future may be amplified by, the COVID-19 global pandemic. Further information regarding these and other risks relating to GSI Technology’s business is contained in the Company’s filings with the Securities and Exchange Commission, including those factors discussed under the caption “Risk Factors” in such filings.

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