



## Immersion Corporation Announces Restructuring

December 20, 2017

*Actions strengthen focus on innovation, optimize organizational structure, and result in annual savings of approximately \$10 million*

SAN JOSE, Calif.--(BUSINESS WIRE)--Dec. 20, 2017-- Immersion Corporation (NASDAQ: IMMR), the leading developer and licensor of touch feedback technology, today announced a series of restructuring actions designed to sharpen the company's strategic focus and establish a more cost-efficient operating structure.

As part of these changes, Immersion plans to take the following steps:

- Significantly reduce its presence in China to focus primarily on Mobile OEM licensing;
- Focus development efforts to bolster its IP licensing model for the Gaming and VR/AR markets; and
- Cease its efforts in Mobile Advertising.

These steps will increase internal efficiencies through the consolidation of certain sites of operation and will result in the elimination of 56 positions, or approximately 41% of the worldwide employee base.

"The Board and management team are taking immediate and decisive actions to drive shareholder value by positioning Immersion for profitable growth and success," said Carl Schlachte, Immersion's Interim CEO. "This reorganization will create a simplified structure that allows us to enhance our strengths while maintaining our focus on innovation, the advancement of haptic technology and driving success across our global OEM customer base."

Immersion's leadership in haptics innovation was recently recognized by IEEE. In the 2017 IEEE Spectrum Patent Power Scorecards' ranking of the technology world's most valuable patent portfolios, Immersion ranked second out of twenty companies in the computer peripherals and storage category. This reorganization will allow for a more focused and streamlined approach, enabling Immersion to maintain its leadership position in the haptic technology field.

Immersion anticipates annual savings from these actions to be approximately \$10 million and estimates total costs related to these efforts to be in the range of \$1.5 million to \$2.0 million. The company expects that these activities will be completed during the first quarter of 2018, and it will provide additional details during its fiscal 2017 conference call.

### About Immersion

Immersion Corporation (NASDAQ: IMMR) is the leading innovator of touch feedback technology, also known as haptics. The company provides technology solutions for creating immersive and realistic experiences that enhance digital interactions by engaging users' sense of touch. With more than 2,600 issued or pending patents, Immersion's technology has been adopted in more than 3 billion digital devices, and provides haptics in mobile, automotive, advertising, gaming, medical and consumer electronics products. Immersion is headquartered in San Jose, California with offices worldwide. Learn more at [www.immersion.com](http://www.immersion.com)

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### Forward-looking Statements

This press release contains "forward-looking statements" that involve risks and uncertainties as well as assumptions that, if they never materialize or prove incorrect, could cause the results of Immersion Corporation and its consolidated subsidiaries to differ materially from those expressed or implied by such forward-looking statements.

All statements, other than the statements of historical fact, are statements that may be deemed forward-looking statements, including, but not limited to, our expectations as to financial effects of the restructuring and timing of the completion of the restructuring.

Immersion's actual results might differ materially from those stated or implied by such forward-looking statements due to risks and uncertainties associated with Immersion's business and other factors, which include, but are not limited to, potential and actual claims and proceedings, including litigation involving Immersion's intellectual property; the impact of litigation developments, including on existing and potential customers; delay in or failure to achieve commercial demand for Immersion's or its licensees' products; unexpected difficulties in monetizing the patent portfolio; the commercial success of applications or devices into which Immersion's technology is licensed; the continued popularity of the target applications for Immersion's technology; lengthy sales cycles and design processes and effectiveness of Immersion's sales force; unanticipated difficulties and challenges encountered in development efforts; unexpected costs; the fact that certain target markets are still relatively nascent; risks associated with doing business internationally; litigation costs in any current or future litigation; failure to retain key personnel as a result of the restructuring or otherwise; competition; the inherently uncertain nature of litigation which makes future outcomes and timing difficult to predict; the impact of global economic conditions and foreign currency exchange rates and other factors. Many of these risks and uncertainties are beyond the control of Immersion.

For a more detailed discussion of these factors, and other factors that could cause actual results to vary materially, interested parties should review the risk factors listed in Immersion's Annual Report on Form 10-K for 2016 and its most recent Quarterly Report on Form 10-Q which are on file with the U.S. Securities and Exchange Commission. The forward-looking statements in this press release reflect Immersion's beliefs and predictions as of the date of this release. Immersion disclaims any obligation to update these forward-looking statements as a result of financial, business, or any other developments occurring after the date of this release.

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