

JOINT PRESS RELEASE

TDK's subsidiary EPCOS to acquire Tronics to further grow its sensor business

- Subject to certain regulatory approvals, TDK's subsidiary EPCOS will launch an all-cash public tender offer for all publicly-held shares of Tronics for a price of EUR 13.20 per share.
- One of TDK's priority strategies is business growth in the field of sensors; through the acquisition of Tronics, TDK would be able to further broaden its portfolio of cutting-edge sensor technologies.
- Offer price per share of Tronics represents a 78.4% premium to the closing share price as of July 7, 2016 (the trading day preceding the stock trading suspension) and a 62.1% premium to the volume-weighted average price during the last 60 trading days prior to this suspension.
- The offer will be conditional upon reaching a 66.67% success threshold¹; shareholders representing 53.21% of outstanding shares have already committed to tender their shares and the management has committed to sell after the tender offer 135 000 shares underlying their stock options.
- Thales Avionics has informed EPCOS that it wishes to remain a strategic shareholder of Tronics. Subject to the success of EPCOS' offer, Thales Avionics and EPCOS shall enter into a shareholders' agreement to organize their relationships as shareholders of Tronics.
- Tronics' Supervisory Board unanimously supports the contemplated combination and has recommended, on a preliminary basis, the tender offer.

August 1, 2016

TOKYO, JAPAN and CROLLES, FRANCE – TDK Corporation ("TDK", TSE: 6762) and Tronics Microsystems SA ("Tronics", ISIN:FR0004175099 ALTRO) jointly announced today that TDK's wholly-owned subsidiary EPCOS AG ("EPCOS"), a leading manufacturer of electronic components, modules and systems based in Munich, Germany, and Tronics have signed a tender offer agreement pursuant to which EPCOS will launch a public tender offer for all publicly-held shares of Tronics for EUR 13.20 per share. On a fully-diluted equity value basis, the transaction represents a value of Tronics' equity of approximately EUR 48.65 million. This represents a 78.4% premium over Tronics' closing share price on July 7, 2016, the trading day immediately preceding the stock trading suspension, and a 62.1% premium to the volume-weighted average price during the last 60 trading days prior to this suspension.

¹ This success threshold will be reduced to take into account the shares of Tronics underlying the *bons de souscription de parts de créateur d'entreprise* (BSPCE) and stock options that will be covered by irrevocable forward sale agreements, so that the 66.67% threshold can be reached after the offer as a result of the delivery of these shares.

Attractive growth opportunities in new markets

TDK is accelerating its expansion of strategic growth products by business collaboration with strategic partners and M&A. One of the company's priority strategies is business growth in the field of sensors. Through the acquisition of Tronics, TDK would be able to further broaden its portfolio of cutting-edge sensor technologies, which currently includes temperature, pressure and magnetic/TMR-based² sensor technologies. The integration of Tronics into TDK will open up attractive new opportunities in the promising growth markets for inertial sensors in industrial, automotive and consumer electronics and thus enable TDK to substantially expand its sensor business and provide customers with a wide range of sensor solutions.

Founded in 1997 and headquartered in Crolles, with wafer fabs in Europe and the USA and a representation in Asia, Tronics provides local support to customers on three continents and offers one of the broadest technology portfolios in the industry. Tronics' services range from MEMS³ design to high-volume MEMS manufacturing.

Comments Joachim Zichlarz, TDK Senior Vice President, Corporate Officer and CFO of Electronic Components Business Company and EPCOS Chairman of the Management Board, CEO and CFO: "Tronics gives an immediate entry into the rapidly growing market for inertial sensors. The acquisition of Tronics will boost our innovativeness and market strength in one of the future's most promising and crucial technological fields. Following the acquisition of the magnetic sensor manufacturer Micronas, which was announced in December 2015, the acquisition of Tronics represents a logical next step in TDK's strategy to expand its activities in the sensors area. Moreover, TDK expects strong synergies with its own cutting-edge thin-film and assembly technologies."

Additional information related to the tender offer

The tender offer is expected to be filed at the beginning of September 2016. The effective opening of the tender offer is subject to prior clearance by the French Ministry of Economy and Finance. Its completion is conditional upon EPCOS obtaining 66.67% of the Tronics shares⁴.

Existing shareholders of Tronics (Sercel Holding, Aster Capital, Innovation Capital, Omnes Capital, CEA Investissement and some founders) have committed to tender shares representing 53.21% of Tronics outstanding shares. Furthermore, members of the management, including Mr. Pascal Langlois, CEO of Tronics, entered into agreements with EPCOS to sell 135 000 shares underlying the stock options and BSPCE they own subject to the success to the tender offer.

Thales Avionics, which holds a 20.9% stake in Tronics, has informed EPCOS that it wishes to remain a strategic shareholder of Tronics. Consequently, EPCOS and Thales Avionics have initiated discussions to set forth the terms and conditions of their possible future

² TMR: tunnel magnetoresistive

³ MEMS: microelectromechanical systems

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relationships in relation to Tronics, and have agreed, subject to the condition precedent of the success of the tender offer, to enter into a shareholders' agreement at the close of the offer.

Individual holders of shares subscribed under the TEPA regime will be offered to enter into liquidity arrangements.

Access to promising new MEMS technologies and network

Thanks to the ongoing miniaturization trend MEMS technologies have become increasingly important in the sensor market. Tronics will support this trend and open up entirely new possibilities for miniaturized sensor solutions. The company's current portfolio includes several MEMS technologies that enable inertial sensor solutions featuring multiple sensor functions in one device. Such miniaturized sensor devices are expected to be key components in emerging applications in industrial and automotive electronics, aircraft and the Internet of Things (IoT), where they will enable, for example, safer industrial robots, self-driving vehicles, drone delivery services and autonomous home appliances.

In addition to inertial sensors, Tronics' portfolio of technologies also includes components for gas sensors, infrared sensors, micro-mirrors, micro-optics and micro-actuators as well as forward-looking BioMEMS and microfluidic devices for in-vitro diagnostic and DNA analysis.

Tronics strongly supports the public tender offer

With its experienced management team, Tronics will serve as the worldwide competence center for inertial sensors and provide MEMS solutions based on its own manufacturing facilities, in particular in Crolles.

The Supervisory Board of Tronics has noted that a combination with TDK offers significant strategic, operational and financial advantages for Tronics and will secure Tronics' development and output in a difficult market. The tender offer will also allow shareholders to receive full value for their shares, the price of which has dropped significantly since the IPO in early 2015. In this context, the Supervisory Board of Tronics has unanimously resolved to support the project and has given its preliminary recommendation to the public tender offer that will be filed by EPCOS. The Supervisory Board of Tronics has appointed Ledouble SAS as independent expert for the purpose of delivering a fairness opinion on the price of the tender offer.

The Supervisory Board of Tronics will communicate its final recommendation for Tronics' shareholders to accept the public tender offer after its receiving the fairness opinion and after the works council's information and consultation process on the public tender offer being completed.

Pascal Langlois, Chairman of the Management Board and CEO of Tronics comments: "This is a great recognition for Tronics' expertise and success in inertial products and MEMS technologies. The company will benefit from TDK's position as a leading manufacturer of electronic components with a global salesforce and powerful manufacturing base and with excellent relationships to key players in industrial, automotive and consumer electronics markets. TDK's solid financial basis and extensive know-how in materials and production engineering will provide a very good basis for strong future growth of Tronics' cutting-edge sensor technologies. It is a great step in the development of the company for employees, customers and shareholders."

Additional information related to the transaction

The Autorité des marchés financiers (AMF) has issued this day a pre-offer period opening notice regarding Tronics.

The trading of Tronics shares will resume on August 3rd, 2016.

The public will be informed about the filing of the public tender offer documents to be issued by TDK and Tronics in due time.

In accordance with French law, the documentation relating to the public tender offer targeting Tronics which will include the terms and conditions of the offer will be subject to review by the AMF. The public tender offer will only be opened once the AMF has granted its clearance and subject to clearance by the French Ministry of Economy in relation to control of foreign investments in France. Information concerning Tronics contained in this press release has been elaborated based on publicly available sources.

Advisors

Gimar & Cie is acting as financial advisor to Tronics and Darrois Villey Maillot Brochier is acting as legal advisor to Tronics.

PwC Corporate Finance is acting as financial advisor to TDK and Kepler Cheuvreux as presenting bank in the context of the public tender offer and Hogan Lovells is acting as legal advisor to TDK.

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About TDK Corporation

TDK Corporation is a leading electronics company based in Tokyo, Japan. It was established in 1935 to commercialize ferrite, a key material in electronic and magnetic products. TDK's portfolio includes electronic components, modules and systems* which are marketed under the product brands TDK and EPCOS, power supplies, magnetic application products as well as energy devices, flash memory application devices, and others. TDK focuses on demanding markets in the areas of information and communication technology and consumer, automotive and industrial electronics. The company has a network of design and manufacturing locations and sales offices in Asia, Europe, and in North and South America. In fiscal 2016, TDK posted total sales of USD 10.2 billion and employed about 92,000 people worldwide.

* The product portfolio includes ceramic, aluminum electrolytic and film capacitors, ferrites, inductors, high-frequency components such as surface acoustic wave (SAW) filter products and modules, piezo and protection components, and sensors.

About EPCOS

EPCOS, a TDK Group Company, develops, manufactures and markets electronic components, modules and systems, focusing on fast-growing leading-edge technology markets, which include information and communications technology, automotive electronics, industrial electronics and consumer electronics. Thanks to the approximately 25,500 employees at more than 20 design and production locations and an extensive sales network outside of Europe, the company is well-equipped to work closely with customers and create the right solutions for them. Since February 2015, the two existing European sales channels for EPCOS and TDK products have been merged under the one roof of TDK Europe.

In fiscal 2016 (ending in March) EPCOS posted sales of about EUR 2.5 billion.

About Tronics

Founded in 1997, Tronics is a recognized technological leader in the sector of nano & microsystems with high added value. Positioned at the heart of product innovation, Tronics has technology platforms protected by a portfolio of 25 families of patents, resulting from 15 years of R&D and more than EUR 15 million of cumulative industrial investments. Addressing high-growth markets relying on increasing miniaturization of electronic devices, Tronics designs, manufactures and sells custom or standard products to the industry, aeronautics & security, medical and consumer markets. Located in Crolles, near Grenoble (France) and in Dallas, Texas (United States), Tronics posted revenue of EUR 7.8 Million in 2015. It now has 92 employees, of whom 55 are engineers and scientists.

ISIN code: FR0004175099 ALTRO.

«Innovative Company» certification number: A1410008 V.

For more information: www.tronicsgroup-bourse.com