

JOINT PRESS RELEASE

Public tender offer by TDK subsidiary EPCOS to acquire Tronics successful

- The all-cash public tender offer announced on August 1, 2016, by TDK's subsidiary EPCOS to acquire all publicly-held shares of Tronics has been successful.
- EPCOS has acquired 72.38% of the outstanding shares at a price of EUR 13.20 per share, and has thus exceeded the defined 65.41%¹ success threshold for its offer. The settlement of the tender offer will occur on December 27, 2016.
- Through the acquisition of Tronics, TDK broadens its portfolio of cutting-edge sensor technologies and strengthens its basis for faster growth in the strategic field of sensors.
- Thales Avionics will remain a strategic shareholder of Tronics. After the closing of the successful offer, Thales Avionics and EPCOS will enter into a shareholders' agreement.
- The tender offer will automatically reopen in the beginning of January 2017 for a period of 10 trading days.

December 21, 2016

TOKYO, JAPAN and CROLLES, FRANCE – TDK Corporation ("TDK", TSE: 6762) and Tronics Microsystems SA ("Tronics", ISIN:FR0004175099 ALTRO) jointly announced today that the all-cash public tender offer launched by TDK's wholly-owned subsidiary EPCOS AG ("EPCOS") was successfully closed on December 14, 2016. EPCOS, a leading manufacturer of electronic components, modules and systems based in Munich, Germany, acquired 72.38% of the outstanding shares at a price of EUR 13.20 per share, thus exceeding the defined 65.41% success threshold for the offer. The acquisition of these shares represents a value of approximately EUR 33.432 million. The settlement of the tender offer will occur on December 27, 2016.

Thales Avionics, which holds a 20.9% stake in Tronics, will remain a strategic shareholder of Tronics. After the closing of the successful offer, Thales Avionics and EPCOS will hold in aggregate 93.30% of the capital and 88.88% of the voting rights of Tronics. The two companies will enter into a shareholders' agreement to act in concert, which will take effect at the closing of the reopened tender offer in accordance with the terms summarized in the offer documentation.

The tender offer will automatically reopen in the beginning of January 2017 for a period of 10 trading days. The offer price per share will remain unchanged at EUR 13.20 and 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 was 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.

The composition of the Supervisory Board of Tronics will be revised to reflect the new shareholding structure of Tronics.

Next steps

If, at the end of the reopened tender offer, EPCOS² holds more than 95% of the capital and voting rights of Tronics, EPCOS reserves its right to ask the AMF, within ten (10) trading days from the result publication of the re-opened tender offer, or where applicable, within three (3) months from the end of the reopened tender offer, to implement a squeeze-out procedure by the transfer of Tronics' shares which would not have been tendered to the offer.

Solid basis for future growth

With the addition of Tronics, which provides an immediate entry to the rapidly growing market for inertial sensors, TDK has implemented a further key element in its strategy to broaden and strengthen its portfolio of cutting-edge sensor technologies. Comments Joachim Zichlarz, Corporate Officer and Senior Vice President of TDK, as well as Chairman of the Management Board, CEO and CFO of EPCOS: "With the successful completion of the tender offer and the conclusion of our agreement with Thales, we have created a solid basis for further developing Tronics' business under the roof of TDK and, at the same time, boosting our innovativeness and market strength in one of the future's most promising technological fields. Moreover, TDK expects strong synergies with its own cutting-edge thin-film and assembly technologies."

Pascal Langlois, Chairman of the Management Board and CEO of Tronics comments: "Tronics' shareholders have recognized the strong financial and industrial merits of the acquisition by TDK. Its solid financial basis and extensive know-how in materials and production engineering now provide a very good basis to grow further Tronics' inertial products and MEMS technologies. This is a great step in the company's development as we will benefit from TDK's leading and developing position as a powerful component manufacturer in industrial, automotive and consumer electronics markets."

Additional information related to the tender offer

The Autorité des Marchés Financiers (AMF) published the results of the tender offer on December 19, 2016.

The offer documents and press releases for the tender offer can be found on the EPCOS website under www.epcos.com/tronics and on the Tronics website under www.tronicsgroup-bourse.com/en/. Please note that these documents are available only in French – with the exception of the initial press release on August 1, 2016, announcing the tender offer.

Advisors

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

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

² Acting in concert with Thales Avionics

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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