

TDK to Acquire Shares of Micronas Semiconductor Holding AG for Conversion into a Subsidiary

December 17, 2015

TDK Corporation announces that its Board of Directors resolved at a meeting held on December 17, 2015 to have TDK Magnetic Field Sensor G.K.(SPC) submit a public offer (hereinafter the "Offer") for all publicly held registered shares of Micronas Semiconductor Holding AG (Switzerland, hereinafter "Micronas") . Micronas supplies state-of-the-art sensors and IC systems for automobiles and industrial equipment. Details of the offer are as follows. The Offer is not applied to the Paragraph 1 of Article 27-2 of the Financial Instruments and Exchange Act of Japan.

1. Reasons for the Share Acquisition

TDK is endeavoring to further expand earnings from its five priority businesses in the three priority markets of automobiles, industrial equipment/energy, and ICT, in the three years until the end of its current medium-term management plan in March 31, 2018.

TDK's strengths in magnetic materials technologies have been broadly applied in its product lineup. In particular, magnetic sensors leveraging magnetic thin-film technologies nurtured in hard disk drive (HDD) magnetic heads are a strategic product line. Demand for the sensors has increased substantially; especially in the field of automobiles and industrial equipment, in two of TDK's three priority markets. TDK will acquire Micronas, which possess Hall elements effective as magnetic sensors and excels in integrated circuit design and packaging technology, to bolster its strength in magnetic sensors and grow the sensor business further. Capitalizing on the synergies between Micronas and the sensor business will enable TDK to expand business even more in the global market.

2. Overview of the Offer

(1) Company executing the offer	TDK Magnetic Field Sensor G.K.(SPC for the offer, a wholly owned subsidiary by TDK)
(2) Target of the offer	Micronas Semiconductor Holding AG
(3) Tender offer price	7.5 CHF per share, based on number of shares that are outstanding and could be issued until settlement about CHF 214 million in total About 26,284 million Japanese yen
(4) Tender offer period	Expected to commence on or about January 12 and to be completed on or about February 10 2016 (subject to change, detailed timetable will be made available as part of the offer documents)

(5) Percentage of shares to be acquired	Threshold of 67% of all outstanding shares
(6) Prerequisite for the offer	The closing of the Offer is subject to certain conditions, in particular receipt of the competent competition authorities, tender of at least 67% of Micronas' outstanding shares and other customary closing conditions. The schedule for the offer is subject to change.
(7) Opinion approving the offer from the Board of Directors of Micronas	The Board of Directors of Micronas has unanimously resolved to support the public tender offer by TDK and to recommend that Micronas's shareholders accept TDK's public tender offer.

3. Overview of the Subsidiary to Be Transferred

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(1) Name	Micronas Semiconductor Holding AG		
(2) Location	Zurich, Switzerland		
(3) Representative	Matthias Bopp (CEO)		
(4) Business	Design, manufacture and sales of sensors and IC systems for automobiles and industrial equipment		
(5) Paid-in capital	1,487,646.50 CHF (183 mil. JPY)		
(6) Establishment	November, 1995		
(7) Major shareholders and their percentage of holdings (as of December 15 th 2015)	<ul style="list-style-type: none"> – Brandes Investment Partners, L.P. , USA 10.6% – RBC Investor + Treasury Services, UK, 7.07% – Nortrust Nominees Ltd, UK, 5.05% – Black Creed Investment Management Inc., Canada, 5.04% – Sparinvest Holdings SE, Luxembourg, 4.95% – Wellington Management Group LLP, USA, 3.58% 		
(8) Relationship between TDK and Micronas	Capital relationship	No capital relationship	
	Personnel relationship	No personnel relationship	
	Business relationship	Business relationships between Micronas and TDK. The amount is immaterial	
(9)	Consolidated business results and financial position of Micronas for the last three years		
Fiscal period	Year ended December 2012	Year ended December 2013	Year ended December 2014
Net assets	125,697 thou. CHF (15,461 mil. JPY)	129,843 thou. CHF (15,971 mil. JPY)	109,762 thou. CHF (13,501 mil. JPY)
Total assets	297,776 thou. CHF (36,626 mil. JPY)	303,151 thou. CHF (37,288 mil. JPY)	297,699 thou. CHF (36,617 mil. JPY)

Net assets per share	4.2 CHF (516.6 JPY)	4.4 CHF (541.2 JPY)	3.7 CHF (455.1 JPY)
Net sales	168,465 thou. CHF (20,721 mil. JPY)	151,919 thou. CHF (18,686 mil. JPY)	158,450 thou. CHF (19,489 mil. JPY)
Operating income	24,229 thou. CHF (2,980 mil. JPY)	8,082 thou. CHF (994 mil. JPY)	6,392 thou. CHF (786 mil. JPY)
Net income	19,294 thou. CHF (2,373 mil. JPY)	6,635 thou. CHF (816 mil. JPY)	3,448 thou. CHF (424 mil. JPY)
Net income per share	0.66 CHF (81.18 JPY)	0.23 CHF (28.29 JPY)	0.12 CHF (14.76 JPY)
Dividends per share	0.05 CHF (6.15 JPY)	0.05 CHF (6.15 JPY)	0.05 CHF (6.15 JPY)

4. Schedule

(1) Issue of tender offer registration statement	December 22, 2015 (planned)
(2) Beginning of tender offer period	January 12, 2016 (planned)
(3) End of tender offer period	February 10, 2016 (planned)
(4) Settlement date	Beginning of March 2016 (planned)

5. Outlook

The transfer of the newly acquired subsidiary is projected to have a minor impact on TDK's consolidated results for the fiscal year ending March 31, 2016.

※Currency exchange rate is 123 Japanese yen / 1 CHF

(Reference) TDK's Consolidated Forecasts for the Fiscal Year Ending March 31, 2016 (as of October 30, 2015) and Results for the Previous Fiscal Year

(Yen million)	Net sales	Operating income	Income before income taxes	Net income attributable to TDK
Forecasts for the year ending March 2016	1,180,000	95,000	95,000	65,000
Results for the year ended March 2015	1,082,560	72,459	74,517	49,440

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 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 2015, TDK posted total sales of US\$9.0 billion and employed about 88,000 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 Micronas Semiconductor Holding AG

Micronas Semiconductor Holding AG is the most preferred partner for sensing and control serves all major automotive electronics customers worldwide, many of them in long-term partnerships for lasting success. While the holding company is headquartered in Zurich (Switzerland), operational headquarters are based in Freiburg (Germany). Currently, the Micronas Group employs around 900 persons.

Contact for media

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The pre-announcement of TDK, which has been published today, contains the main terms and conditions of the public tender offer. Among other offer conditions, the offer is subject to the approval of the competent competition authorities and subject to the condition that at least 67% of Micronas' shares are tendered. The pre-announcement and other offer documents of TDK (the "Offer Documents") will be available at http://www.global.tdk.com/news_center/press/document.htm. The transaction agreement sets forth TDK's and Micronas' rights and obligations with regard to TDK's public tender offer. A summary of the material terms and conditions of the transaction agreement will be part of TDK's offer prospectus, which is expected to be published on or about December 22, 2015 and which will be available, together with other Offer Documents as required by law at http://www.global.tdk.com/news_center/press/document.htm. The offer period is expected to commence on or about January 12, 2016 and to end on or about February 10, 2016. The transaction is expected to be completed in early March 2016. Subject to settlement and certain transitional arrangements, the members of the Board of Directors of Micronas are expected to tender their resignation.

Forward Looking Information

This media release contains statements that are, or may be deemed to be, forward-looking statements. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "aims", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "plans", "continue" or "should" or similar terminology. These forward-looking statements include matters that are not historical facts or which may not otherwise be provable by reference to past events. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events, and/or depend on circumstances that may or may not occur in the future.

Disclaimer

This press release does not constitute an offer to sell, or a solicitation of an offer to buy, registered shares of Micronas Semiconductor Holding AG, Zurich ("Micronas" and the registered shares of Micronas the "Micronas Shares") or any other securities. Shareholders of Micronas are urged read the offer documents pertaining to the public tender offer (the "Offer") by TDK Corporation or one of its affiliates (TDK), which are available at http://www.global.tdk.com/news_center/press/document.htm.

The Offer will not be made, directly or indirectly, in any country or jurisdiction in which the Offer would be considered unlawful or otherwise violate any applicable laws or regulations, or which would require TDK to change or amend the terms or conditions of the Offer in any manner, to make any additional filing with any governmental or regulatory authority or take any additional action in relation to the Offer. It is not intended to extend the Offer to any such country or jurisdiction. Documents relating to the Offer must neither be distributed in any such country or jurisdiction nor be sent into such country or jurisdiction. Any such documents must not be used for the purpose of soliciting the purchase of any securities of Micronas by any person or entity resident or incorporated in any such country or jurisdiction.

Notice to U.S. Holders

The Offer described in the offer documents will be made for registered shares of Micronas, a Swiss company whose shares are listed on the SIX Swiss Exchange ("SIX"), and is subject to Swiss disclosure and procedural requirements, which are different from those of the United States ("U.S."). The Offer will be made in the U.S. pursuant to Section 14(e) of, and Regulation 14E under, the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), subject to the exemptions provided by Rule 14d-1(d) under the U.S. Exchange Act, and otherwise in accordance with the requirements of Swiss law. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws. U.S. holders of Micronas Shares are encouraged to consult with their own Swiss advisors regarding the Offer.

According to the laws of Switzerland, Micronas Shares tendered into the Offer may generally not be withdrawn after they are tendered except under certain circumstances, in particular in case a competing offer for the Micronas Shares is launched.

In accordance with the laws of Switzerland and subject to applicable regulatory requirements, TDK or their nominees or brokers (acting as agents for TDK) may from time to time after the date hereof, and other than pursuant to the Offer, directly or indirectly purchase, or arrange to purchase, Micronas Shares or any securities that are convertible into, exchangeable for or exercisable for Micronas Shares. These purchases, or arrangements to purchase, may occur either in the open market at prevailing prices or in private transactions at negotiated prices and shall comply with applicable laws and regulations in Switzerland and applicable U.S. securities laws. Any such purchases will not be made at prices higher than the Offer price or on terms more favorable than those offered pursuant to the Offer unless the Offer price is increased accordingly. Any information about such purchases or arrangements to purchase will be publicly disclosed in the U.S. on http://www.global.tdk.com/news_center/press/document.htm to the extent that such information is made public in accordance with the applicable laws and regulations of Switzerland. In addition, the financial advisors to TDK

and Micronas may also engage in ordinary course trading activities in securities of Micronas, which may include purchases or arrangements to purchase such securities.

It may be difficult for U.S. holders to enforce their rights and any claim arising out of U.S. securities laws, since each of TDK and Micronas is located in a non-U.S. jurisdiction, and some or all of their officers and directors may be residents of a non-U.S. jurisdiction. U.S. holders may not be able to sue a non-U.S. company or its officers or directors in a U.S. or non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

The receipt of cash pursuant to the Offer by a U.S. holder of Micronas Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local laws, as well as foreign and other tax laws. Each shareholder of Micronas is urged to consult his or her independent professional advisor immediately regarding the tax consequences of an acceptance of the Offer.

Neither the U.S. Securities and Exchange Commission nor any securities commission of any State of the U.S. has (a) approved or disapproved of the Offer; (b) passed upon the merits or fairness of the Offer; or (c) passed upon the adequacy or accuracy of the disclosure in the offer prospectus that will be published. Any representation to the contrary is a criminal offence in the U.S.

American Depositary Shares and American Depositary Receipts

TDK is aware that there is an "unsponsored" American Depositary Receipt Program concerning Micronas Shares. The Offer is not being made for American Depositary Shares representing Micronas Shares ("ADSs"), nor for American Depositary Receipts evidencing such ADSs ("ADRs"). However, the Offer is being made for the Micronas Shares that are represented by the ADSs. Holders of ADSs and ADRs are encouraged to consult with the depositary regarding the tender of Micronas Shares that are represented by ADSs. TDK is unaware of whether the depositary will make arrangements to tender the underlying Micronas Shares into the Offer on behalf of holders of ADSs or ADRs.

Holders of ADSs may present their ADSs to the depositary for cancellation and (upon compliance with the terms of the deposit agreements relating to the "unsponsored" American Depositary Receipt Program concerning Micronas Shares, including payment of the depositary's fees and any applicable transfer fees, taxes and governmental charges) delivery of Micronas Shares to them, in order to become shareholders of Micronas. The Offer may then be accepted in accordance with its terms for the Micronas Shares delivered to holders of ADSs upon such cancellation. Holders of ADSs should be aware, however, that in order to tender in this manner, they may need to have an account in Switzerland into which the Micronas Shares can be delivered.

United Kingdom

The communication about the Offer described in the offer documents, including this communication, is directed only at persons in the United Kingdom (U.K.) who (i) have professional experience in matters relating to investments, (ii) are persons falling within article 49(2)(a) to (d) («high net worth companies, unincorporated associations, etc.») of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as «relevant persons»). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

Australia and Japan

The Offer is not being addressed to shareholders of Micronas whose place of residence, seat or habitual abode is in Australia or Japan, and such shareholders may not accept the Offer.