

Announcement of Absorption-Type Merger (Simple Merger) of Consolidated Subsidiary

November 29, 2017

TDK Corporation (President and CEO: Shigenao Ishiguro, hereinafter “the Company”) announced that, at its Board of Directors’ meeting held on November 29, 2017, the Company resolved to absorb and merge with TDK Magnetic Field Sensor G.K. (hereinafter the “SPC”), a wholly owned subsidiary of the Company and a special purpose company, as set forth below. Certain disclosures and details have been omitted from this press release because the subject company of the absorption-type merger is a wholly owned subsidiary.

1. Purpose of the merger

As announced in the press release “TDK to Acquire Shares of Micronas Semiconductor Holding AG for Conversion into a Subsidiary” as of December 17, 2015, the Company established the SPC for the purpose of acquiring based on a tender offer and managing shares of Micronas Semiconductor Holding AG.

The Company has recently decided to absorb and merge the SPC from the perspectives of effective use of business resources and streamlining of business operations.

2. Summary of the merger

(1) Schedule of the merger

Board of Director’s resolution: November 29, 2017

SPC members’ general meeting resolution: November 29, 2017

Conclusion of merger agreement: November 29, 2017

Effective date of the merger: April 1, 2018

(Note) The Company will perform this merger without holding a general meeting of shareholders to obtain the approval of the merger agreement, as the merger falls under the “simplified merger” as set forth in Paragraph 2, Article 796 of the Companies Act.

(2) Method of the merger

The contemplated merger is an absorption-type merger wherein the Company will be the surviving company and the SPC will be dissolved.

(3) Details of allocation relating to the merger

There will be no allotment of shares or payment of cash or other financial considerations upon completion of the contemplated merger.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the absorbed company

Not applicable.

3. Outline of the Companies Involved in the merger (as of March 31, 2017)

	Surviving company	Absorbed company
(1) Name	TDK Corporation	TDK Magnetic Field Sensor G.K.
(2) Location	3-9-1 Shibaura, Minato-ku, Tokyo	3-9-1 Shibaura, Minato-ku, Tokyo
(3) Name and title of representative	Shigenao Ishiguro, President and CEO	Representative corporate member: TDK Corporation Person who executes operations: Keisuke Igarashi
(4) Scope of business	Manufacture and sale of electronic components	Controlling and management of foreign companies and any and all other operations incidental thereto
(5) Capital	32,641 million yen	100,000 yen
(6) Date of incorporation	December 7, 1935	December 17, 2015
(7) No. of issued shares	129,590,659 shares	None
(8) Fiscal year-end	March 31	March 31
(9) Principal shareholders and their percentage of holdings	The Master Trust Bank of Japan, Ltd. (Trust Account) 16.38% Japan Trustee Services Bank, Ltd. (Trust Account) 10.21% Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account) 3.12%	TDK Corporation 100%
(10) Operating results and financial conditions for the immediately preceding fiscal year		
Accounting period	Consolidated performance for the fiscal year ended March 2017	Non-consolidated performance for the fiscal year ended March 2017
Net assets	802,118 million yen	25,902 million yen
Total assets	1,664,333 million yen	26,065 million yen
Net assets per common share	6,288.55 yen	-
Net sales	1,178,257 million yen	0 million yen
Operating income	208,660 million yen	(11) million yen
Income before income taxes	211,717 million yen	(156) million yen
Net income attributable to TDK/Net income	145,099 million yen	(150) million yen
Per common share: Net income attributable to TDK	1,150.16 yen	-

4. Status after the merger

There will be no changes in the trade name, location, title and name of representative, scope of business, stated capital or accounting period of the Company upon the completion of the contemplated merger.

5. Outlook

No material impact on the Company's consolidated financial results is anticipated as a result of the completion of the contemplated merger because this will be an absorption-type merger with a wholly-owned subsidiary of the Company.

End.

(Reference) The Company's consolidated financial forecast for the fiscal year ending March 31, 2018, which was announced on October 30, 2017, and its consolidated financial results for the fiscal year ended March 31, 2017

(Unit: million yen)

	Net sales	Operating income	Income before income taxes	Net income attributable to shareholders of the Company
Consolidated financial forecast for the fiscal year ending March 31, 2018	1,250,000	85,000	88,000	60,000
Consolidated financial results for the fiscal year ended March 31, 2017	1,178,257	208,660	211,717	145,099

Contact for media

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