

## **Announcement of Absorption-Type Merger (Simplified Merger) of Consolidated Subsidiary**

March 25, 2020

TDK Corporation (President and CEO: Shigenao Ishiguro, hereinafter “the Company”) announces that it passed a resolution at its Board of Directors’ meeting held on March 25, 2020 to absorb and merge TDK-EPC Corporation (hereinafter “TDK-EPC”), a consolidated subsidiary of the Company, as set forth below. Certain disclosures and details have been omitted in this press release since the company to be merged is a wholly owned subsidiary.

### **1. Purpose of the merger**

In October 2009, the Company split one of its key segments, the passive component business, and founded TDK-EPC. It then acquired EPCOS AG (now TDK Electronics AG), a large electronic component manufacturer in Germany, along with its subsidiaries, and made them subsidiaries of TDK-EPC to achieve organic integration at an early stage. Subsequently, in November 2014, all segments were integrated into the Company through simplified absorption-type company splits. TDK-EPC fulfilled its initial purpose, and the Company has decided to absorb and merge TDK-EPC to make effective use of its management resources and increase its operation efficiency.

### **2. Summary of the merger**

#### **(1) Schedule of the merger**

Resolution of the Company’s Board of Directors: March 25, 2020

Resolution of TDK-EPC’s Board of Directors: March 25, 2020

Conclusion of merger agreement: March 25, 2020

Effective date of the merger: July 1, 2020 (scheduled)

Note: Because, for the Company, this merger falls under a simplified merger as set forth in Paragraph 2 of Article 796 of the Companies Act, the Company plans to implement it without holding a general meeting of shareholders to obtain approval for the merger agreement.

Also because, for TDK-EPC, this merger is a short form merger as set forth in Paragraph 1 of Article 784 of the Companies Act, TDK-EPC plans to implement it without holding a general meeting of shareholders to obtain approval for the merger agreement.

#### **(2) Method of the merger**

The merger is an absorption-type merger wherein the Company will be the surviving company and TDK-EPC 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 the completion of the merger.

- (4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the dissolving company  
Not applicable

### 3. Outline of the companies involved in the merger (as of March 25, 2020)

	Surviving company	Absorbed company
(1) Company name	TDK Corporation	TDK-EPC Corporation
(2) Location	2-5-1 Nihombashi, Chuo-ku, Tokyo	2-5-1 Nihombashi, Chuo-ku, Tokyo
(3) Name and title of representative	Shigenao Ishiguro, President and CEO	Shigeki Sato, President
(4) Scope of business	Manufacture and sale of electronic components	Investment and financing for affiliated companies, and affiliated company management
(5) Capital	32,641 million yen	100 million yen
(6) Date of incorporation	December 7, 1935	October 1, 2009
(7) No. of issued shares	129,590,659 shares	100 shares
(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) 21.56% Japan Trustee Services Bank, Ltd. (Trust Account) 12.47% Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account) 2.67% (as of September 30, 2019)	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 2019	Non-consolidated performance for the fiscal year ended March 2019
Net assets	883,756 million yen	112,802 million yen
Total assets	1,992,480 million yen	189,959 million yen
Net assets per common share	6,946.70 yen	1,899 million yen
Net sales/Operating revenue	1,381,806 million yen	*10,162 million yen
Operating income	107,823 million yen	10,152 million yen
Income before income taxes	115,554 million yen	9,853 million yen
Net income attributable to TDK/Net income	82,205 million yen	9,670 million yen
Net income attributable to TDK per share /Net income per share	651.02 yen	96 million yen

\* Operating revenue is described as an item equivalent to Net sales.

## 4. Status after the merger

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

## 5. Outlook

The merger is an absorption-type merger of a wholly owned subsidiary of the Company, which is not expected to have any material impact on the Company's consolidated financial results.

(Reference) The Company's consolidated financial forecast for the fiscal year ending March 31, 2020, which was announced on March 25, 2020, and its consolidated financial results for the fiscal year ended March 31, 2019

(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, 2020	1,360,000	95,000	93,000	58,000
Consolidated financial results for the fiscal year ended March 31, 2019	1,381,806	107,823	115,554	82,205

## Contact for media

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