



ENTER THE WORLD OF NANO AND MICROSYSTEMS

HALF-YEAR RESULTS AS OF SEPTEMBER 30, 2018

Grenoble, France and Dallas, TX, USA – December 13, 2018 – Tronics, a TDK Group Company that manufactures custom MEMS products and standard inertial sensors, has announced its results for the period from April 1 to September 30, 2018, the first half of fiscal year 2019 ending on March 31, 2019. The half-year financial report has also been made publicly available today.

Tronics' Management Board met on December 13, 2018 and approved the accounts of the first half of fiscal year 2019, which were presented to the Supervisory Board on the same day.

CONSOLIDATED RESULTS FOR THE FIRST HALF OF FISCAL 2019

in €k (IFRS) – unaudited	First half of fiscal year 2019 From April 1 to September 30, 2018 (6 months)	First half of calendar year 2017 From January 1 to June 30, 2017 (6 months)
Revenue	3,064	2,904 ¹
Current operating income	(4,820)	(3,501)
Financial result	(155)	(103)
Group share of net income	(4,787)	(3,512)

As the activity of the Group is not subject to seasonal effects, the comparison with the published results as of the first half of the previous period (from January 1 to June 30, 2017) remains relevant.

Revenue for the first half of fiscal 2019, which totaled €3.1M, marks an increase of 5.5% versus the first half of the published period (from January 1 to June 30 2017), and +11% compared to the same period of the previous fiscal year (April 1 to September 30, 2017). This business momentum was sustained by a strong growth in France and by the manufacturing activities, especially for the optical components at Crolles, and by the production ramp-up of the high performance inertial products.

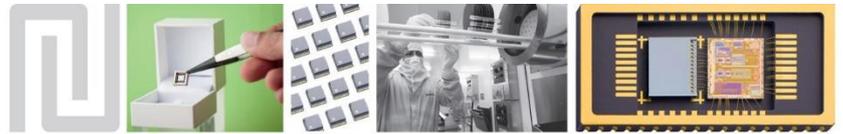
Over the first half of the fiscal year 2019, the operating costs have increased significantly, mainly due to the efforts to complete the move to the new US manufacturing site in Dallas, Texas (+€1M compared to the first half of the published period), the fact that the new production unit was not operational in the first quarter of calendar 2017, and the associated staff increase. The structural expenses of the Crolles site decreased by €0.2M over the period under review.

In parallel, Tronics maintained its R&D investment level, which amounted to €0.6M for the first half of the fiscal year 2019. The teams have continued their work regarding the programs aimed at developing the new generations of products.

The current operating income during the first half of the fiscal year 2019 therefore accounts for minus €4.8M (there were no non-current elements in the period under review), and the Group share of the consolidated net income was minus €4.8M.

¹ €2,904k versus a revenue of €2,956k published on November 29, 2018. The difference corresponds to intra-group billing between the sites of Crolles and Dallas.





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BALANCE-SHEET STRUCTURE

As of September 30, 2018, the equity of Tronics stood at minus €5.1M, including the losses generated by the Group during the last half-year.

The gross debt of Tronics during the first half of the fiscal year 2019 (€18.8M) is mainly due to the loans contracted with its parent company, TDK Electronics AG (formerly EPCOS AG), in order to finance the investments for the Dallas site. Over the first half of fiscal year 2019 only, Tronics benefited from loans by TDK Electronics AG for a total of USD 6.7M, or €5.8M.

The cash on hand amounts to €2.0M (versus €2.5M as of March 31, 2018), mainly reflecting the investments made for the internal financing of the Group and the deployment of the new site in Dallas.

OUTLOOK

For the second half of the fiscal year 2019, the manufacturing activities of Tronics should mark a new increase, sustained by the momentum confirmed in Crolles over the last periods.

The transfer to the new production facility in Dallas is now completed, and the activities have restarted with the investment support from the TDK Group. However, this subsidiary expects a significant impact on its production ramp-up, due to a start-up customer with high expectations that is now facing difficulties in financing its future development, and the uncertainties related to the diagnostic chips foundry market.

About Tronics Microsystems

Tronics Microsystems is a division of TDK's Temperature & Pressure Sensors Business Group that manufactures custom MEMS products and standard inertial sensors. Addressing high-growth markets relying on increasing miniaturization of electronic devices, the company provides custom and standard products especially to the industrial, aeronautics, security, and medical markets. Founded in 1997, Tronics is located in Crolles, near Grenoble (France) and in Dallas, Texas (United States), and has around 100 employees, most of them engineers and scientists. Following a tender offer ending January 2017, TDK Electronics AG (formerly EPCOS AG) now holds 74 percent of Tronics' shares.

* ISIN code: FR0004175099 ALTRO

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 comprehensive portfolio features passive components, such as ceramic, aluminum electrolytic and film capacitors, as well as magnetics, high-frequency, and piezo and protection devices. The product spectrum also includes sensors and sensor systems such as temperature and pressure, magnetic, and MEMS sensors. In addition, TDK provides power supplies and energy devices, magnetic heads and more. These products are marketed under the product brands TDK, EPCOS, InvenSense, Micronas, Tronics and TDK-Lambda. TDK focuses on demanding markets in the areas of information and communication technology and automotive, industrial and consumer 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 2018, TDK posted total sales of USD 12 billion and employed about 103,000 people worldwide.



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