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## ANNUAL RESULTS AS OF MARCH 31, 2018

**Grenoble, France and Dallas, TX, USA – June 13, 2018** Tronics, a TDK Group Company that designs and manufactures innovative nano and microsystems, has announced its results as of March 31, 2018, over an exceptional extended period from January 1, 2017, to March 31, 2018 (15 months)<sup>1</sup>.

Tronics' Management Board met on June 13, 2018 and approved the accounts as of March 31, 2018, which were presented to the Supervisory Board on the same day.

In parallel, Tronics presents its annual results over its new fiscal period, from April 1, 2017, to March 31, 2018 (12 months). As the Group's activity is not subject to any seasonal effects, the comparison with the results from the past fiscal year (from January 1 to December 31, 2016) remains relevant.

### CONSOLIDATED ANNUAL RESULTS

in €k (IFRS)	December 2016 published	March 2018 published	March 2018 pro forma
	From January 1 to December 31, 2016 12 months	From January 1, 2017, to March 31, 2018 15 months	From April 1, 2017, to March 31, 2018 12 months
Revenue	6,296	6,819 <sup>2</sup>	5,366
Current operating income	(4,844)	(10,956)	(9,110)
Operating income	(5,521)	(10,956)	(9,110)
Group share of net income	(5,441)	(10,910)	(9,124)

Audit procedures were performed. The issuance of the audit report is in process.

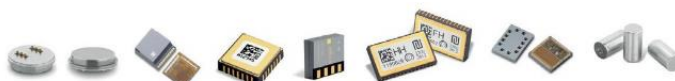
### 12 months pro forma consolidated results

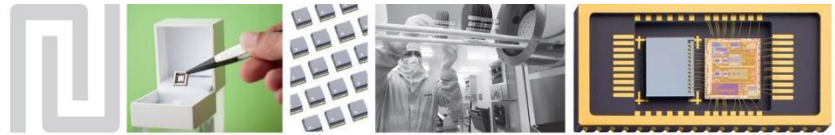
12 months pro forma consolidated revenue as of March 31, 2018 totalled €5,366k, a decrease of 15% compared to the previous year. The transfer of the activities at Dallas to a new production facility was a burden on the company's revenue. This punctual slowdown of the activities in the United States has been compensated by a sustained growth in Crolles, France, in both manufacturing and engineering.

The manufacturing activities realized a revenue of €2,589k (versus €2,373k in 2016), sustained by the growth of the activity related to optical components and by the success of the standard high-performance inertial products with 3 design wins. Engineering activities generated revenue of €2,777k (versus €3,923k in 2016) and were impacted by the transfer to the new facility in Dallas.

<sup>1</sup> The General Assembly meeting on May 24, 2017, approved the modification of the closing date of Tronics' fiscal year to the March 31 of each year (versus December 31 as of today), in order to bring it into line with that of TDK Corporation and EPCOS AG. Consequently, the fiscal year that began on January 1, 2017, will have an exceptional duration of 15 months and will close on March 31, 2018.

<sup>2</sup> The estimated revenue published in April 2018 was €6,795k. The difference is a result of the average EUR/USD exchange rate taken into account.





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Over the fiscal year, the operating costs, as announced, have strongly increased as a result of the deployment of the new production site in the United States and the associated staff increase. The Group also maintained a high investment level regarding the R&D programs in Crolles, aiming to prepare the launch of new standard and custom products.

Consequently, the 12 months pro forma consolidated operating income as of the end of March 2018 was minus €9,110k, and the Group share of net income was minus €9,124k.

**15 months consolidated results**

Over the period of January 1, 2017, to March 31, 2018 (15 months), the consolidated revenue came to €6,819k (versus €6,296k over the period from January 1 to December 31, 2016), for an operating income of minus €10,956k. The Group share of net income over the fiscal year (15 months) was minus €10,910k.

**BALANCE-SHEET STRUCTURE**

As of March 31, 2018, the equity of Tronics stood at €181k, including the important losses generated by the Group on the two production units during the fiscal year.

The gross debt (mainly related to the debt towards its parent company to finance the investments on the American site) reached €12,996k for an available cash of €2,476k, mainly reflecting the investments for the internal financing of the Group and the deployment of the new site at Dallas.

As a subsidiary of EPCOS, Tronics has the support of the TDK Group with its solid financial basis.

**OUTLOOK**

For the new period, which is now in progress, Tronics is aiming to continue its momentum in growth initiated in Crolles and to return to growth in the United States. In order to accomplish this, the Group will rely on its new MEMS production unit in Dallas to address the needs of the BioMEMS market in North America. One year after the opening of the facility, the installation of the equipment and the requalification of the processes are nearly finalized.

Tronics will be rapidly able to use the full production capacity of this new facility to provide custom MEMS services for medical applications (diagnostic chips, microfluidics, lab-on-chips) and industrial applications (chemical sensors, infrared sensors and optical networks).

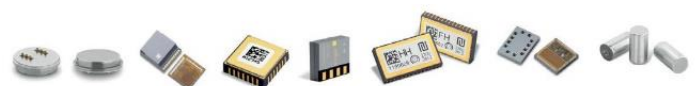
Tronics is an innovative competence center within TDK's MEMS Sensors Business Group. This positioning enables the company to benefit from the new global distribution agreements recently signed for its high performance standard inertial products and to generate technological and commercial synergies for international customers in the MEMS field.

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**About Tronics Microsystems**

Tronics Microsystems is a division of TDK's Temperature & Pressure Sensors Business Group and a recognized technological leader in the sector of nano- and microsystems. 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, EPCOS AG, a TDK Group Company, now holds 74 percent of Tronics' shares.

\* ISIN code: FR0004175099 ALTRO





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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 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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